VON DER HEYDEN
FINANCE

Reference: VDHGF 99 – 2025

COMPANY ANNOUNCEMENT

The following is a Company Announcement by Von der Heyden Group Finance p.l.c. [C 77266] (the 'Company') of 14 East, Level 8, Sliema Road, Gzira, GZR 1639, Malta pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

QUOTE

It is being announced that the Financial Analysis Summary 2025 of the Company dated today, 30 June 2025, has been approved for publication and is available herewith. It is also available for viewing on the Company's website at: https://vonderheydengroup.com/investor-relations/

UNQUOTE

BY ORDER OF THE BOARD

Dr Nicholas Formosa
Company Secretary

30 June 2025

Level 8, 14 East, Sliema Road, Gzira GZR 1639, Malta
Tel.: +356 27792200
Company Registration No.: C 77266
www.vdhgroup.com

Calamatta Cuschieri

The Board of Directors
Von der Heyden Group Finance p.l.c.
14 East, Level 8
Gzira GZR 1639
Malta

30 June 2025

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 2022, 2023, and 2024 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 2025 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

Von der Heyden Group

FINANCIAL ANALYSIS SUMMARY

Von Der Heyden Group Finance p.l.c.

30 June 2025

Calamatta Cuschieri

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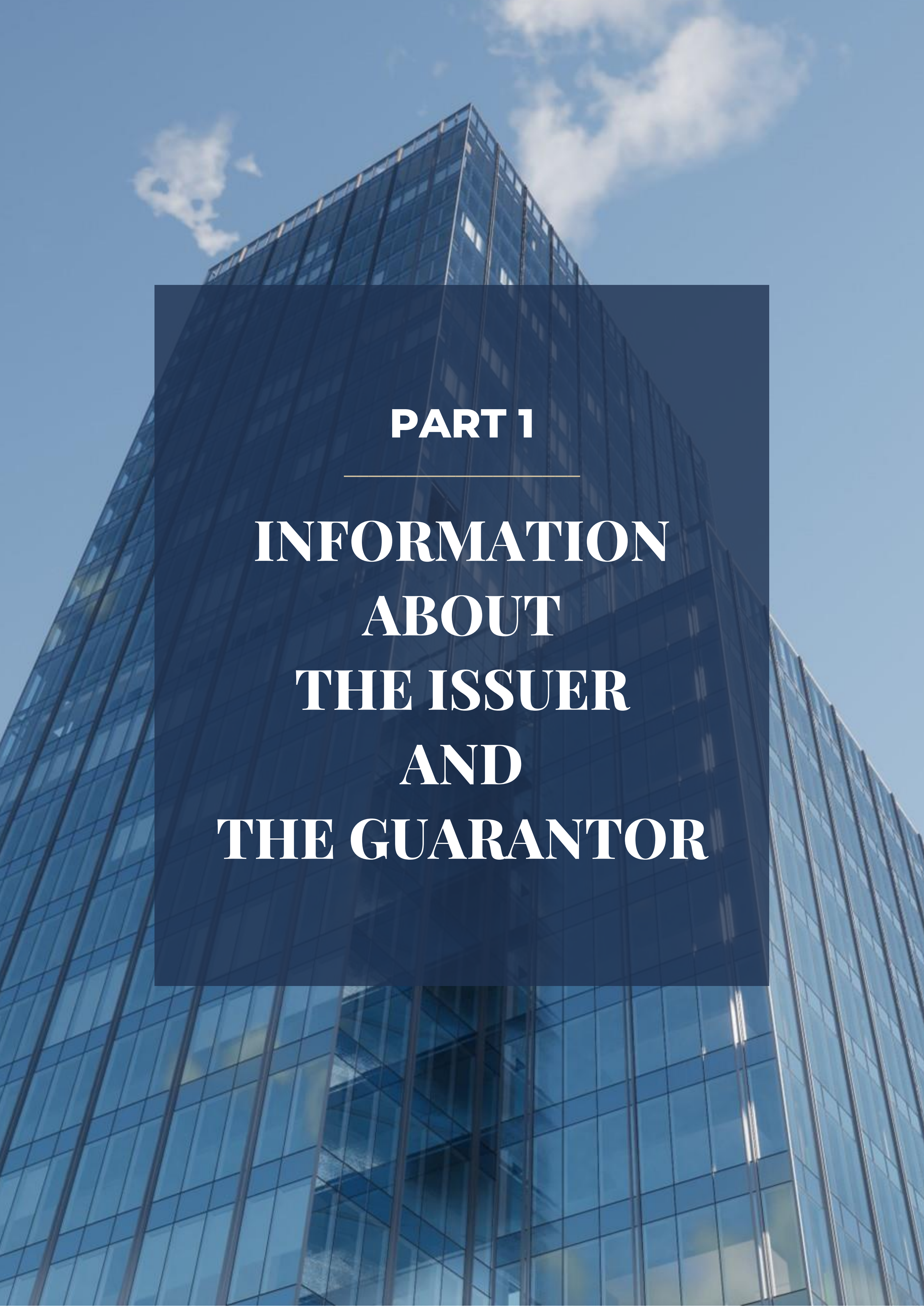


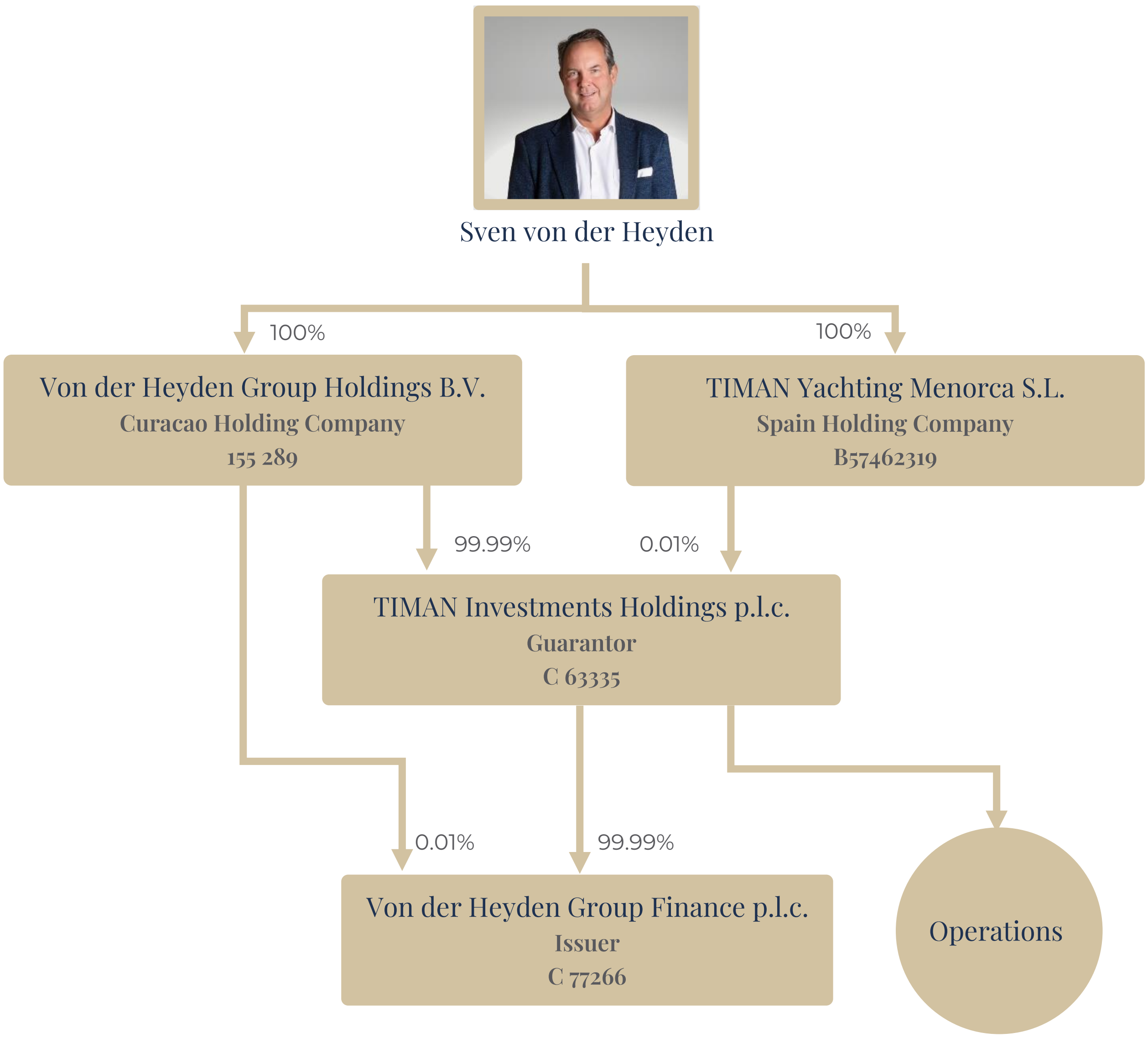
PART 1

INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

1.1

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 Germany, 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 TIMAN Yachting Menorca S.L. holding 1 Ordinary A share. The Guarantor recently changed its company registration type to public limited liability company from private limited liability company.

In terms of its Memorandum and Articles of Association, the Guarantor is controlled by Von der Heyden Group Holdings BV which is 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 31 December 2024, the Group has 37 subsidiary entities and four associated entities registered in Germany, Poland, Ukraine, Spain, Portugal, Italy, Malta, and the Netherlands. Amongst others, the Group's associates include IBB Hammetts Operations Ltd (50% interest) which operates three restaurants in Malta, and Urbelia Business S.L. (50% interest) which is the holding company of five petrol station operating entities in Spain.

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-story, A-class office tower set for completion by Q4 2026 in Poznań's financial district, Poland. This 40,000 sqm development, featuring three underground parking levels, is projected to have an exit value exceeding €140 million 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.

