VON DER HEYDEN GROUP

VON DER HEYDEN GROUP FINANCE P.L.C.

(C 77266)

€35,000,000

5% UNSECURED BONDS 2032

NOMINAL VALUE OF €100 PER BOND

GUARANTEED BY:

TIMAN INVESTMENTS HOLDINGS LIMITED (C 63335)

10 OCTOBER 2022

Legal Counsel

GVZH
ADVOCATES

Sponsor, Manager & Registrar

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

SUMMARY

Dated 10 October 2022

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and of the Prospectus Regulation.

In respect of an issue of

€35,000,000 5% Unsecured Bonds 2032

of a nominal value of €100 per Bond issued at par by

VON DER HEYDEN GROUP FINANCE P.L.C.

a public limited liability company registered in Malta with company registration number C 77266

*Guaranteed by

TIMAN INVESTMENTS HOLDINGS LIMITED

a private limited liability company registered in Malta with company registration number C 63335

ISIN: MT0001401216

**Prospective investors are to refer to the Guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

Legal Counsel

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THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY IN MALTA UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE DIRECTORS

Antonio Fenech
in his capacity as Director of the Issuer and for and on behalf of
Javier Errejón Sainz de la Maza, Jozef Bronislaw Borowski, Joseph Muscat and Robert Aquilina

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer, the Guarantor and the Bonds.

Except where the context otherwise requires or where otherwise defined herein, the capitalised words and expressions used in this Summary shall bear the meanings assigned thereto in the Registration Document and the Securities Note, respectively, as the case may be.

1. INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer, the Guarantor and the Bonds, summarised details of which are set out below:

Issuer	Von der Heyden Group Finance plc, a public company registered under the laws of Malta with company registration number C 77266 and having legal entity identifier number (LEI) 391200IXSTHAHKXMJL91
Address	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta
Telephone number	+356 27792200
Website	www.vonderheydengroup.com
Guarantor	Timan Investments Holdings Limited (C 63335)
Nature of the securities	Unsecured Bonds up to a maximum amount of €35,000,000, bearing an interest rate of 5% *per annum*, payable annually in arrears on 16 December of each year until 16 December 2032
ISIN of the Bonds	MT0001401216
Competent authority approving the Prospectus	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The MFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer
Address, telephone number and official website of the competent authority approving the Prospectus	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is +356 21441155. The official website of the competent authority is https://www.mfsa.mt/
Prospectus approval date	10 October 2022

Prospective investors are hereby warned that:

i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer, the Guarantor and the Bonds being offered pursuant to the Prospectus. It is not, and does not purport to be, exhaustive and investors are warned that they should not rely on the information contained in this Summary alone in making a decision as to whether to invest in the securities described in this document;
ii. any decision of the investor to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
iii. an investor may lose all or part of the capital invested by subscribing for Bonds;
iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
v. civil liability attaches only to those persons who have tabled this Summary, but only if this Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in such securities.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, LEI and county of incorporation of the issuer

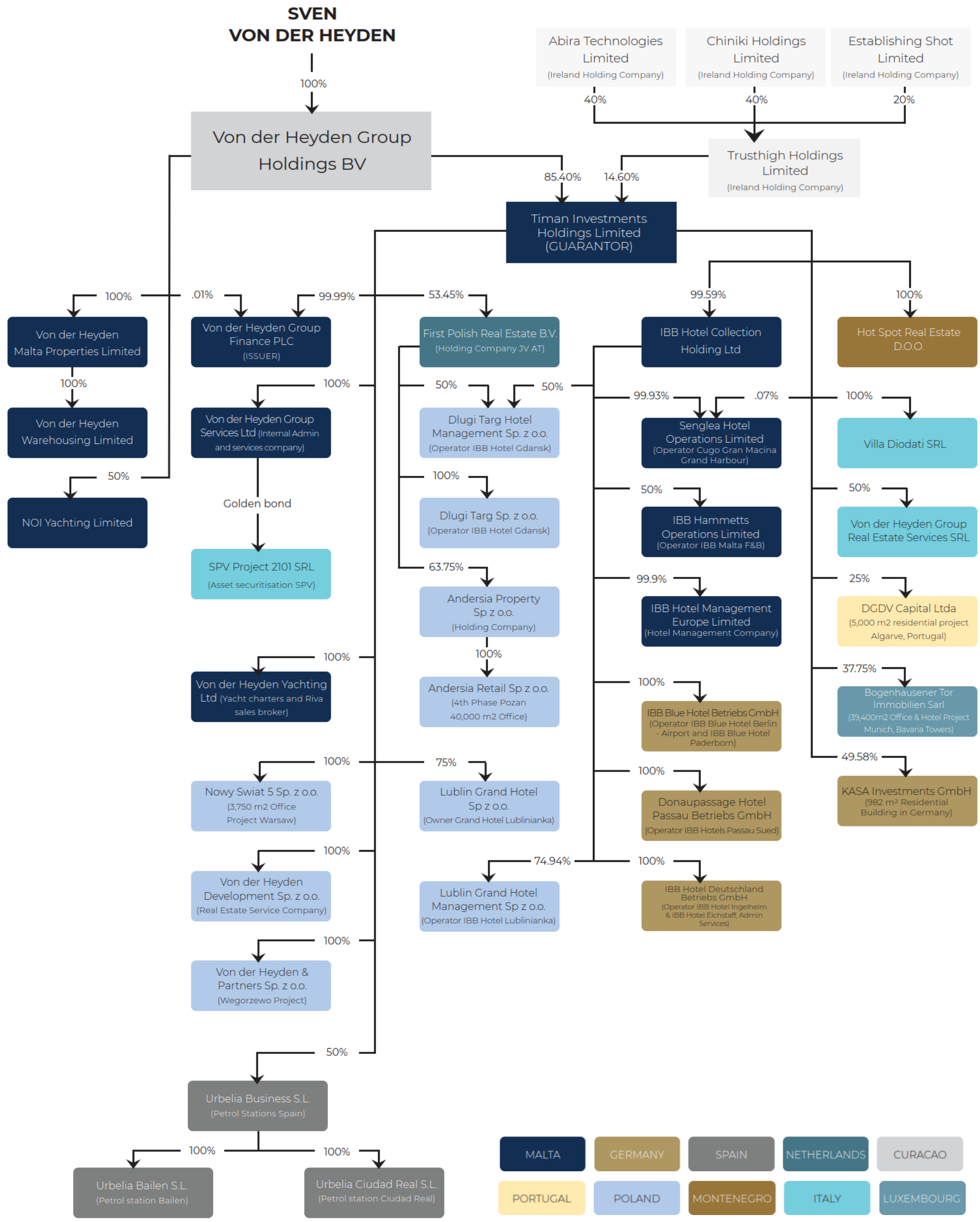
The Issuer is Von der Heyden Group Finance plc, a public company registered in terms of the Companies Act with company registration number C 77266 and its registered office is at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 391200IXSTHAHKXMJL91.