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 a number of 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 also has a 50% venture in the IBB Hammetts Operations Limited which operates several restaurants in Malta.

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 travel agency business in Spain, and a portfolio of capital market assets.

1.2

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, two of whom 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 Joseph M Muscat
Non-executive director	Mr Jozef B Borowski
Independent, Non-executive director	Dr Karen Coppini

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 FY24 was 169 (FY23: 173).

1.3

MAJOR ASSETS OF THE GROUP

The following table provides a list of the principal assets and operations owned by the respective Group companies:

OWNING COMPANY	BUSINESS ACTIVITY	PRINCIPAL ASSETS OR OPERATIONS	STATE & COUNTRY	EFFECTIVE OWNERSHIP %
Andersia Property Sp. z o.o	Real Estate Investment	Holding company (100% in Andersia Retail Sp. z o.o.)	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
Dlugi Targ Sp. z o.o.	Real Estate Investment	Owner of IBB Hotel Dlugi Targ	Lublin, Poland	50
Dlugi Targ Hotel Management Sp. z o.o.	Accommodation and Catering	Operator of IBB Hotel Dlugi Targ (4*)	Lublin, Poland	50
Donaupassage Hotel Betriebs GmbH	Accommodation and Catering	Former Operator of IBB Hotel Passau (3*) - *ceased in October 2024*	Passau, Germany	100
IBB Blue Hotel Betriebs GmbH	Accommodation and Catering	Former Operator of IBB Blue Hotel Berlin-Airport (3*) & IBB Hotel Paderborn (3*) – *both ceased in 2024.*	Passau, Germany	100
IBB Espana 2004 S.L.	Accommodation and Catering	Former operator of Hammett's Mestizo Menorca	Menorca, Spain	100
IBB Hammetts Operations Limited	Accommodation and Catering	Operator of Hammett's Gastro Bar, Hammett's Mestizo, and Hammett's Monastik	Gzira, Malta	50
IBB Hotel Management Europe Ltd	Accommodation and Catering	The hotel management company for all the IBB Hotels	Gzira, Malta	100
IBB Hotels Deutschland Betriebs GmbH	Accommodation and Catering	Operator of IBB Hotel Ingelheim (4*). Also the former operator of IBB Hotel Altmühltal Eichstätt (4*) - *ceased in February 2025*	Passau, Germany	100
KASA Investments GmbH	Real Estate Investment	Owner of 982 sqm residential building	Various, Germany	50
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

OWNING COMPANY	BUSINESS ACTIVITY	PRINCIPAL ASSETS OR OPERATIONS	STATE & COUNTRY	EFFECTIVE OWNER-SHIP %
Nowy Swiat 5 Sp. z o.o.	Real Estate Investment	Owner of 1,241sqm plot within the centre of Warsaw	Warsaw, Poland	100
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 Arcose 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
Viajes Menorca S.L.	Private Equity & Other	Travel tours and agency	Menorca, Spain	89
Villa Diodati S.R.L.	Accommodation and Catering	Owner of 2,000 sqm land and villa under restoration	Lucca, Italy	100
Von der Heyden Yachting Limited	Private Equity & Other	Yacht charter and sales brokerage	Gzira, Malta	100
Von der Heyden & Partners Sp. z o.o.	Real Estate Investment	Owner of several plots of land totalling 4,150 sqm	Warsaw, Poland	100
Von der Heyden Development Sp. z o.o.	Real Estate Development	Development company	Warsaw, Poland	100

Real Estate Developments and Investments

AND² TOWER, POLAND

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

Throughout the past year, 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 is actively engaged in mechanical and engineering works and fit-out activities, with the aim of welcoming tenants by Q4 2026.

The bank financing for the AND² is nearly concluded. After securing a €55 million senior lending facility in 2022, the subsequent changes in the composition of the lending consortium, including the introduction of a major bank thereto, and the issuance of a €17 million mezzanine loan facility prompted an extended multi-party re-negotiation. This process is now concluded and the loan agreement has been signed on 25 June 2025. The bank financing addresses the settlement of the project finance provided by the turnkey contractor to date amounting to €28.2 million and providing the necessary financing to bring the project to a revised completion date of Q4 2026.

Upon the completion of the AND² Tower, the Group will have the opportunity to leverage the remaining adjacent plot of land within the Anders Square for future development projects, further solidifying its presence and contribution to the Poznan real estate landscape.

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. Despite unforeseen foundation work and contractor-related setbacks that have pushed the expected completion to Q2 2026, the project is advancing well. 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, in order 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 recent milestone was achieved when the local court, in its preliminary ruling, granted a right of way easement to the Group for this plot, which is bordered by third-party properties. This easement represents the initial stage in making the development project feasible. The company has now settled with the City of Warsaw the value of the easement which should lead to being granted a definite easement and right of way.

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.

LAND PLOTS IN WEGORZEWO, POLAND

The Group, through the subsidiary Von der Heyden & Partners Sp. z o.o., currently holds the last 6 remaining land plots in the town of Wegorzewo, a side district in Northern Poland, with a combined size of approximately 4,150 sqm. The Group is offering to sell the plots to individual buyers through a local real estate agent.

HOTEL PROPERTIES IN POLAND

The Group presently holds two hotel properties in its real estate investments portfolio. The first hotel is the 4-Star IBB Hotel Długi Targ, located in the heart of Gdansk Old Town, Poland. This property consists of three historical semi-detached city houses that have been converted into a 4-star hotel and, as of FY24, the property is valued at €16.7 million. The second property is 4-Star IBB Grand Hotel Lublinianka, in the centre of the city of Lublin, Poland which is valued at €9.3 million as of end of FY24.

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 available for sale. It has a carrying value of €3 million as of end of FY24. As of the publication of this Analysis, negotiations are underway to rent the entire property to an established local restaurant operator.

COMMERCIAL PROPERTY IN SARDINIA, ITALY

The Group owns a commercial property in the vibrant centre of Olbia in Sardinia, Italy which was acquired in 2022. The property boasts a prime location and offers potential for multiple revenue streams. The first floor of the property holds a restaurant licence, complete with a terrace, which will provide a unique setting for patrons upon renovation. The property is currently available for outright sale and had a carrying value of €0.8 million as of end of FY24.

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 customers are expected by the end of 2025.

KASA INVESTMENTS

The Group holds a 49.58% shareholding in KASA Investments GmbH which held various residential real estate assets in Germany over the past 25 years. Over recent years it sold various properties and with the last one in Q1 2025 using the positive momentum in the German real estate market to downsize the portfolio.

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 finalised its strategic withdrawal from the 3-star hotel market. This involved the early termination of the Paderborn hotel lease and the decision of not extending the lease for a 3-star hotel in Passau, Germany, both occurring in 2024. These actions followed the early termination of the Berlin property lease in 2023. Furthermore, in the first quarter of 2025, the Group concluded an early lease termination for its hotel in Eichstätt, Germany after discussions with the property owners.

Following this exit, the Group is concentrating on adding new properties aligned with its strategy to develop a portfolio of 4-star and higher-rated 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 five properties. Two of these, the IBB Grand Hotel Lublin and IBB Hotel Gdansk, are directly owned by the Group. The remaining three hotels—IBB Hotel Ingelheim, 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. The property owner is fully funding the ongoing renovation works, while the Group is currently engaged in providing pre-opening consultancy, including design and project management. The hotel is expected to open to guests later in the current year (2025) subject to the formal turnover to the Group upon completion of works by the owner.

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.

Following extensive evaluation of potential assets in Tuscany, Spain, the Caribbean, and neighbouring areas, management has shifted its focus towards operational boutique hotels, preferring these over properties needing extensive reconfiguration and restructuring. This refined strategy offers several advantages: acquiring active operations facilitates more effective planning for renovations and upgrades to align with Cugó Gran's luxury standards. Such upgrades can be implemented while the hotel continues to generate revenue, thereby minimising operational downtime, particularly if works are phased during off-peak seasons to reduce disruption.

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.

IBB HOTEL GDAŃSK (POLAND)

IBB Hotel Gdańsk is a 4-star hotel spanning over three historical semi-detached city houses boasting a collection of 89 well-appointed rooms. The hotel welcomed its first guests in April 2018. The property has a prime retail space on the ground floor of approximately 1,000 sqm which has been rented out to a casino operator. The property is partly owned by the Group through Dlugi Targ Hotel Sp. z o.o., where the Group has 50% interest but has control, and operated by Dlugi Targ Hotel Management Sp. z o.o., a subsidiary of IBB Hotel Collection Holdings Limited.

IBB HOTEL INGELHEIM (GERMANY)

IBB Hotel Ingelheim is a 4-star hotel that offers 103 double rooms and 6 studios. Additional facilities include a boardroom hosting up to 12 guests, a breakfast restaurant, a bar, and a coffee shop. The hotel is located in the downtown city centre of Ingelheim called Neue Mitte, 300m from the train station and 3km from a motorway exit (A60).

IBB Hotel Ingelheim is highly dependent on the business travel generated by Boehringer Ingelheim, a multinational pharmaceutical company and major employer in the city that generates a lot of business travel.

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, is expected to acquire and assume the remaining 80-year emphyteutical grant over the hotel property.

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. It is currently undergoing renovation, and the owner is handling the renovation while the Group provides pre-operating management and design services. The hotel is anticipated to open its doors later this year 2025.

FOOD AND BEVERAGE OPERATIONS

The Group, through its subsidiary IBB Hotel Collection Holding S.L., is a joint venture shareholder of IBB Hammetts Operations Limited, the operator of several restaurants under the Hammett's Brand. The joint venture currently operates three restaurants in Malta: the Hammett´s Gastro Bar in Sliema, the Hammett´s Monastik in Sliema, and the Hammett's Mestizo in St Julians.