2.1.2 Principal activities of the Issuer

The Issuer was incorporated on 15 September 2016 as a public limited liability company. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, assets, including, but not limited to, securities and other financial interests. The issue of bonds falls within the objects of the Issuer. The Issuer's intended purpose is to raise finance for the business of the Group through the Guarantor. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor and the Group. The Issuer operates exclusively in and from Malta.

2.1.3 Major Shareholders

The authorised and issued share capital of the Issuer is €250,000 divided into 249,999 ordinary A shares of a nominal value of €1 each and 1 ordinary B share of €1, all being fully paid-up and subscribed for, allotted and taken up by the Guarantor, other than 1 ordinary B share which is subscribed for, allotted and taken up by Von der Heyden Group Holdings B.V. (155289).



2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 5 individuals: Antonio Fenech (Executive Director and Chairman), Javier Errejón Sainz de la Maza (Executive Director), Jozef Bronislaw Borowski (non-Executive Director), Joseph Muscat (Independent, non-Executive Director) and Robert Aquilina (Independent, non-Executive Director).

2.1.5 Statutory auditors

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019, 2020 and 2021 have been audited by Ernst & Young Malta Limited of Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta. Ernst & Young Malta Limited (accountancy board registration number AB/26/84/96) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979, Chapter 281 of the laws of Malta.

2.2 What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below:

Von der Heyden Group Finance plc	FY2021 Audited €000s	FY2020 Audited €000s	FY2019 Audited €000s	6-mnths ended 30 June 22	6-mnths ended 30 June 21
Statement of Comprehensive Income					
Finance Income	1,459	1,411	1,645	816	656
EBITDA	159	5	239	152	14
Statement of Financial Position					
Total assets	26,327	26,122	26,091	25,948	
Cash Flow Statement					
Net cash from / (used in) operating activities	(567)	1,219	(399)	(404)	(883)
Net cash from / (used in) investing activities	(6,750)	6,604	1,552	-	(4,750)

2.3 What are the key risks specific to the Issuer?

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise are set out below:

2.3.1 Risks relating to Issuer's exposure to and dependence on the Group and its business

The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group, and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

2.3.2 Group risks relating to real estate development and the realisation of benefits expected from property investments

One of the pillars of the Group's business is property development, targeted at the international commercial market. Renovating, refurbishing or otherwise improving existing properties to maintain the desired standards, and developing new and commercially viable properties, is key to the Group's business and growth strategy. All development projects are subject to a number of specific risks, including: the risk of cost overruns; the risk of insufficiency of resources to complete; and the risk of sales transactions not materialising at the prices and the tempo envisaged. There are a number of other factors that commonly affect the real estate development industry, many of which are beyond the Group's control and which could adversely affect the economic performance and value of the Group's prospective development projects. Any of such factors could have a material adverse effect on the Group's business, its financial condition and prospects and, accordingly, on the repayment of the Bonds and interest thereon by the Issuer and/or Guarantor, as applicable.

2.3.3 The hotel industry could be adversely affected by natural disasters, infectious diseases (including COVID-19 pandemic and possible similar future outbreaks), terrorist activity and war

Natural disasters, the spread of contagious disease, including COVID-19, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the travel and hotel industry globally in the past and such events could have a similarly negative impact in the future. Such events occurring in the locations where the Group owns and/or operates hotels could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers in affected countries and reduce the demand for hotel accommodation at the Group's hotels.

2.3.4 Competition

Whilst the Group already operates in a highly competitive market, this level of competition may increase as indicated above, which may limit the future ability of the Group to maintain its market share and revenue level. Some of these competitors may be able to respond more quickly, engage in more extensive promotional activities, offer more attractive pricing and terms to their customers and adopt more aggressive pricing policies. There can be no assurance that the Group will be able maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on Group's business, financial condition, operational performance and, accordingly, on the Issuer's and Guarantor's ability to fulfil their respective obligations under the Bonds.

3. KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5% unsecured bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €35 million. The Issue Date of the Bonds is expected to be 16 December 2022. The Bonds are unsecured. The Bond Issue is guaranteed by Timan Investments Holdings Limited.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0001401216.

The Bonds are redeemable on 16 December 2032. The Bonds shall bear interest from and including 16 December 2022 at the rate of 5% *per annum* on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 16 December 2023, covering the period 16 December 2022 up to and including 15 December 2023.

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed jointly and severally by the Guarantor in respect of both the interest due and the principal amount under said Bonds. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law.

The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000, and in multiples of €100 thereafter.

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, seeking recourse from the Guarantor pursuant to the Guarantee in case of failure by the Issuer to pay any sum payable by it to Bondholders, and in accordance with the ranking specified in the Prospectus.

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Preferred Applicants Offer Period and the Intermediaries' Offer Period, if it takes place. No minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

The Issuer shall be obtaining the approval of the 2017 Existing VDHG Bondholders[1] for the early redemption of the 2017 VDHG Bonds[2] pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017. The proposal for the early redemption of the 2017 VDHG Bonds placed before the 2017 Existing VDHG Bondholders' meeting shall only be considered approved if at least 60% in nominal value of the 2017 Existing VDHG Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

Upon redemption of the 2017 VDHG Bonds, all 2017 Existing VDHG Bondholders will be afforded a premium in the form of payment of a redemption price of ten Euro (€10) per 2017 VDHG Bond held as at the Cut-Off Date (the "Redemption Premium"). 2017 Existing VDHG Bondholders will have the Redemption Premium settled in cash upon redemption of the 2017 VDHG Bonds (by direct credit into the 2017 Existing VDHG Bondholder's bank account).

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Official List with effect from 16 December 2022 and trading is expected to commence on 19 December 2022. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

3.3 Is there a guarantee attached to the securities?

The Bonds are guaranteed by the Guarantor, Timan Investments Holdings Limited (C 63335). The Guarantor guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

3.3.1 DOMICILE AND LEGAL FORM, LEI AND COUNTY OF INCORPORATION of the Guarantor

Timan Investments Holdings Limited is a private company registered under the laws of Malta with company registration number C 63335 and having its registered office 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta. Its LEI number is 3912004RIUJ0D4BN4B86.