Despite the continuing challenging trading climate and the saturated restaurant market in Malta, there are encouraging signs of improvement in key performance indicators. While the Group expects the venture to continue improving its performance, its contribution to the Group's financial performance is accounted for using the equity method of accounting. In previous years, the Group had an unrecognised share in losses from the associated company, and these losses must be fully reversed before the Group can recognise its share in the associate's profits.

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. 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. As of the date of this Analysis, under the trading name Urban Oil now successfully operates 5 operating fuel stations that include car wash stations, which are open 24 hours a day and 7 days a week. The first station was Urbelia Bailén, which opened in 2018; Urbelia Ciudad Real opened in 2019; Urbelia Jumilla opened in 2023; Urbelia Torredelcampo opened in 2024; and Urbelia Arcos de la Frontera opened in April 2025.

Urbelia is also building the 6th petrol station which will be fully operational in the next couple of months whilst close to securing the 7th station. The Group intends to grow the portfolio to 20 fuel stations by 2027.

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 established itself in the market for exclusive charters and sales, offering both RIVA Yachts and third-party yachts.

The yacht chartering activity is under evaluation. Now in its fifth 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.

1.4

OPERATIONAL DEVELOPMENTS

Key Developments and Strategy

The Group's results for 2024 were notably impacted by several challenges, including construction delays in the AND² Tower in Poznan and the Villa Diodati project in Tuscany. Additionally, the restructuring program of the Hotels segment led to the complete exit from the three-star hotel operations aligning with the Group's strategy to focus on the four-star plus and the luxury segment.

The AND² Tower, a 40,000m² A-class office building, reached shell and core completion, but faced financing delays. Having secured a €55 million senior lending and a €17 million mezzanine facilities, the project faced delays due to financing renegotiations. Revised financing arrangements and negotiations have now been concluded, and the loan agreement has been signed on 25 June 2025. The mechanical and engineering works are expected to recommence as soon as the final agreements are signed and with these works expected to be completed by Q3 2026. The property retains a projected exit value exceeding €140 million.

Villa Diodati has been placed on the market with some works still underway. Due to unplanned interventions in the foundations, roof replacement and delays caused by the main contractor the project slowed down in the second half of 2024. The Group is pursuing a claim with the main contractor for delays and damages of around €1.0 million, while the contractor has raised a counter claim for the withheld outstanding payments on works carried out. Also, the 33-apartment residential project in Algarve, Portugal in which the Group has a 25% interest is nearing its completion, and the residential units should be completely sold off by the end of the year.

In 2024, the Group completed the exit from the three-star hotel segment and is now focusing on four-star plus and luxury hotels. This transition included exiting hotel leases in Berlin, Paderborn, and Passau Sud, which impacted revenue for the year but aligned with the Group's longer-term strategy for operating properties with the potential for higher returns. Despite lower overall revenues, the Group's cost control measures and the exit from high-cost properties helped maintain the relatively stable operations. In addition, the Group is considering an offer for the potential transfer of a hotel operation to another operator. If concluded, this transaction is expected to benefit the Group from at least €1 million settlement pay-out. If the agreement is reached and the hotel operations is handed over before the year-end, this will also have an impact on the revenues that would be generated and the related costs. Further, a corresponding gain of another €1 million is expected on the derecognition of the lease liability and right-of-use asset upon conclusion of the exit. In terms of growth, the Group is looking forward to the opening of the Cugó Gran Vittoriosa, an 18-room top luxury hotel property on the Birgu waterfront. The Group is further pursuing new opportunities in Italy and Spain to expand the Hotel portfolio within the categories of focus.

The Group's investment in associates includes Urbelia Business S.L. a low-cost fuel station operator that is growing its fuel stations network in Spain under the Urban Oil brand. The operations experienced positive results, registering an increase in profitability, as well as securing of new sites for further expansion. The Group’s strategy is to scale up its portfolio to around 15 stations in the coming three years. The strategy of the Group also includes electric charging points in readiness for the green transport evolution underway.

Business Overview

The Group results for 2024 were impacted by some project delays and strategic restructuring, as reflected in the EBITDA for the year closing at €1.4m, a decrease from the previous year (FY23: €4.6m). The Group's positive EBITDA was supported by cost savings and a focus on higher-margin operations in the hospitality segment after exiting the three-star hotel category, and by continued investment within the real estate development segment, particularly the AND² Tower in the city of Poznań, Poland and the restoration and renovation project of a 16th-century Villa Diodati in Lucca, Italy, which contributed fair value gains despite the delays. Also, the successful sale of a block of credits related to an operating hotel in Tuscany contributed to the improved results and liquidity needs of the Group.

Despite the reduction in finance costs, the loss for the year before tax increased slightly by €0.1m to €3.1m (FY23: €3.0m), primarily due to the decline in fair value gains and operating profits stemming from project delays and hospitality portfolio restructuring. The Group's interest and other related expenses decreased by €1.5m to €2.8m (FY23: €4.3m), mainly due to interest on the €35 million 5% 10-year Unsecured Bond (the "second bond") being capitalised as borrowing costs on the Group's ongoing development projects after refinancing the previous €25 million 4.4% Unsecured Bond (the "first bond") that matured in 2024, providing further funding for the AND² project and other Group projects.

As of 31 December 2024, the Group's total assets decreased by €1.7m to €154.2m (FY23: €155.9m) mostly due to the removal of right-of-use assets following the Group's exit from two leased hotel properties and the decrease in cash and cash equivalents deployed in support of the Group's investment program, partially offset by valuation gains stemming from ongoing investment in the AND² Tower and Villa Diodati development projects.

Outlook for 2025

The Group's strategy is focused on expediting the completion and maximising the value of ongoing real estate projects. Additionally, the Group aims to expand its hotel operations and further develop the low-cost fuel stations network in Spain.

Villa Diodati that is now nearing the sale-completion stage, having been restored and converted into a luxury villa suited for a distinct customer segment that wants to have a dream home on the hills of Tuscany – a region of timeless charm. The Villa is now on the market targeting distinguished clientele. The Group expects to well advance the sale of the property within the next 12 months.

The AND² Tower in the city of Poznan now stands fully constructed to the 26th floor with the shell and core construction and façade works completed. The conclusion of financing arrangements is expected to provide for the commencement of the final phase of works are expected to be completed by Q4 2026.

The 33 apartments at the Atrium Liberdade project in Algarve, Portugal are expected to be fully completed and sold by the end of this year.

In the accommodation and catering segment, towards the end of 2025, the Group expects the opening of Cugó Gran Vittoriosa towards the end of 2025, an ultra-luxury boutique hotel in Birgu, Malta. The Group is also pursuing a number of leads in Italy and Spain to meet its ambition of further expanding the Hotel portfolio in the coming years.

PART 2

HISTORICAL PERFORMANCE AND FORECASTS

Introduction

In 2022, the Group concluded the issuance of €35 million 5% unsecured bond, maturing in 2032 on the Malta Stock Exchange. As part of the second issue, the Issuer early redeemed its first €25 million 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 audited financial statements for the three years ended 31 December 2022, 2023, and 2024 and the forecast for 2025 are presented in sections 2.1 to 2.3 of the Analysis. The forecast is based on management's projections.

The Group's historical financial information for the three years ended 31 December 2022, 2023, and 2024 and the forecast for 2025 are presented in sections 2.4 to 2.6 of the Analysis. The forecast is 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.

Other than the potential issues arising from the protracted conflicts in Ukraine and in the Middle East and the related geopolitical and economic fall-out therefrom that could continue to impact the Group's hotel and real estate development operations, the Group does not anticipate any trends, uncertainties, demands, commitments, or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the respective operating companies and that of the Group, at least up to the end of the of 31 December 2025.

2.1

ISSUER'S INCOME STATEMENT

The following table presents the Issuer's income statement for the years ending 31 December 2022, 2023, and 2024, alongside the forecasted income statement for the year ending 31 December 2025.

	FY22	FY23	FY24	FY25F
	€000	€000	€000	€000
Finance income	1,671	2,316	2,632	2,641
Finance costs	(1,165)	(1,926)	(2,243)	(2,237)
Net finance income	**506**	**390**	**389**	**404**
Administrative expenses	(229)	(266)	(335)	(346)
Loss on extinguishment of financial liability	(293)	-	-	-
Profit/(Loss) before tax	**(16)**	**124**	**54**	**58**
Income tax (charge)/credit	(10)	38	27	-
Profit/(Loss) for the year	**(26)**	**162**	**81**	**58**

RATIOS

Net Finance Income Margin	30.3%	16.8%	14.8%	15.3%
Net Margin	-1.6%	7.0%	3.1%	2.2%

Finance income in FY24 increased to €2.6m from €2.3m in FY23. This is mainly due to the interest income earned on the loans to the parent company and a group undertaking drawn in September 2023 which have generated a full year of interest in FY24. Finance costs in FY24 increased to €2.2m from €1.9m in FY23 mainly on account of the interest incurred on the €5 Million Private Notes issued in September 2023 linked to the Villa Diodati project in Tuscany, where full year interest was incurred in FY24. Consequently, net finance income in FY24 of €389k is constant year on year (FY23: €390k).

The profit before tax in FY24 amounted to €54k, a decrease from FY23's €124k, primarily on account of the higher management fees and rent expense which contributed to administrative expenses increasing to €335k from €266k in FY23. The profit after tax in FY24 amounted to €81k compared to €162k in FY23 as the Issuer has availed itself of Group tax relief and the absorption of unutilised tax losses brought forward, resulting in income tax credits of €27k and €38k in FY24 and FY23 respectively.

FORECAST

The results for FY25 are expected to be at a similar level as that of FY24 given that no new debt securities are anticipated to be issued in the year and no additional drawdowns from the Issuer by the parent company are expected in the year. Administrative expenses are forecasted to increase marginally by about €11k or about 3% from FY24 on account of increasing costs due to inflation. Income tax charge/credit for FY25 is nil given that no provision of tax payable has been raised due to the availability of tax credits from tax losses carry forward as well as the scope for Group loss relief that can be availed of from group companies.

2.2

ISSUER'S FINANCIAL POSITION

The following table presents the Issuer's statement of financial position as at 31 December for the years 2022, 2023, and 2024, alongside the forecasted financial position as at 31 December 2025.

	FY22	FY23	FY24	FY25F
	€000	€000	€000	€000
ASSETS				
Non-current assets				
Loans receivable	27,844	36,747	36,997	36,997
Current assets				
Loans and other receivables	5,237	3,351	3,381	3,610
Cash and cash equivalents	2,126	175	188	116
Total current assets	**7,363**	**3,526**	**3,569**	**3,726**
TOTAL ASSETS	**35,207**	**40,273**	**40,566**	**40,723**
EQUITY AND LIABILITIES				
Equity				
Share capital	250	250	250	250
Retained earnings	152	314	395	452
Total equity	**402**	**564**	**645**	**702**
Non-current liabilities				
Debt securities in issue	34,380	39,292	39,405	39,522
Current liabilities				
Debt securities in issue	198	232	233	231
Trade and other payables	162	158	283	268
Income tax payable	65	27	-	-
Total current liabilities	**425**	**417**	**516**	**499**
Total liabilities	**34,805**	**39,709**	**39,921**	**40,021**
TOTAL EQUITY AND LIABILITIES	**35,207**	**40,273**	**40,566**	**40,723**

During the year, the Issuer's total assets increased to €40.6m in FY24 from €40.3m in FY23.

Non-current assets, primarily loans receivable, increased by €249k from €36.7m in FY23 to €37m in FY24 reflecting the additional loan of €170k provided to the parent company and the assignment of €79k accrued interest receivable from a related company to the parent company.

Total Liabilities also increased to €39.9m in FY24 from €39.7m in FY23 driven by the €113k increase in non-current debt securities in issue resulting from the amortisation of bond issue costs and €99k increase in current liabilities, mainly trade and other payables.

Total equity increased to €645k from €564k in FY23 reflecting the €81k profit in FY24.

FORECAST

At the end of FY25, total assets are expected to increase to €40.7m, i.e. €0.1m increase from FY24's €40.6m mainly on account of the net movement in Loans and other receivable within current assets where the Issuer expects to collect only €2.4m of the €2.6m interest for the year. The projected inflow, together with the utilisation of €72k available cash balance at the beginning of the year is projected to be sufficient to cover the debt servicing obligations, as well as the current year's administrative costs arising in the year.

Non-current debt securities in issue are expected to amount to €39.5m by end of FY25 representing the nominal values of the outstanding €35 million listed bond and €5 million notes, net of the unamortised bond issue costs.

Debt securities in issue within current liabilities is anticipated to amount to €231k at the end of FY25, which mainly represent the total accrued interest of €169k on the outstanding listed bonds and notes, and €62k representing the provision for unclaimed amounts by the bondholders. Trade and other payables are expected to amount to €268k at the end of FY25, with the marginal decrease reflecting the partial settlement of outstanding amounts at the beginning of the year.

Equity at the end of FY25 increased to €702k mainly from the projected results in the year.

2.3

ISSUER'S CASH FLOW STATEMENT

The following table presents the Issuer's cash flow statement for the years ending 31 December 2022, 2023, and 2024, alongside the forecasted cash flows for the year ending 31 December 2025.

	FY22	FY23	FY24	FY25F
	€000	€000	€000	€000
Net cash flows generated from / (used in) operating activities	(1,451)	(1,345)	187	(72)
Net cash flows used in investing activities	(8,900)	(5,380)	(170)	-
Net cash flows generated from financing activities	9,426	4,774	(4)	-
Net movement in cash and cash equivalents	**(925)**	**(1,951)**	**13**	**(72)**
Cash and cash equivalents at start of year	3,051	2,126	175	188
Cash and cash equivalents at end of year	**2,126**	**175**	**188**	**116**

In FY24, the Issuer reported a net cash inflow from operating activities of €187k and on-lent €170k to the parent company to finance the working capital needs of the Group. Net cash outflow from financing activities amounted to €4k representing the release of withheld payments made to the bondholders on the finalisation of their estate.

FORECAST

In FY25, the Issuer forecasts a net cash outflow from operating activities of €72k mainly as a result of the settlement of outstanding creditors while projected inflow from interest receivable on loans to the parent company is expected to match the administrative expenses and outflows on debt servicing of the bonds and private notes. No cash drawdowns are anticipated within investing activities and no new debt issues are expected within financing activities in FY25. Consequently, a cash balance of €116k is projected at the end of FY25.

2.4

GROUP'S INCOME STATEMENT

The following table presents the Issuer's income statement for the years ending 31 December 2022, 2023, and 2024, alongside the forecasted results for the year ending 31 December 2025.

	2022A	2023A	2024A	2025F
	€000	€000	€000	€000
Revenue	**15,234**	**16,703**	**15,280**	**12,181**
Other operating income	2,649	264	297	148
Operating expenses	(15,858)	(18,409)	(17,223)	(12,676)
Operating profit/(loss)	**2,025**	**(1,442)**	**(1,646)**	**(347)**
Other gains	2,658	5,989	2,870	2,220
Share of profits of associates	36	56	188	134
EBITDA	**4,719**	**4,603**	**1,412**	**2,007**
Depreciation & amortisation	(901)	(1,008)	(938)	(750)
Depreciation under IFRS 16	(2,007)	(1,749)	(1,432)	(1,113)
Impairment of financial assets	(12)	-	(188)	(167)
EBIT	**1,799**	**1,846**	**(1,146)**	**(23)**
Interest & other related income	416	408	912	340
Interest & other related expenses	(2,847)	(4,319)	(2,803)	(2,684)
Loss before tax	**(632)**	**(2,065)**	**(3,037)**	**(2,367)**
Income tax (charge)/credit	(529)	(945)	(83)	(341)
Loss for the year	**(1,161)**	**(3,010)**	**(3,120)**	**(2,708)**
Other comprehensive income				
Translation of foreign operations	(241)	1,085	178	(54)
Share of other comprehensive income of associates	83	222	880	-
Movement in fair value of land & buildings	1,509	(502)	(179)	501
Total other comprehensive income/(loss)	**1,351**	**805**	**879**	**436**
Total comprehensive income/(loss)	**190**	**(2,205)**	**(2,241)**	**(2,272)**
RATIOS				
Revenue Growth	32.3%	9.6%	-8.5%	-20.3%
Operating Profit Margin	13.3%	-8.6%	-10.8%	-2.8%
EBITDA Margin	31.0%	27.6%	9.2%	16.5%
EBIT Margin	11.8%	11.1%	-7.5%	-0.2%
Net Margin	-7.6%	-18.0%	-20.4%	-22.2%
Return on Common Equity	-3.3%	-8.9%	-10.1%	-11.6%
Return on Assets	-0.8%	-2.0%	-2.0%	-1.7%

In 2022, IBB Hotel Collection announced its strategic decision to exit the 3-star hotel segment and concentrate on acquiring and operating assets that align with its objective of establishing a portfolio of 4-star plus and luxury boutique hotels where it is expected that a higher rate of return may be achieved. Consistent with this strategy, the Group during FY24 exited the remaining three hotel properties in Germany. These properties were mainly operating as three-star hotels, and their exit thereby expediting the Group's transition towards the four-star plus and luxury boutique hotels offerings. However, as a result of the exit from these three properties, *Revenues* for FY24 fell by 9% or €1.4m to €15.3m (FY23: €16.7m) with notable decrease in the Accommodation and Catering activities.

Revenue from continuing activities in FY24 decreased by €3.2m to €13.5m (FY23: €16.7m), mainly due to a €2.5m decrease in *Hotel Accommodation* revenue, with minor offsets from other operating segments.

	FY23	FY24
	€'000	€'000
Accommodation	11,651	9,146
Catering	2,939	2,394
Leasing	824	751
Other	1,289	1,168
Continuing activities	**16,703**	**13,459**
Terminated hotel leases	-	1,821
	16,703	**15,280**

Discontinued activities in FY24 include IBB Hotel Berlin, IBB Hotel Paderborn and IBB Hotel Passau Sud.

Operating loss in FY24 was €1.6m, slightly higher than the previous year's €1.4m loss. Despite the lower revenue resulting from the exit of 3 hotel properties of €1.4m compared to the previous year, the *operating loss* only increased marginally by about €0.2m mainly on account of the cost control measures and cost saving measures introduced during the year.

Other gains in FY24 amounted to €3m (FY23: €6m) mainly due to the lower fair value gains recorded in the year of €1.1m compared to €3.1m in FY23, and lower foreign exchange gains, which decreased to €1.3m from €2.2m in the previous year.

The *Share in profits of associates* increased to €188k in FY24 (FY23: €56k) on the back of the higher operating profits of the expanding Urban Oil petrol stations network in Spain.

Depreciation and amortisation for FY24 amounted to €2.4m (FY23: €2.8m). The reduction is primarily attributed to the lower depreciation of right-of-use assets associated with the three hotel properties exited during the year. After accounting for *depreciation and amortisation* as well as the *impairment of financial assets*, the Group reports a negative EBIT of €1.1m (FY23: positive €1.8m)

Interest and other related income in FY24 amounts to €0.9m, an increase by €0.5m from FY23's €0.4m. The increase is mainly due to the interest realised on the block of credits which the Group had acquired through an Italian Special Purpose Vehicle, and which had a carrying value of €7m in FY23 and was successfully sold for €7.5m in May 2024.

Interest and other related expense in FY24 amounted to €2.8m, a €1.5m reduction from last year's €4.3m mainly due to the portion of the interest expense on investment properties in the course of construction capitalised during the year.

Income tax charge in FY24 amounts to €0.1m (FY23: €0.9m). Compared to the previous year, the lower fair value gains made by the Group during the year brought about lower deferred tax charges.