3.3.2 Key Financial Information of the Guarantor

The key financial information regarding the Guarantor is set out below:

Timan Investments Holdings Limited (Consolidated)	FY2021 Audited €000s	FY2020 Audited €000s	FY2019 Audited €000s	6-months ended 30 June 22	6-months ended 30 June 21
Statement of Comprehensive Income					
Revenue	11,519	23,506	25,884	6,207	3,010
Adjusted EBITDA	4,284	7,541	5,829	(630)	(13)
Statement of Financial Position					
Total assets	133,518	134,956	147,785	128,328	
Cash Flow Statement					
Net cash from / (used in) operating activities	868	(2,333)	2,669	(1,240)	(1,580)
Net cash from / (used in) investing activities	(10,968)	34,309	9,682	(3,238)	(6,470)
Net cash from / (used in) financing activities	(761)	(11,263)	(9,668)	(2,400)	1,665

[1] *'2017 Existing VDHG Bondholders'* refers to holders of the 2017 VDHG Bonds appearing on the applicable register held at the Central Securities Depository as at close of business on 13 October 2022, trading session of 11 October 2022.
[2] *'2017 VDHG Bonds'* refers to the €25,000,000 4.4% unsecured bonds 2024 (ISIN: MT0001401208) of a nominal value of €1,000 per bond issued at par by the Issuer pursuant to a prospectus dated 30 January 2017, guaranteed by Timan Investments Holdings Limited, which are listed and trading on the Official List of the Malta Stock Exchange.

3.3.3 Key risks specific to the Guarantor

The risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group, including the Guarantor, are the risks relevant to the Issuer as detailed in sub-section 2.3 of this Summary.

3.4 What are the key risks that are specific to the Bonds?

The most material risk factors specific to the Bonds are set out below:

- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- The Guarantee entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

4. KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

4.1 Under which conditions and timetable can I invest in these bonds?

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €25,000,000 being subscribed for; (ii) the Guarantee being granted in terms of Annex I to the Securities Note; (iii) the Issuer obtaining the approval of the 2017 Existing VDHG Bondholders for the early redemption of the 2017 VDHG Bonds pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017; and (iv) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied the Sponsor, Manager & Registrar shall return the proceeds of the Bond Issue to Applicants.

4.1.1 Expected Timetable of Principal Events

1	Meeting of 2017 Existing VDHG Bondholders	31 October 2022
2	Application Forms available to 2017 Existing VDHG Bondholders	1 November 2022
3	Placement Date	11 November 2022
4	Closing date for Applications to be received from 2017 Existing VDHG Bondholders	14 November 2022 (by 12:00 CET)
5	Intermediaries' Offer*	18 November 2022 - 2 December 2022 at 12:00 CET
6	Announcement of basis of acceptance through a company announcement	9 December 2022
7	Refunds of unallocated monies, if any	16 December 2022
8	Dispatch of allotment letters	16 December 2022
9	Expected date of early redemption of the 2017 VDHG Bonds	16 December 2022
10	Expected date of admission of the Bonds to listing	16 December 2022
11	Issue date of the Bonds	16 December 2022
12	Expected date of commencement of trading in the Bonds	19 December 2022
13	Commencement of interest	16 December 2022

** In the event that, in addition to the subscription of €10 million in nominal value of Bonds in full by Authorised Intermediaries in accordance with Placement Agreements, the total value of Applications received from 2017 Existing VDHG Bondholders reaches €25,000,000, the Intermediaries' Offer will not take place. In the event that the Intermediaries' Offer does take place, the Issuer reserves the right to close the Intermediaries' Offer before 2 December 2022 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In the eventuality that the Intermediaries' Offer does not take place or, if it does take place, it is closed early as aforesaid, some of the events set out above may be brought forward and the Issuer will issue a company announcement accordingly.*

4.1.2 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

i. an amount of €10 million in nominal value of Bonds has been reserved for, and shall be allocated to, a number of Authorised Intermediaries in accordance with Placement Agreements entered into for the purpose;
ii. the remaining €25 million in nominal value of Bonds has been reserved for 2017 Existing VDHG Bondholders during the Preferred Applicants Offer Period; specifically, to 2017 Existing VDHG Bondholders applying for Bonds by way of 2017 Bond Transfer, and subject to any Cash Top-Up as and if applicable, and subject to a minimum application of €2,000, and, thereafter, the balance of the Bonds not subscribed for by 2017 Existing VDHG Bondholders limitedly by means of a 2017 Bond Transfer, and subject to any Cash Top-Up as and if applicable, if any, shall be made available for subscription to 2017 Existing VDHG Bondholders in respect of any additional Bonds applied for other than by 2017 Bond Transfer exceeding in value the nominal value of 2017 VDHG Bonds held by them as at the Cut-Off Date, *pari passu,* without priority or preference between them; and
iii. any remaining balance of Bonds reserved for, and not taken up by, 2017 Existing VDHG Bondholders in terms of paragraph (ii) above, shall be allocated to Authorised Intermediaries pursuant to the Intermediaries' Offer.

In the event that the Bond Issue is subscribed for in full by Authorised Intermediaries in accordance with Placement Agreements and 2017 Existing VDHG Bondholders in terms of paragraphs (i) and (ii) above, the Intermediaries' Offer shall not take place.

4.2 WHY IS THIS PROSPECTUS BEING PRODUCED?

4.2.1 Use of Proceeds

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

1. an amount of €25,250,000 of the Bond Issue net proceeds will be used for the redemption of the outstanding amount of 2017 VDHG Bonds remaining in issue as at or about 16 December 2022, being the expected date of redemption of the 2017 VDHG Bonds as determined by the Issuer and duly notified to 2017 Existing VDHG Bondholders, including payment of the Redemption Premium to 2017 Existing VDHG Bondholders;
2. an amount of €4,000,000 of the Bond Issue net proceeds will be used for the purpose of part-financing the continued development of the Andersia Silver project in Poznań, Poland; and
3. the remaining balance of the Bond Issue net proceeds in an amount of *circa* €5,150,000 will be used for the general corporate funding purposes of the Group.

4.2.2 Underwriting

The Bond Issue is not underwritten. Should subscriptions for a total of at least €25,000,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer. In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for.

4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Intermediaries, which include the Sponsor, Manager & Registrar, and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

REGISTRATION DOCUMENT

Dated 10 October 2022

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In respect of an issue of
€35,000,000 5% Unsecured Bonds 2032
of a nominal value of €100 per Bond issued at par by

VON DER HEYDEN GROUP

VON DER HEYDEN GROUP FINANCE P.L.C.
a public limited liability company registered in Malta with company registration number C 77266

*Guaranteed by
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a private limited liability company registered in Malta with company registration number C 63335

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THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE MFSA DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES ISSUED BY THE COMPANY.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

Legal Counsel

GVZH
ADVOCATES

Sponsor, Manager & Registrar

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

APPROVED BY THE DIRECTORS

Antonio Fenech
in his capacity as Director of the Issuer and for and on behalf of
Javier Errejón Sainz de la Maza, Jozef Bronislaw Borowski, Joseph Muscat and Robert Aquilina

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON VON DER HEYDEN GROUP FINANCE PLC IN ITS CAPACITY AS ISSUER AND ON TIMAN INVESTMENTS HOLDINGS LIMITED AS GUARANTOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MFSA, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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THE MFSA ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY SECURITIES ISSUED BY THE ISSUER MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT PROFESSIONAL ADVISORS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH SECURITIES AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MFSA. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

ALL THE ADVISORS TO THE ISSUER NAMED IN SUB-SECTION 4.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES OF THE ISSUER.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS.

1. DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

2017 VDHG Bonds	the €25,000,000 4.4% unsecured bonds 2024 (ISIN: MT0001401208) of a nominal value of €1,000 per bond issued at par by the Issuer pursuant to a prospectus dated 30 January 2017, guaranteed by Timan Investments Holdings Limited, which are listed and trading on the Official List of the Malta Stock Exchange. Further details on the 2017 VDHG Bonds are set out in sub-section 5.1 of this Registration Document;
Act or Companies Act	the Companies Act, Chapter 386 of the laws of Malta;
Andersia Retail Sp. z o.o.	Andersia Retail Sp. z o.o., a subsidiary company of First Polish Real Estate B.V. (defined below), registered under the laws of Poland with company registration number 238196 and having its registered address at Pl. Andersa 7, 61-894 Poznań, Poland;
Authorised Intermediaries	the licensed financial intermediaries whose details are listed in Annex II of the Securities Note forming part of the Prospectus;
Bogenhausener Tor Immobilien S.à r.l.	Bogenhausener Tor Immobilien S.à r.l., an associate company of the Guarantor, registered under the laws of Luxembourg with company registration number B230258 and having its registered address at 6 rue Adolphe, L-1116 Luxembourg, Luxembourg;
Bond Issue	the issue of the Bonds;
Bond Obligations	the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon;
Bondholders	a holder of Bonds to be issued by the Issuer in terms of the Prospectus;
Bond(s)	a maximum of €35,000,000 unsecured bonds due in 2032 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5% *per annum*, as detailed in the Securities Note. The Bonds are guaranteed by the Guarantor;
Capital Markets Rules	the capital markets rules issued by the Malta Financial Services Authority, as may be amended and/or supplemented from time to time;
Company or Issuer	Von der Heyden Group Finance plc, a public company registered under the laws of Malta with company registration number C 77266 and having its registered office at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta;
Directors or Board	the directors of the Issuer at the date of the Prospectus whose names are set out in sub-section 4.1.1 of this Registration Document;
Donaupassage Hotel Passau Betriebs GmbH	Donaupassage Hotel Passau Betriebs GmbH, a subsidiary company of the Guarantor, registered under the laws of Germany with company registration number Amtsgericht Passau HRB 7582 and having its registered address at Bahnhofstrasse 24, 94032 Passau, Germany;
EBIT	an abbreviation used for earnings before interest and tax;
EBITDA	an abbreviation used for earnings before interest, tax, depreciation and amortisation;

Euro or €	the lawful currency of the Republic of Malta;
Financial Analysis Summary	the financial analysis summary dated 10 October 2022 compiled by the Sponsor in line with the applicable requirements of the MFSA Listing Policies, a copy of which is set out in Annex III of the Securities Note forming part of the Prospectus;
First Polish Real Estate B.V.	First Polish Real Estate B.V., a company registered under the laws of the Netherlands with company registration number 34209436 and having its registered office at Barbara Strozzilaan 101, 201, 1083HN, Amsterdam, Netherlands. The direct subsidiaries of First Polish Real Estate B.V. are Andersia Retail Sp. z o.o. (Polish registration number 238196), Andersia Property Sp. z o.o. (Polish registration number 58643), Dlugi Targ Hotel Management Sp. z o.o. (Polish registration number 610327) and Dlugi Targ Sp. z o.o. (Polish registration number 258097), all of which subsidiary entities are incorporated and registered in Poland;
Group	the Guarantor (parent company) and any subsidiary and associated company or entity, including the Issuer, in which the Guarantor has a controlling interest, as further described in sub-section 5.2 of this Registration Document, principally involved in real estate investments, property management, development and leasing, hospitality and tourism operations and hotel management across Europe, including Germany, Italy, Malta, Poland, Spain, the Netherlands, Portugal and Montenegro;
Guarantee	the guarantee dated 10 October 2022 granted by the Guarantor as security for the punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, the undertaking on the part of the Guarantor to pay all amounts of principal and interest which may become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex I thereto;
Guarantor	Timan Investments Holdings Limited, a private limited liability company registered under the laws of Malta with company registration number C 63335 and having its registered office at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta;
IBB Blue Hotel Betriebs GmbH	IBB Blue Hotel Betriebs GmbH, a subsidiary company of the Guarantor, registered under the laws of Germany with company registration number Amtsgericht Charlottenburg HRB 176072 and having its registered address at Groß-Berliner Damm 71, 12487 Berlin, Germany;
IBB Hammetts Operations Limited	IBB Hammetts Operations Limited, a private limited liability company registered under the laws of Malta with company registration number C 81213 and having its registered office at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta;
IBB Hotel Collection Holding S.L.	IBB Hotel Collection Holding S.L., a subsidiary company of the Guarantor, registered under the laws of Spain with company registration number B07609258 and having its registered address at Plaza Explanada 57, 2° 07703 Mahón, Menorca, Spain;
IBB Hotels Deutschland Betriebs GmbH	IBB Hotels Deutschland Betriebs GmbH, a subsidiary company of the Guarantor, registered under the laws of Germany with company registration number Amtsgericht Passau HRB 9187 and having its registered address at Bahnhofstrasse 24, 94032 Passau, Germany;