Considering the matters discussed above, the Group reported a *Loss for the year* FY24 of €3.1m compared to the €3.0m in FY23, given the approximately €0.9m lower tax charge for FY24 on account of the lower deferred tax provision on fair value gains recorded in the same year.

Within *Other comprehensive income*, the Group recorded a *Share in other comprehensive income of associate* of €0.9m in FY24 (FY23: €0.2m). The increase in value relates to the expansion of Urban Oil fuel station operations in Spain including a new petrol station which was secured before the year-end and opened in April 2025.

The Group also recorded within *Other comprehensive income* a negative *Movement in the fair value of land and buildings* of €0.2m, net of deferred tax. This is brought about by the challenging trading conditions driving the assumptions in the fair value determination of hotel properties in Poland.

Finally, due to the Group having significant operations outside Malta, and with the major development project situated in Poland where the local currency is in Polish zloty, the Group is exposed to fluctuations in foreign currency when translating foreign operations to the Group reporting currency which is the Euro. During the year, the average and closing exchange rates between the Polish zloty and the Euro have stabilised thereby, both the net foreign exchange gain reported in profit or loss of €1.3m (FY23: €2.2m), and the *Translation of foreign operations* in the year of about €0.2m (FY23: €1.1m) were lower than the previous year when the exchange rate fluctuated notably.

Taking into account the movements in *Other comprehensive income* set out above, the *Total* comprehensive *loss* of the Group for FY24 stands at €2.2m (FY23: €2.2m loss).

FORECAST

In FY25, the Group is projecting total revenue of €12.2m. As detailed in the table below, total *revenues* in FY25 are anticipated to decrease by €3.1m compared to FY24. This is primarily attributed to the loss of revenues from hotel properties exited by the Group in FY24 and early this year, partially offset by a robust €1m year-on-year growth in continuing activities, of which €0.4m increase is expected from the yachting activities as the Group expects to fully realise the benefits from focusing on the charter brokerage operation rather than charter provision since it sold its owned yacht last year. *Revenues* in FY25 includes €0.2m generated from a hotel property that the Group operated for only two months in FY25. FY25.

	FY24	FY25
	€'000	€'000
Accommodation	7,612	7,761
Catering	1,573	2,056
Leasing	751	673
Other	1,074	1,527
Continuing activities	**11,010**	**12,017**
Terminated hotel leases	4,270	164
Total revenues	**15,280**	**12,181**

Note: FY24 amounts in this table have been restated from the previous presented table to reflect the information pertaining to IBB Hotel Eichstätt, which the Group exited in FY25.

Operating expenses in FY25 are projected to be substantially lower at €12.7m, representing a significant reduction from the €17.2m reported in FY24. This €4.5m decrease is primarily attributable to the exit of the remaining 3-star hotels operations. Additionally, ongoing cost reduction efforts by management, focused on administrative efficiencies, are expected to further contribute to these savings.

Despite a forecasted decline in revenue for FY25, a notable improvement in *operating loss* is anticipated. The operating loss is projected to decrease to €0.3m from €1.6m in FY24, directly benefiting from the aforementioned €4.5m reduction in costs.

Total *other gains* for FY25 are forecasted at €2.2m. This includes projected fair value revaluation gains on the Group's ongoing development projects. Specifically, €1.5m (FY24: €0.5m) is expected to arise from the AND2 project and €0.4m (FY24: €0.6m) from Villa Diodati. Furthermore, a net gain of €0.4m is projected from the exit of a German hotel operation, comprising a gain on the derecognition of lease liabilities and right-of-use assets, less an additional settlement payout. A foreign exchange net loss and net fair value loss totalling €0.1m is also expected for the year.

Considering these other gains, the Group anticipates an *EBITDA* of €2m (FY24: €1.4m). After accounting for depreciation and impairment charges totalling €2m (a decrease from FY24's €2.6m due to the hotel exit), the Group projects an EBIT of approximately €23k loss. This represents a substantial improvement from FY24's negative EBIT of €1.1m.

Interest income for FY25 is projected at €0.3m, primarily derived from interest-bearing loans granted by the Group to related entities. In contrast, FY24's interest income also benefitted from the inflow of interest realised on the disposal of the loan held by the Group in an Italian special purpose vehicle.

Interest expense for FY25 is projected at €2.7m (FY24: €2.8m). This reduction is primarily due to the derecognition of a €4.3m lease liability in February 2025, which offset the increased interest cost from a new €4.5 million private note issued by the parent company in May 2025.

Income tax charge for FY25 is expected at €0.3m, mainly attributable to the deferred tax accrual on the fair value gains on the development projects of the Group.

Consequently, a *net loss* of €2.7m is expected for the year, reflecting a modest improvement from the €3.1m loss recorded in FY24.

Total other comprehensive income for FY25 is projected at €0.4m, a decrease from €0.9m in FY24. The FY25 amount comprises a net revaluation gain of €0.5m on the Group's owner-occupied buildings (FY24: €0.2m loss) and a €0.1m loss from the translation of foreign operations (FY24: €0.2m gain). Notably in FY24, the Group also recorded a €0.9m share in the other comprehensive income of an associate that at this stage is not being anticipated this year.

Aggregating the net loss and the *total other comprehensive income*, the Group expects a total comprehensive loss of €2.3m (FY24: €2.2m).

2.4.1

GROUP'S VARIANCE ANALYSIS

	FY24F	FY24	Variance
	€000	€000	€000
Revenue	16,939	15,280	(1,659)
Other operating income	447	297	(150)
Operating expenses	(17,183)	(17,223)	(40)
Operating profit/(loss)	**203**	**(1,646)**	**(1,849)**
Other gains	5,258	2,870	(2,388)
Share of profits of associates	150	188	38
EBITDA	**5,611**	**1,412**	**(4,199)**
Depreciation & amortization	(881)	(938)	(57)
Depreciation under IFRS 16	(1,470)	(1,432)	38
Impairment of financial assets	(209)	(188)	21
EBIT	**3,051**	**(1,146)**	**(4,197)**
Interest & other related income	885	912	27
Interest & other related expenses	(4,371)	(2,803)	1,568
Profit/(loss) before tax	**(435)**	**(3,037)**	**(2,602)**
Income tax (charge)/credit	(1,013)	(83)	930
Profit/(loss) for the year	**(1,448)**	**(3,120)**	**(1,672)**
Other comprehensive income			
Translation of foreign operations	(11)	178	189
Share of other comprehensive income of associates	-	880	880
Movement in fair value of land & buildings	-	(179)	(179)
Total other comprehensive income/(loss)	**(11)**	**879**	**890**
Total comprehensive income/(loss)	**(1,459)**	**(2,241)**	**(782)**

Revenue for FY24 amounted to €15.3m, falling short by €1.7m from the revenue forecast of €16.9m (as published on 28 June 2024 FAS). This was mainly due to the exit of two additional hotel properties in Germany in the latter half of the year, as negotiations began after the forecast was set. Furthermore, restaurant revenues in Menorca, Spain, did not meet expectations due to difficult local market conditions. Consequently, management has decided to discontinue the restaurant operation and actively pursue the sale of the associated property.

Other gains in FY24 amounted to €2.9m, falling short by €2.4m from the forecast of €5.3m. The material variance mainly arises from the lower fair value gains on investment properties, contributing a negative variance of €3.7m (€1.1m actual vs €4.8m forecast). Prolonged multi-party renegotiations on the project financing arrangements affected the progress of the AND2 project and a further €1.4m of borrowing costs allocated to the construction projects, which increased the asset's cost bases, reduced the overall fair value gain recorded on the project in FY24. The €3.7m negative variance in fair value gains was partially offset by positive variances in foreign exchange gains of €0.7m and gains on early lease terminations of €0.8m.

Interest & other related expenses in FY24 amounted to €2.8m, which is lower by €1.6m from forecast of €4.4m. This favourable variance primarily reflects the capitalisation of part of the interest incurred on the Group's general borrowings during the construction period into the cost of ongoing development projects, rather than recognising it as an immediate expense in the profit and loss account.

Income tax (charge)/credit in the year had favourable variance of about €0.9m against forecast mainly due to the lower fair value gains recorded in the year which consequently resulted in a lower deferred tax provision thereon.

Within *other comprehensive income*, a positive variance of €0.9m in *Share of other comprehensive income of associates* was noted. During the preparation stage of the forecast last year, the associate undertaking was still in discussions for potential new sites for the petrol station business. These discussions were finalised and concluded in the later in the year and consequently contributed to an uplift in the assets of the associate undertaking which was not provided for in the forecast published in June 2024 given the premature state of negotiations when the forecast was drawn up.

2.5

GROUP'S FINANCIAL POSITION

The following table presents the Group's statement of financial position as at 31 December for the years 2022, 2023, and 2024, alongside the forecasted financial position of the Group as at 31 December 2025.