IBB Hotel Management Europe Ltd	IBB Hotel Management Europe Ltd, a company registered under the laws of Malta with company registration number C 74696 and having its registered office at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta;
Knight Frank Sp. z o.o.	Knight Frank Sp. z o.o., a company registered under the laws of Poland with company registration number 134273 and having its registered address at ulica Mokotowska 49, 00-542 Warsaw, Poland;
Lublin Grand Hotel Sp. z o.o.	Lublin Grand Hotel Sp. z o.o., a subsidiary company of the Guarantor, registered under the laws of Poland with company registration number 61774 and having its registered address at Wspólna 62, 00-684 Warsaw, Poland;
Lublin Grand Hotel Management Sp. z o.o.	Lublin Grand Hotel Management Sp. z o.o., a subsidiary company of the Guarantor, registered under the laws of Poland with company registration number 145390 and having its registered address at ul. Krakowskie Przedmieście 56, 20-002 Lublin, Poland;
Malta Stock Exchange or Exchange or MSE	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act, Chapter 345 of the laws of Malta, with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus, and the terms "Memorandum of Association" and "Articles of Association" shall be construed accordingly;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, Chapter 330 of the laws of Malta, in its capacity as the competent authority in terms of the Financial Markets Act, Chapter 345 of the laws of Malta, authorised to approve prospectuses and admissibility to listing and to monitor and supervise local regulated markets and participants thereof falling within the regulatory and supervisory remit of the MFSA;
MSE Bye-Laws	the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
Prospectus	collectively, the Summary, this Registration Document and the Securities Note published by the Issuer in connection with the issue of the Bonds all dated 10 October 2022 as such documents may be amended, updated, replaced and supplemented from time to time;
Prospectus Regulation	Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time, and in accordance with the provisions of Commission Delegated Regulation No. 2019/979 and Commission Delegated Regulation No. 2019/980 issued thereunder;
Redemption Date	16 December 2032;
Registration Document	this document in its entirety issued by the Issuer dated 10 October 2022, forming part of the Prospectus;

Securities Note	the securities note issued by the Issuer dated 10 October 2022, forming part of the Prospectus;
Sponsor, Manager & Registrar	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act, Chapter 370 of the laws of Malta, and is a member of the MSE;
Subsidiaries	means all entities, including structured entities, over which the Issuer and/or the Guarantor, as applicable, has control. In terms of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The term "Subsidiary" shall be construed accordingly;
Summary	the summary issued by the Issuer dated 10 October 2022, forming part of the Prospectus;
Trusthigh Holdings Limited	Trusthigh Holdings Limited, a company registered under the laws of Ireland with company registration number 546261 and having its registered office at Raffeen House, Ringaskiddy, Co., Cork, Ireland; and
Von der Heyden Group Holdings B.V.	Von der Heyden Group Holdings B.V., a company registered under the laws of Curaçao with company registration number 155289 and having its registered office at Landhuis Groot Kwartier, Groot Kwartierweg 12, Curaçao.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

(a) words importing the singular shall include the plural and *vice-versa*;
(b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
(d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
(e) any reference to a person includes that person's legal personal representatives, successors and assigns;
(f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
(g) any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER.

SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE ISSUER'S, THE GUARANTOR'S AND THE GROUP'S BUSINESS, TRADING PROSPECTS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION, AND, CONSEQUENTLY, ON THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES TO BE ISSUED IN TERMS OF THE PROSPECTUS AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND THE GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR THE GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

(I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
(II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and/or Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances.

Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "should", "expect", "intend", "plan", "estimate", "anticipate", "believe", "forecast", "project" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and/or Guarantor's control. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

The Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or the Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, all the risk factors set out in the Prospectus for a further discussion of the factors that could affect the Issuer's and Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date of the Prospectus. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

2.2 Risks relating to Issuer's exposure to and dependence on the Group and its business

The Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position.

Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group, and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

Specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on income derived from dividends receivable from Group companies and the receipt of interest payments and loan repayments from Group companies. The interest payments and loan repayments to be affected by Group companies are subject to certain risks.

More specifically, the ability of Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Group companies, which may be restricted by: changes in applicable laws and regulations; the terms of agreements to which they are or may become party; or other factors beyond the control of the Issuer and/or Guarantor.

Furthermore, the payment of inter-company loans and/or dividends by Group companies will depend on, among other factors, any future profits, financial position, working capital requirements, general economic conditions and other factors. Accordingly, any occurrence that could impede or otherwise delay the cash flow generation from the Group's business could have a detrimental impact on Group companies' ability to pay dividends, or repay inter-company loans, which, in turn, would have an adverse impact on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

The general upward trend in global inflation may cause an increase in the prices of materials, machinery and other inputs, especially for construction projects, while also causing a margin squeeze in the hotel and accommodation segments if the increase in prices cannot be passed on to end consumers.

The business activities of the Group are subject to general market and economic conditions, both locally and overseas. These conditions include, *inter alia*, consumer and business spending, financial market volatility, inflation, fluctuations in interest rates, exchange rates, direct and indirect taxation, recession, unemployment, credit markets, government spending and other general market and economic conditions. In the event that general market and economic conditions were to experience a downturn, these weakened conditions may have an adverse impact on the financial position and operational performance of the Group's business activities, potentially having a negative effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations in respect of the repayment of principal and interest under the Bonds punctually when due.

More specifically as regards the impact of the economy on Group operations, the Group operates across several jurisdictions and, as virtually all businesses, depends on the general financial and political situation in the world, as well as conditions unique to a specific region or country. Demand for the Group's products and services is dependent on the demand in the markets in which it operates, which, in turn, is driven by global trade, infrastructure construction as well as economic trends in applicable geographic markets. A weak economic trend in the whole or part of the world may, therefore, result in lower than expected market growth. Although the Group's business is well spread geographically, with a broad customer base within several market segments, there is a risk that the Group's operations, financial position and earnings could be adversely affected by a weak economic trend as well as cyclical patterns.

The Group is also subject to the timely completion of prospective developments and other budgetary constraints relative to its business. These include factors such as the level of investment across the property market, property prices and other economic and social factors affecting demand for real estate generally. In the event that general economic conditions and property market conditions experience a downturn which is not contemplated in the Group's planning during the completion of its prospective real estate development projects. The Group's hospitality operations could also be impacted in the event of an economic downturn, which would have an adverse effect on the tourism industry and constrain consumer spending, both of which would have a negative impact on the financial performance of the hospitality operations of the Group. Such factors may have an adverse impact on the financial condition of the Group and the ability of the Issuer and the Guarantor to meet their respective obligations under the Bonds.

2.3 Risks relating to the Group, including the Guarantor, and its business

2.3.1 Risks relating to real estate development and the realisation of benefits expected from property investments

One of the pillars of the Group's business is property development, targeted at the international commercial market. Renovating, refurbishing or otherwise improving existing properties to maintain the desired standards, and developing new and commercially viable properties, is key to the Group's business and growth strategy. All development projects are subject to a number of specific risks: the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sales transactions not materialising at the prices and the tempo envisaged; and the risk of sales delays resulting in a liquidity strain, higher interest costs and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation and cash flows.

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Group's control and which could adversely affect the economic performance and value of the Group's prospective development projects. Such factors include inter alia: (i) changes in the general economic conditions; (ii) changes in local market conditions, such as an oversupply of similar properties; (iii) possible structural and environmental problems; and (iv) acts of nature, such as earthquakes and floods, that may damage any of the properties or delay development thereof.

Any of the factors described above could have a material adverse effect on the Group's business, its financial condition and prospects and, accordingly, on the repayment of the Bonds and interest thereon by the Issuer and/or Guarantor, as applicable.

The Group has made and expects to continue making significant investments in the acquisition, development and improvement of its existing and new properties as deemed appropriate. Renovating and improving existing properties and acquiring and developing new and commercially viable properties is important to the Group's business. The Group is susceptible to experiencing cost over-runs relating to unanticipated delays in developing property and unanticipated liabilities associated with property under development. If these risks were to materialise, the Group may fail to realise the expected benefits from investments made in its properties and the Group's business, financial condition and results of operations may be adversely affected.

More specifically, delays in the time scheduled for completion of Group projects may also cause significant delays in the tempo of the revenues forecasted by the Group to be generated from such projects, which can have a significant adverse impact on the Group's financial condition and cash flows in future. Similarly, if the Group's development projects were to incur significant cost overruns that were not anticipated, the Group may have difficulties in sourcing the funding required for meeting such cost overruns and, therefore, may risk not completing the projects, which could have a material adverse impact on the ability of the Issuer to meet its Bond Obligations.

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access external financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements as aforesaid. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the financing required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.3.2 Risks relating to properties under development

The Group is also exposed to the risk of delays or refusals in obtaining the necessary planning permissions or other building and other required permits and authorisations, which is a risk commonly associated with property development projects. Delays or refusals in the issuance of development permits for projects earmarked by Group companies for construction would have an adverse effect on the business, financial condition and profitability of the Group.

Furthermore, the Group is subject to various counter-party risks, including the risk of counter-parties, such as contractors and sub-contractors engaged in the demolition, excavation, construction and finishing of developments in which the Group may be involved, and prospective lessors and/or purchasers, defaulting on their obligations with the Group. Such parties, which may include both third parties as well as related parties, may default or fail to perform on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control. Other third-party risks may include restrictions on the time to execute demolition and excavation, and risks associated with encountering protected sites whilst excavating. If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realise the full benefits that it expects from investments made in properties will depend on its ability to assess and minimise these risks in an efficient and cost-effective manner. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost-effective manner.

2.3.3 Fluctuations in property values

As stated above, the Group is involved in the acquisition, development and disposal of properties. Property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws, including in relation to taxation and planning, political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. Accordingly, there is no assurance that valuations of Group properties and property related assets will reflect actual market values that could be achieved upon a sale. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

2.3.4 Risks related to the availability of funding for completion of the Andersia Silver project

The Group secured the necessary bank financing from a consortium of three banks to part finance the construction and completion of the Andersia Silver project as detailed in sub-section 5.3 of this Registration Document. The drawdown of the bank financing is conditional to 50% pre-leasing of the office space. To date, the Group has fully secured close to 10% of office space leasing and is in advanced negotiations for another 2,500 sqm that would bring it to a total pre-lease of 15.65%.

Prolonged and/or unsuccessful negotiations with potential lessees and/or unfavourable conditions in the financial markets may adversely affect the Group's ability to satisfy the required 50% pre-leasing of the office space and would result in delays in the completion of the project.

Furthermore, the Group may not be able to secure alternative sufficient financing for the completion of the project. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within timeframes required by the Group. Failure to obtain, or delays in obtaining, the capital required to complete the Andersia Silver project on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects. In addition, the Group may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in interest rates and fair values of investments), credit risk (the risk of loss by the Group due to its debtors not respecting their commitments), and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows).

2.3.5 The hotel industry, and the Group's activities generally, could be adversely affected by natural disasters, contagious disease, terrorist activity and war

Natural disasters, the spread of contagious disease, including COVID-19, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have had a significant negative impact on the travel and hotel industry globally in the past and such events could have a similarly negative impact in the future. The Group's other operating activities, including principally real estate investments and property management, development and leasing, could, likewise, be negatively impacted by such events.

Such events occurring in the locations where the Group owns and/or operates hotels could directly or indirectly affect travel patterns and reduce the number of business and leisure travelers in affected countries and reduce the demand for hotel accommodation at the Group's hotels. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel, including premium business travel, which is generally associated with the highest average daily rates at hotels. Such a decrease could have an adverse impact on occupancy levels in hotels owned and/or operated by the Group. Furthermore, actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business and leisure travel. The occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

With respect to the Group's operations in Ukraine and Poland (as detailed below in this Registration Document), including, inter alia, as a result of the current conflicts between Russia and Ukraine, an investment in the Bonds carries the risk that, as a result of the said current political and military tensions between Russia and Ukraine, and the resulting economic sanctions imposed on Russia, as well as those imposed by Russia, the general economic conditions in Ukraine and Poland where the Group carries out part of its business could be adversely impacted; specifically in the case of operations in Ukraine, these are to be considered largely immaterial within the context of the Group.

While Poland is not directly involved in the current conflict between Russia and Ukraine, the Group is susceptible to the political and economic risks that may, from time to time, influence Ukraine's and Poland's prospects. Any unexpected changes in the political, social, economic or other conditions in Ukraine and Poland and/or their surrounding territories may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group in the region.

2.3.6 COVID-19 pandemic and possible similar future outbreaks

The widespread global pandemic of the infectious disease COVID-19 is continuing to take place in varying degrees across several countries and ensuing restrictions remain in force, albeit to a lesser extent than that experienced during 2020 and 2021. The pandemic caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines being established and various institutions and companies being closed, although over recent months such restrictions have been eased. The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group.

The full impact of the COVID-19 pandemic on the Group's business will depend on a range of factors, which the Issuer is not able to accurately predict as at the date of the Prospectus, including the duration and scope of the pandemic, the impact of possible new COVID-19 variants, the impact on economic activity and any future measures adopted by the governments in various jurisdictions to mitigate the impact of the COVID-19 pandemic, any of which may have a negative impact on the Group's suppliers and customers, or the economy as a whole and, could, in turn, have an adverse effect on the operations and financial results of the Group.

2.3.7 Competition

The hospitality business is competitive in nature and the number of players in this industry both locally and internationally is substantial, with competitors possibly having longer operating histories, greater name recognition, larger customer bases and greater financial, technical, marketing and other resources than the Group. The Group may face competition from existing competitors and/or from new market entrants. Additionally, new competitors may enter the market and control larger operations and may be able to provide services at lower rates. If the Group is not able to compete successfully, the Group's earnings could be adversely affected.