	FY22	FY23	FY24	FY25F
	€000	€000	€000	€000
ASSETS				
Non-current assets				
Intangible assets	38	187	263	254
Property, plant & equipment	28,360	31,534	29,607	26,518
Right of use assets	29,713	18,966	15,767	11,385
Investment properties	44,968	73,506	85,242	114,952
Investment in associates	897	1,169	2,238	2,372
Loans & other receivables	6,559	8,722	5,951	6,393
Other financial assets	2,511	1,156	452	403
Deferred tax assets	1,088	986	1,023	999
Total non-current assets	**114,134**	**136,226**	**140,543**	**163,276**
Current assets				
Inventories	65	120	159	136
Loans & other receivables	8,132	7,060	2,070	-
Trade & other receivables	6,996	5,977	5,536	4,742
Cash and cash equivalents	12,652	6,542	5,863	5,630
Total current assets	**27,845**	**19,699**	**13,628**	**10,508**
TOTAL ASSETS	**141,979**	**155,925**	**154,171**	**173,784**
EQUITY AND LIABILITIES				
Equity				
Share capital	3,805	3,805	3,250	3,250
Share premium	4,445	4,445	-	-
Treasury shares reserve	-	(2,008)	-	-
Other reserves	1,506	3,103	5,642	5,446
Translation reserve	(1,729)	(1,325)	(1,271)	(1,364)
Retained earnings	10,209	8,443	4,845	2,140
Non-controlling interest	16,655	16,222	16,919	17,641
Total equity	**34,891**	**32,685**	**29,385**	**27,113**
Non-current liabilities				
Debt securities in issue	33,085	39,206	39,405	44,022
Borrowings	19,286	18,578	20,811	67,334
Finance lease liabilities	29,170	19,971	16,822	11,650
Deferred tax liabilities	5,940	6,769	6,897	6,720
Total non-current liabilities	**87,481**	**84,524**	**83,935**	**129,726**
Current liabilities				
Debt securities in issue	198	232	1,714	388
Finance lease liabilities	2,741	1,244	1,158	1,037
Borrowings	12,063	32,758	32,712	10,535
Trade & other payables	4,537	4,378	5,265	4,983
Current tax payable	68	104	2	2
Total current liabilities	**19,608**	**38,716**	**40,851**	**16,945**
Total liabilities	**107,088**	**123,240**	**124,786**	**146,671**
TOTAL EQUITY AND LIABILITIES	**141,979**	**155,925**	**154,171**	**173,784**

	FY22	FY23	FY24	FY25F
RATIOS				
Gearing ratio	70.6	76.3	78.1	82.6%
Net debt / EBITDA	17.8x	22.9x	74.4x	64.2x
Current ratio	1.4x	0.5x	0.3x	0.6x
Interest coverage ratio	1.7x	1.1x	0.5x	0.5x

The Group's balance sheet shows total assets of €154.2m in FY24, a 1.1% decrease from FY23's €155.9m, due to the year-on-year movements as described hereunder.

Investment properties comprise 55% or €85.2m (2023: €73.5m) of the total assets, including the AND2 Tower in Poznan, Poland, valued at €70.4m as of 31 December 2024. This is an increase of €9.4m from €61.0m the previous year as a result of the ongoing development costs, foreign exchange gains and favourable economic conditions.

Other properties of the Group, totalling €1.6m (FY23: €1.6m) within the *Investment properties* category, including the building in the centre of Olbia in Sardinia, Italy, a plot of land in Mahon, Menorca, Spain, a number of plots of land in Węgorzewo, Poland, and a prime plot of land in the centre of Warsaw, Poland with potential for a mid-rise apartment complex.

Property, plant, and equipment make up 19% (FY23: 20%) of the Group's total assets, valued at €29.6m as of 31 December FY24 (FY23: €31.5m). The major class, Land and buildings, is valued at €28.3m (FY23: €30m). This includes hotel properties in Gdansk and Lublin, Poland, under the IBB Hotel Collection brand, and a mixed-use property in Mahon, Menorca, Spain, where the Group operates a restaurant. Decrease in total Property, plant, and equipment from the previous year's is mainly attributable to the depreciation charge for the year of €0.9m and revaluation loss recorded in other comprehensive income of €0.2m.

Right-of-use assets include leases for properties where the Group manages accommodation and catering under IBB Hotel Collection and Cugó Gran Collection brands, as well as office space leases for administrative activities. On 31 December 2024, *Right-of-use assets* decreased by €3.2m to €15.8m from €19 m the previous year, due to €1.4m depreciation and €1.8m derecognition from terminated property leases of three-star hotels, aligning with the Group's strategy to shift to exit the category.

Investment in associates in FY24 increased to €2.2m from €1.2m in FY23. This growth is attributed to the expansion in the number of petrol station operations in Spain, continued positive results, and the securing of new sites for further expansion.

The Group's *Financial assets* as of 31 December 2024 amounts to €19.9m (FY23: €29.5m) and include the following:

- Cash and cash equivalents: €5.9m (FY23: €6.5m)
- Loans and other receivables: €8.0m (FY23: €15.8m)
- Trade and other receivables: €5.5m (FY23: €6.0m)
- Other financial assets: €0.5m (FY23: €1.2m)

Overall, the *Financial assets* of the Group decreased by €9.6m of which, €4.5m was utilised for the acquisition and cancellation of the remaining Ordinary B shares of the Company. In addition, the Group, through the parent company, declared a €1m net dividend to the ultimate parent company. The Group closed some financial investment positions during the year, reducing *Other financial assets* from €1.2m last year to €0.5m at year-end. The Group also recorded €0.2m in expected credit losses on financial assets. The remaining changes in *Financial assets* are due to amounts used in operations and settling debt obligations.

The reduction of €7.8m in *Loans and other receivables* in FY24 was mainly attributed to the sale of the block of credits in the Italian SPV during 2024 that had a carrying value of €7m for €7.5m.

The Group's *Financial liabilities* stood at €117.9m as of 31 December 2024, representing an increase of €1.5m from the previous year's figure of €116.4m. The *Financial liabilities*, encompassing both current and non-current amounts, comprise *Borrowings* of €53.5m (FY23: €51.3m), *Debt securities in issue* of €41.1m (FY23: €39.4m), *Lease liabilities* of €18m (FY23: €21.2m) and Trade and other payables of €5.3m (FY23: €4.4m).

The net movement in *Financial liabilities* is mainly attributed to the issuance of the 7% 2025 Private Notes under *Debt securities in issue* amounting to €1.5m issued by the parent company in November 2024. Additionally, the amortisation of issue costs of €0.2m during the same period contributes to a total increase of €1.7m in *Debt securities in issue*. This increase is partially offset by the net movements within the Group's other *Financial liabilities*.

Other key movements in the *Financial liabilities* of the Group include a €4.5m settlement of the *equity instrument classified* within *Borrowings*, servicing of the lease contracts contributing a decrease by €1.2m in *Lease liabilities*, a further decrease of €2.0m of *Lease liabilities* due to the derecognition of the lease obligations on exiting from property leases of three hotels during the year. These reductions were offset by increases in *Borrowings* related to contractor financing and partner contributions for the AND2 project, along with accrued interests thereon.

The Group's *Equity position* closed at €29.4m (FY23: €32.7m). The decrease is mainly due to the dividend declared in the year of €1m plus the *Total comprehensive loss* during the year of €2.2m.

FORECAST

The Group's financial position for FY25 is forecasted to be characterised by a significant expansion of its asset base, primarily driven by strategic investments in non-current assets. This growth in assets is predominantly expected to be financed through an increase in long-term liabilities. Concurrently, the Group anticipates a reduction in equity, largely due to projected operational losses, whilst projecting an improved short-term liquidity profile through a substantial reduction in current liabilities.

Total Assets are projected to grow by €19.6m, representing an expected growth of 13% from €154.2m in FY24 to an estimated €173.8m in FY25.

- Non-Current Assets: These assets are anticipated to be the primary drivers of overall asset growth, expanding by €22.7m (16%) to reach €163.3m.
    - The most significant contributor is an expected increase in Investment properties by €29.7m (35%), predominantly reflecting the Group's active development projects and transfer of value of a commercial mixed-use property in Mahon, Menorca, Spain from Property, plant and equipment to Investment properties of €3m.
    - Conversely, Right-of-use assets are projected to experience a substantial decrease of €4.4m (28%), as a result of the derecognition of right-of-use balance pertaining to the terminated lease of a hotel property in early FY25 which is also directly correlated with the anticipated derecognition of certain lease liabilities.
    - Other non-current asset categories are expected to remain relatively stable or show minor fluctuations.
- Current Assets: A notable contraction of €3.1m (23%) is anticipated in current assets, bringing the total to an estimated €10.5m.
    - This decline is predominantly due to the complete reclassification of Loans and other receivables of €2.1m to the non-current profile.
    - Trade and other receivables are also forecasted to decrease by €0.8m (14%) projecting collection and partly impairment and write-off of receivables.
    - Cash and cash equivalents are expected to experience a modest reduction suggesting a slight tightening of immediate liquidity compared to the previous year.

Total Liabilities are expected to increase by €21.9m (18%) to an estimated €146.7m, serving as the primary funding source for asset growth.

- Non-Current Liabilities: A substantial increase of €45.8m (55%) is projected, reaching €129.7m.
    - The most significant increase is observed in Borrowings, which are forecast to increase by €46.5m (224%) to €67.3m, indicative of increased long-term debt financing supporting the Group's development projects, predominantly from the bank consortium loan facility financing the AND2 project, including the refinancing of borrowings presented within current portion in FY24 which is projected to significantly decrease by FY25.
    - Debt securities in issue are also anticipated to increase by €4.6m (12%) mainly reflecting the new private notes issue of €4.5m in FY25.
    - Offsetting these increases, Lease liabilities (non-current) are projected to decrease significantly by €5.2m (30%), predominantly a direct consequence of the derecognition of a €4.3m lease liability in February 2025 related to the terminated lease of hotel property in Germany.
- Current Liabilities: A substantial decrease of €23.9m (59%) is anticipated, bringing the total to an estimated €16.9m. This represents a positive development for the Group's short-term financial flexibility.
    - The primary driver for this reduction is a significant projected decrease in Borrowings (current) by €22.2m (68%) to €10.5m, as a result of the contractor financing being refinanced from the bank loan facility.
    - Debt securities in issue (current) are also forecast to see a notable decrease of €1.3m (77%) given the redemption of the €1.5 million short-term private notes.
    - Trade and other payables are expected to experience a slight reduction of €0.3m (5%).

Total Equity is projected to decline by €2.3m (8%) to an estimated €27.1m as discussed in the Group's income statement section.

2.6

GROUP’S CASH FLOW STATEMENT

The following table presents the Group’s cash flow statement for the years ending 31 December 2022, 2023, and 2024, alongside the forecasted cash flows for the year ending 31 December 2025.

	FY22	FY23	FY24	FY25F
	€000	€000	€000	€000
Net cash flows generated from/(used in):				
▪ Operating activities	(2,894)	(3,513)	(2,780)	(4,583)
▪ Investing activities	(9,184)	(25,181)	5,289	(29,253)
▪ Financing activities	7,415	23,131	(3,589)	33,428
Effect of changes in foreign exchange	190	(547)	410	175
Net movement in cash and cash equivalents	**(4,473)**	**(6,110)**	**(679)**	**(233)**
Cash and cash equivalents at start of year	17,125	12,652	6,542	5,863
Cash and cash equivalents at end of year	**12,652**	**6,542**	**5,863**	**5,630**
Free cash flow (Net cash flows from operations, less capital expenditures)	**(9,704)**	**(27,853)**	**(3,170)**	**(29,318)**

In FY24, the Group had a net cash outflow of €679k, which was the net effect of a €2.8m outflow used in operating activities, a €3.6m net cash outflow in financing activities arising predominantly from buying-out the remaining minority shareholding in the parent company, and then partially offset by a €5.3m net cash inflows generated from investing activities, mainly from the sale of the loan credits in the Italian special purpose vehicle.

FORECAST

For FY25, the Group is projecting a significant net outflow of cash and cash equivalents, primarily driven by substantial investing activities. The Group forecasts a cash outflow from operating activities of €4.6m (including €4m payment of interest), indicating that core operations are expected to absorb cash.

In investing activities, a substantial cash outflow of €29.3m is anticipated primarily associated with the Group's ongoing development projects and financed by inflows from financing activities which is anticipated at €33.4m. This is expected to be largely driven by new borrowings and debt issuance, aligning with the increase in non-current liabilities discussed in the balance sheet section.

Despite the significant financing inflow, the net movement in cash and cash equivalents is forecast to be a limited outflow of €0.2m, leading to an expected cash balance of €5.6m at the end of FY25.

PART 3

KEY MARKET AND COMPETITOR DATA

3.1

GENERAL MARKET CONDITIONS

EUROPEAN ECONOMIC UPDATE[1]

This Spring Forecast projects real GDP growth in 2025 at 1.1% in the EU and 0.9% in the euro area– broadly the same rates attained in 2024.This represents a considerable downgrade compared to the Autumn 2024 Forecast (AF24), largely due to the impact of increased tariffs and the heightened uncertainty caused by the recent abrupt changes in US trade policy and the unpredictability of the tariffs' final configuration. Despite these challenges, EU growth is expected to rise to 1.5% in 2026, supported by continued consumption growth and a rebound of investment. Growth in the euro area is projected to reach 1.4% in 2026.

Disinflation is anticipated to proceed more swiftly than expected in autumn, with new disinflationary factors from ongoing trade tensions outweighing higher food prices and stronger short-term demand pressures. After averaging 2.4% in 2024, headline inflation in the euro area is expected to meet the ECB target by mid-2025—earlier than previously anticipated—and to average 1.7% in 2026. Starting from a higher level in 2024, inflation in the EU is projected to continue easing to 1.9% in 2026.

In the fourth quarter of last year, the EU economy grew by 0.4%, slightly surpassing the autumn projections. For the entire year, GDP growth reached 1.0%. The volume of government consumption expanded vigorously and provided a larger-than-expected contribution to EU growth, mainly through employment growth in the government sector. Growth in private consumption also exceeded expectations towards the end of the year, driven by solid increases in disposable income as the economy added over 1.7 million jobs, and nominal wages recovered the purchasing power lost to surging inflation. Despite a minor rise in the saving rate (from a still high level), consumption expanded by 1.3%. Net exports also bolstered growth, buoyed by a robust rise in services exports. The EU's economic expansion continued in the first quarter, with real GDP growth increasing by 0.3%. However, investment fell short of expectations due to high financing costs and already high economic policy uncertainty. The considerable contraction in equipment investment and residential construction was only partially offset by infrastructure investment. High frequency data and partial information from national sources point to a relatively strong performance of consumption, non-residential construction and exports.

Since its inception, the US administration has announced a series of tariffs, culminating on 2 April in sizeable tariffs on imports from virtually all US trading partners. Following fierce market reactions, the tariffs were suspended on 9 April, accompanied by a number of carve-outs and exemptions for specific sectors and products. Nonetheless, trade tensions with China escalated when China retaliated. By the cut-off date of this forecast, US tariffs on Chinese imports stood at 145%, while Chinese tariffs on US goods were 125%. Given the high uncertainty on how the tariffs will eventually be implemented—i.e. affecting which countries or products, their duration, possible exemptions, and retaliatory actions—economic forecasts must rely on working assumptions. This forecast assumes that the high tariffs announced on 2 April will not be reinstated and that US tariffs on imports from the EU and nearly all other countries will stay at 10% (the level generally applied on 9 April), except for higher tariffs on steel, aluminium, and cars (25%), and exemptions on some products like pharmaceuticals and microprocessors. This technical assumption hinges upon the customary no-policy change assumption underpinning the European Economic Forecasts, in the sense that the pledged reinstatement of the tariffs announced on 2 April does not appear credible, if anything because it is conditional upon the outcomes of bilateral negotiations with the trade partners, which cannot be anticipated. Moreover, the baseline projections do not include any retaliatory tariffs by the EU. Finally, the forecast assumes a significant reduction in trade flows between the US and China, even though at tariff rates significantly lower than those in effect at the cut-off date, which were not assessed as tenable. The suspension of the high bilateral tariffs agreed on 12 May vindicates this assessment.

[1] European Economic Forecast - Spring 2025

In 2024, stronger-than-expected growth in China and robust performance in the US pushed global growth (excluding the EU) to 3.6%. Looking ahead, growth momentum is expected to weaken. Global growth outside the EU is projected at 3.2% for both 2025 and 2026, below the 3.6% anticipated in autumn. Although trade growth remained robust in the first quarter of 2025, likely due to advance purchases ahead of tariffs, global trade (outside the EU) is expected to expand at a rate well below global economic activity over the forecast horizon. Weakening global demand weighs heavily on energy commodity prices, especially in a context of expanding oil production. By the cut-off date of this forecast, Brent oil prices hovered just above $60 per barrel—a notable 10% drop from the futures price for the second quarter of 2025 observed last autumn. TTF gas prices saw similar declines.

EU exports are expected to grow by a modest 0.7% this year and 2.1% in 2026, in line with the lower global demand for goods. This marks a significant downward revision from the autumn projections (at 2.2% and 3.0%, respectively). Weakness in exports is amplified by competitiveness losses, as well as heightened trade uncertainty. Although EU firms are adapting their trade strategies in response to geopolitical tensions and trade fragmentation, many might hesitate to bear the high fixed costs associated with e.g. product adaptation, regulatory compliance, and finding new distribution networks, necessary to enter new export markets. Growth in imports was also revised down, in line with lower export growth and weaker domestic demand, although the re-routing of some Chinese exports and the euro's appreciation lend some support to import growth. Consequently, in 2025, net external demand is set to subtract nearly 0.5% from growth, but this drag is expected to fade in 2026. Despite adverse trade volume developments, the sharp drop in energy commodity prices, cheaper industrial goods imports, and a stronger currency will enhance the terms of trade further. These movements in terms of trade help maintain a largely unchanged inflow of income from the rest of the world. As a result, the current account surplus is expected to fall only slightly from 4.4% of GDP in 2024 to 4.2% in both succeeding years.

Following a 1.9% contraction in 2024, gross fixed capital formation is expected to expand over the forecast horizon. With a growth rate of 1.5% in 2025 and 2.4% in 2026, the expected rebound and acceleration are significantly less pronounced than projected in autumn. Depressed capacity utilization lowers investment needs, while uncertainty heightens the option value of deferring investment. Moreover, despite ongoing easing of monetary policy, the adverse and volatile market response to trade tensions negatively affect financing conditions. In the first quarter, banks reported some tightening of credit standards—even before the financial turmoil of early April. While corporate bond spreads narrowed again after the suspension of tariffs, longer-term interest rates remain above their level in the AF24. Equipment investment is expected to be disproportionately affected by this challenging environment, barely expanding this year and only modestly picking up in 2026. After contracting for two years, residential construction is poised to recover in 2025 and enter more vigorous expansion in 2026. Conditions for households appear slightly more favourable than for corporates. Infrastructure, as well as R&D investment, are set to expand more vigorously—partly supported by RRF and the deep digital transformation needs of businesses.

The modest GDP growth achieved in 2024 still led to further employment expansion. The job intensity of growth has begun to decline from high levels and is expected to normalize further over the forecast horizon, with employment expanding by about 1% cumulatively over 2025 and 2026—slightly less than the autumn projection but still adding 2 million jobs. As the labour force expands more modestly, the EU unemployment rate is projected to decline to a new historic low of 5.7% in 2026. Tight labour markets and improving productivity are set to drive further wage growth. After increasing by 5.3% in 2024, growth in nominal compensation per employee is expected to slow to 3.9% in 2025 and 3.0% in 2026. On aggregate in the EU, this year, real wages should fully recover the purchasing power losses accrued since mid-2021, though in a few Member States the recovery in real wages is still lagging behind.

Continued gains in employment and wages, along with decelerating inflation and a slight decline in net interest payments, support a further increase in household gross disposable income. However, the drop in consumer confidence in March, and more markedly in April, suggests that consumption might continue to be restrained by precautionary saving motives. This is in addition to efforts to rebuild wealth buffers eroded by inflation and a decline in real estate valuations. Consequently, the saving rate is expected to decline more gradually than previously thought, from 14.8% in 2024 to 14.2% in 2026. Real private consumption is forecast to grow by 1.5% this year, with a strengthening anticipated in 2026. In contrast, growth of public consumption is projected to slow to 1.7% in 2025 and, under the customary no-policy-change assumption, to decelerate further to 1.3% by the forecast's final year.