Whilst the Group already operates in a highly competitive market, this level of competition may increase as indicated above, which may limit the future ability of the Group to maintain its market share and revenue level. Some of these competitors may be able to respond more quickly, engage in more extensive promotional activities, offer more attractive pricing and terms to their customers and adopt more aggressive pricing policies. There can be no assurance that the Group will be able maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on Group's business, financial condition, operational performance and, accordingly, on the Issuer's and Guarantor's ability to fulfil their respective obligations under the Bonds.

2.3.8 The Group may be exposed to risks relative to its insurance policies

Although the Group maintains insurance at levels determined to be appropriate in the light of the cost of cover and the risk profiles of the businesses in which the Group operates, there can be no assurance that its insurance coverage will be sufficient, or that insurance proceeds will be paid on a timely basis to the Group. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates or that risks presently covered by insurance policies would be insurable in future. Furthermore, a breach of warranty could result in the Group being unable to receive any sort of insurance coverage despite having an insurance policy in place. As a result, any loss or disruption to any of the Group's operations may have a material adverse effect on the Group's business, results of operations and financial condition.

2.3.9 Liquidity risk

In view of the fact that the Group is, in large part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions, or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

2.3.10 Risks relating to fluctuations in exchange rates and other regional economic developments

The Group's operations are, in part, exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains and losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Group can be impacted by transaction risk, being the risk that the currency of the costs and liabilities of Group companies fluctuates in relation to the Euro, which fluctuation may adversely affect the Group's operating performance.

Any unexpected changes in the political, social or economic conditions of certain countries may reduce leisure and business travel to and from those affected countries, which, in turn, may adversely affect relevant Group companies' room rates and/or occupancy levels and other income-generating activities, and could potentially lead to increased costs through increased taxes in those particular countries, ultimately resulting in the deterioration of the Group's business and/or operating results in the affected countries.

2.3.11 Risks associated with sustainability factors

The Company is committed to incorporating and maintaining environmental, social and corporate governance considerations on an on-going basis in investment processes to safeguard the interests of its clients and other relevant stakeholders, pursuant to applicable local and international regulations. Sustainability factors – such as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters – may have a positive or negative impact on the financial performance of the Group's investments. Sustainability as a risk factor is relevant to all investments, where 'sustainability risk' is taken to refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the Group's investments and its financial performance. Sustainability risks can be identified across asset classes, sectors and geographies. The relevance of a sustainability risk type for a portfolio depends on both the investment strategy and the risk type characteristics. Some sustainability risks may potentially have a negative impact on all investment strategies, while others may only affect specific companies or sectors. The time horizon, likelihood of occurrence, likely impact and ability to control some sustainability risks are often uncertain. Sustainability risks may become relevant and lead to pressure for action in the short term, as well as over the medium and long-term. While it is not believed, at present, that sustainability risks will likely have material negative impacts on the business activities and financial performance of the Group, any such negative impacts on the future returns of the Group cannot be excluded.

3. PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

3.1 Persons responsible

This Registration Document includes information prepared in compliance with the Capital Markets Rules issued by the MFSA for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors of the Issuer whose names appear in sub-section 4.1.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Issuer hereby accept responsibility accordingly.

3.2 Authorisation statement

This Registration Document has been approved by the Malta Financial Services Authority as the competent authority under the Prospectus Regulation. The Malta Financial Services Authority only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

4. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

4.1 Directors

4.1.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following five persons:

Antonio Fenech	Chairman and Executive Director
Javier Errejón Sainz de la Maza	Executive Director
Jozef Bronislaw Borowski	Non-executive Director
Joseph Muscat	Independent, non-executive Director
Robert Aquilina	Independent, non-executive Director

Antonio Fenech and Javier Errejón Sainz de la Maza occupy senior executive positions within the Group. The other three Directors, Joseph Muscat, Robert Aquilina and Jozef Bronislaw Borowski serve on the Board of the Issuer in a non-executive capacity, with Joseph Muscat and Robert Aquilina being considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholder or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Muscat's and Mr Aquilina's independence, due notice has been taken of Rule 5.119 of the Capital Markets Rules.

The business address of the Directors is 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta.

Karen Coppini is the company secretary of the Issuer.

The following are the respective *curriculum vitae* of the Directors:

Name: **Antonio Fenech**; Chairman and Executive Director

Mr Fenech presently holds the role of Executive Director of the Guarantor and Chairman of the Issuer and joined the Von der Heyden Group in January 2019. As member of the management board, he is responsible the Group's business development and acts as the Malta territory leader. Prior to his appointment with the Group Mr. Fenech occupied several directorship positions in investment funds and banks. A certified public accountant and auditor, Mr Fenech started his professional career with PricewaterhouseCoopers within the assurance division where he progressed to a Senior Manager position, and eventually moved into the Business Advisory service line as a Senior Consultant. Mr Fenech held political office as Malta's Parliamentary Secretary for Finance and subsequently Minister for Finance and the Economy for 9 years until March 2012, and has also served as Mayor of Birkirkara prior to his election to the Malta Parliament.

Name: **Javier Errejón Sainz de la Maza**; Executive Director

Mr Errejón presently holds the position of Managing Director and Chief Financial Officer of the Guarantor and Managing Director of IBB Hotel Management Europe Ltd. He joined the Group in September 2006 as its Chief Financial Officer and member of the management board responsible for finance. Prior to that he occupied several senior positions, including that of head of analysis and management control of Aldeasa S.A. and controller and financial management of Grupo Ferrovial. With a Bachelor in Law and a Master of Business Administration degree from IESE Business School, Mr Errejón is also a professor teaching finance and business valuation at various universities and business schools in Spain and other countries.

Name: **Jozef Bronislaw Borowski**; Non-executive Director

Mr Borowski has been active on the Polish commercial property market for over 30 years. He is the largest shareholder of Knight Frank Sp. z o.o., the Polish arm of Knight Frank, the world's largest privately held property services firm, and has managed Knight Frank in Poland for *circa* 25 years, a team which is currently comprised of 130 professionals. Prior to establishing Knight Frank in Poland, Mr Borowski was a member of the Capital Markets and Real Estate Services teams of PricewaterhouseCoopers, Poland. Mr Borowski has closed substantial leasing and investment transactions during his property career in Poland for leading multinational corporations, financial institutions, institutional funds and family offices, across various property sectors including office, residential, retail, parking, hotel and land. Mr Borowski has a beneficial interest in some Group companies as detailed in sub-section 8.4 below.