Several factors exert downward pressure on EU inflation. First, significantly lower energy commodity prices and downward-sloping forward curves are driving consumer energy inflation into negative territory this and next year. Second, as the trade relationship between the US and China unwinds, competitive pressures on non-energy industrial goods in the EU are intensifying, leading to a decrease in this component's inflation. Third, the appreciation of the euro and other EU currencies amplifies disinflationary pressures on imported commodities and goods. These forces are partially offset by higher inflation in food and services.

Headline inflation in the euro area is expected to decrease from 2.4% in 2024 to an average of 2.1% in 2025 and 1.7% in 2026. In the EU, inflation is set to follow similar dynamics, dropping from a slightly higher rate in 2024 to 1.9% in 2026. Underlying price pressures remain somewhat sustained but broadly consistent with the headline target. As disinflationary pressures intensify, markets anticipate a marginally looser monetary policy over the forecast horizon. Based on market pricing, policy rates are expected to reach the lower end of the 1.75%-2.25% range that the ECB considers neutral.

Following a slightly contractionary fiscal stance in 2024, the forecast suggests that the fiscal stance will turn broadly neutral in 2025 on average in both the EU and the euro area. For 2026, the no-policy-change forecast continues to indicate a neutral fiscal stance. After falling to 3.2% of GDP (3.1% of GDP in the euro area) in 2024, the EU general government deficit is anticipated to rise by more than 0.1 percentage points in 2025 and only marginally in 2026, reaching 3.4% of GDP in 2026 (3.3% in the euro area). Eleven Member States reported a deficit exceeding 3% of GDP in 2024, and this figure is projected to decrease to nine by 2026. After stabilizing in 2024 at around 82% (89% in the euro area), the debt ratio is expected to edge up to about 84.5% of GDP in 2026 (91% in the euro area), with five Member States exceeding a 100% debt ratio. This modest increase is attributed to a less favourable interest-growth-rate differential, alongside significant stock-flow adjustments. The impact of activating the National Escape Clause of the Stability and Growth Pact, providing flexibility for higher defence expenditure over 2025-2028, is not yet fully visible in this forecast. While by the cut-off date of the forecast a majority of Member States had requested its activation, their defence spending plans were not specified enough to be included in the baseline projections. The same applies to the German parliament's decision to boost defence and investment spending.

An escalation of trade tensions between the EU and the US could depress GDP and rekindle inflationary pressures. Intensified trade tensions between the US and other major trading partners could also have ripple effects on the EU economy. Recent market stress episodes have highlighted the potential for contagion from non-bank financial institutions, which—if affecting the banking sector—could impair credit flows. Persistent inflation in the US, potentially due to tariff-induced supply shocks, might compel the Federal Reserve Bank to tighten monetary policy again, leading to adverse spillovers on global financial conditions and EU external demand. On the upside, the trade deal between the US and China agreed on 12 May, which set tariffs significantly lower than assumed in this forecast, can be seen as a positive upside risk to the baseline projections, though possibly weakening some of the disinflationary pressures. A reduction in EU-US trade tensions, along with renewed momentum in trade negotiations with other countries and regions, would support EU growth Moreover, external headwinds could prompt faster progress on EU structural reforms, especially in the Single Market and the Savings and Investment Union. Germany’s planned increase in infrastructure and defence spending could support economic activity, lifting growth in Germany and in the EU. Additional defence spending, leveraging on the Stability and Growth Pact's flexibility, might also stimulate economic activity—albeit as a secondary benefit to the primary goal of enhanced security for the EU as a whole. Lastly, the increasing frequency of climate-related disasters underscores a persistent downside risk. Without stronger climate adaptation and mitigation efforts, the economic and fiscal costs of such events are likely to rise, further undermining resilience and growth.

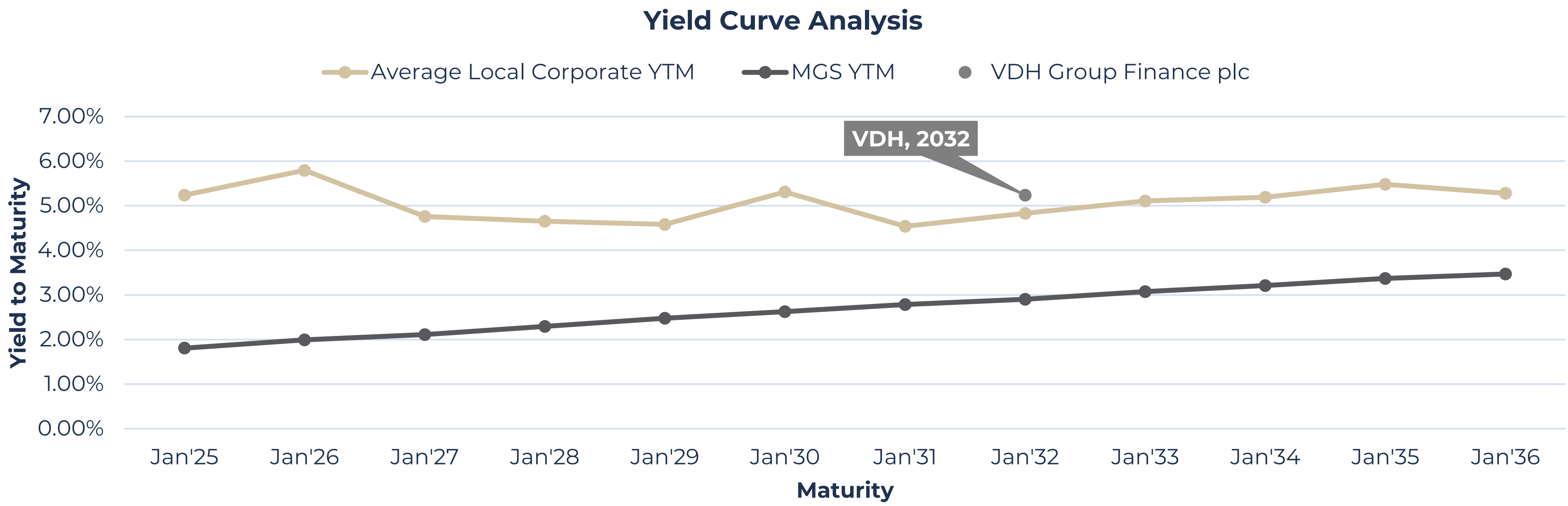
3.2

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)	(%)	(%)	(%)
4% International Hotel Investments plc Secured € 2026	55,000	3.99%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4% Shoreline Mall plc Secured € 2026	14,000	3.99%	3.1x	0.1	0.0	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
6.25% Camilleri Finance plc € Unsecured Bonds 2034	15,000	5.70%	1.1x	0.0	0.0	66.8%	54.6%	13.1x	0.9x	-6.6%	-6.0%	-4.4%
4% International Hotel Investments plc Unsecured € 2026	60,000	4.35%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	4.24%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	5.50%	(0.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
5% CF Estates Finance plc Secured € 2028-2033	30,000	5.00%	0.0x	37.1	0.3	99.2%	99.1%	145.6x	1.2x	56.6%	6.7%	4.4%
4.25% CPHCL Finance plc Unsecured € 2026	40,000	5.40%	1.4x	2,089.2	969.3	53.6%	42.2%	11.3x	1.5x	0.6%	1.5%	6.7%
4% Eden Finance plc Unsecured € 2027	40,000	4.55%	7.3x	281.3	169.6	39.7%	28.6%	3.1x	0.8x	9.7%	32.5%	0.4%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.46%	(0.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
3.65% IHI plc Unsecured € 2031	80,000	4.92%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
3.5% AX Real Estate plc Unsecured € 2032	40,000	4.74%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
4.3% Mercury Projects Finance plc Secured € 2032	50,000	4.82%	(0.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
4.5% Shoreline Mall plc Secured € 2032	26,000	4.83%	3.1x	0.1	0.0	78.2%	68.2%	22.4x	0.6x	8.4%	15.1%	0.0%
5.75% Phoenicia Finance Company plc Unsec Bonds 2028-2033	50,000	5.43%	2.2x	160.3	77.2	51.8%	46.2%	10.6x	0.7x	-0.5%	-1.7%	23.3%
5.85% AX Group plc Unsecured € 2033	40,000	5.53%	2.6x	513.1	248.8	51.5%	41.6%	8.5x	1.3x	2.1%	6.1%	67.1%
6% International Hotel Investments plc 2033	60,000	5.53%	1.7x	1,795.3	910.4	57.5%	42.2%	8.8x	0.8x	-0.1%	-0.4%	6.6%
4% Stivala Group Finance plc Secured € 2027	45,000	3.99%	22.9x	510.6	358.9	29.7%	22.0%	1.9x	0.9x	14.0%	170.8%	-10.7%
5% Von der Heyden Group Finance plc Unsecured € 2032	**35,000**	**5.24%**	**0.7x**	**154.2**	**29.4**	**80.9%**	**78.4%**	**75.6x**	**0.3x**	**-10.1%**	**-20.4%**	**-8.5%**
5.3% Mercury Projects Finance plc Secured € Bonds 2034	20,000	5.30%	(.8)x	279.0	66.1	76.3%	73.2%	(46.3)x	0.6x	-1.8%	-12.5%	-58.8%
Average*		4.78%										

Source: Latest available audited financial statements
Last price as at 20/06/2025
**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 20 June 2025, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity range of 1-7 (2026-2032) years was 193 basis points. The 5.0% Von Der Heyden Group Finance p.l.c. Bonds 2032 were trading at a YTM of 524 basis points, meaning a spread of 234 basis points over the equivalent MGS. This means that this bond is trading at a premium of 41 basis points in comparison to corporate bonds in similar industries.

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

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