Name: **Joseph Muscat**; Independent, non-executive Director

Mr Muscat is a Certified Public Accountant and a Fellow of the Chartered Association of Certified Accountants, United Kingdom (FCCA), having qualified as a member of the ACCA in 1981. Mr Muscat retired from PricewaterhouseCoopers in Malta on 31 December 2019 on reaching the firm's mandatory retirement age. He spent the majority of his professional career at the firm, the initial ten-year span in the firm's Assurance practice and, as from 1996 - on re-joining the firm after a six-year stint when he was engaged to oversee the finance function of a manufacturing company in Belgium - in the firm's Advisory line of service providing corporate finance and transaction advisory services across the wider spectrum of the private and public sectors in Malta. Mr Muscat was admitted to the PwC partnership in 2003 and over the years he has held various positions within the firm including those of Deals leader, Advisory service line leader and a member of the firm's Management Board.

Name: **Robert Aquilina;** Independent, non-executive Director

Mr Aquilina joined the family business, Salvo Grima Group, in 1973, a business established in 1860. In 1988 he was appointed as Managing Director and eventually Chairman and CEO of the group in 2003. During his tenure, Mr Aquilina was instrumental in growing the business from just ship suppliers to multiple business activities, including freight forwarding, freeport warehousing, travel retail outlets in Malta and Palma De Mallorca as well as a fast-moving-consumer-goods distribution company in the Netherlands. Outside the Salvo Grima Group, Mr Aquilina has served at public level as Chairman of the Malta Shipyards (leading to its privatisation) as well as a director at Enemalta Corporation, Malta Resources Authority and privately at Nordic Offshore Services A/S Denmark (NOS), Valletta Cruise Port plc and MelitaUnipol Insurance Agency Limited. In April 2016, he relinquished his position as CEO of the group and became non-executive Chairman of the Group in line with the family charter. Today Mr Aquilina is an authorised director, approved by the Malta Financial Services Authority to serve as a non-executive independent chairman or director on regulated or non-regulated entities. Amongst others, Mr Aquilina has been a member of the Malta Chamber of Commerce since 1983, a council member (10 years) and Senior Vice-President (5 years) at IMPA (the International Marine Purchasing Association) as well as a founding member of the Airport Tax Free Association and the Duty-Free Port Shops Association, Malta.

4.1.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is constituted by the following three persons:

Sven von der Heyden	Chairman and executive director
Javier Errejón Sainz de la Maza	Executive director
Antonio Fenech	Executive director

The business address of the directors of the Guarantor is 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta.

Nicholas Formosa is the company secretary of the Guarantor.

The following are the respective *curriculum vitae* of the directors of the Guarantor:

Name: **Sven von der Heyden**; Chairman and executive director

Mr von der Heyden is the founder the Group, responsible for its overall direction and strategy. Prior to the setting up of the Group in 1989, Mr von der Heyden was an institutional bond dealer. He was also a co-founder, the main shareholder as well as chairman of the Supervisory Board of the Iberia Motor Company S.A., the general exclusive importer of Seat cars in Poland, sold in 1998 with a revenue of €150 million. Mr von der Heyden has won various personal and project awards, including "Personality of the Year 2002" award granted by the readers of Construction Journal Poland, "Preservation of Historical Buildings" award granted to Mr von der Heyden by the Polish Minister of Culture in 2002 and multiple "Building of the Year" and "CEE Best Projects" awards in recognition of projects carried into effect by the Group over the years. Mr von der Heyden is resident in Malta since January 2014.

Name: **Javier Errejón Sainz de la Maza**; Executive director

The *curriculum vitae* of Mr Errejón Sainz de la Maza is set out in sub-section 4.1.1 above.

Name: **Antonio Fenech**; Executive director

The *curriculum vitae* of Mr Fenech is set out in sub-section 4.1.1 above.

4.2 Senior management

The Issuer does not have any employees of its own and is reliant on the resources which are made available to it by other Group entities.

In addition to the directors of the Issuer and the Guarantor, the key members of the Group's Executive Team are the following:

Name: **Robert Hendrik Rottinghuis**; Chief Executive Officer

Mr Rottinghuis joined the Group in 2016 as an executive director and member of the management board, after having serviced the Group in different roles working with corporate services providers and banks for over 10 years. Mr Rottinghuis also held the position of managing director of United International Management Malta and director in its Luxembourg office, primarily servicing private equity and real estate investment funds. Mr Rottinghuis holds a Masters in Business Administration degree.

Name: **Samuel Santos Gordillo**; Director of Sales and Quality IBB Hotel Collection and Cugó Gran Collection

Mr Santos joined the Group in 2018 and is responsible for the hotel group sales, operations and development of the IBB Hotel Collection and the Cugó Gran brand. Prior to him joining the Group, Mr Santos Gordillo was with H Hotels Collection and subsequently Meliá Hotels & Resorts International responsible or sales strategy of the luxury accommodation segment.

Name: **Lorriane Mizzi**; Group Financial Controller

Ms Mizzi joined the Group in 2017 and is responsible for the financial division of the Group. Ms Mizzi is a warranted accountant and auditor and prior to joining the Group she was for 13 years in the auditing profession initially with Falzon and Falzon and her later years with RSM Malta.

Name: **Tiana Vella**; Director Human Resources

Ms Vella joined the Group in 2018 and is responsible for the Human Resource function of the Group. Prior to joining the Group, Ms Vella was Deputy Human Resource Manager at Allied Newspapers and subsequently as Human Resource Manager at the Hilltop Gardens within the AX Group.

Name: **Theresienne Mifsud**; Head of Legal

Dr Mifsud joined the Group in 2021 as Head of Legal. Prior to joining the Group, Dr Mifsud was for more than 10 years Head of Legal and Regulatory Affairs for Melita Limited, a leading local telecommunications player, and also for a number of years a lawyer within the public sector on consumer and competition matters and a partner in a local legal firm mainly advising on telecommunications, media and data privacy.

Name: **Cristina Gomez-Cambronero**; Financial Controller IBB Hotel Collection

Ms Gómez-Cambronero joined the Group in 2002 and is responsible for the financial control of the hotel division since 2019. Prior to this role she was in charge of the accounts supervision and general administration of the Group's Spanish subsidiaries based in Menorca. Before joining the Group 20 years ago, she worked for 4 years with the Spanish hotel company Hoteles Globales in various roles within the company's properties in Menorca.

Name: **Adam Karol Trybusz**; Group Head of Real Estate Development, Poland

Mr Trybusz joined the Group in 1996 and is responsible for its real estate development projects in Poland, several of which have been award-winning projects. Mr Trybusz holds a Master degree from the Faculty of Computer Science and Management in Wroclaw University of Technology and is a member of the Royal Institute of Chartered Surveyors (RICS). Mr Trybusz has a beneficial interest in some Group companies as detailed in sub-section 8.4 below.

Name: **Alexandra Bondi**; Group Head of PR & Marketing

Ms Bondi joined the Group in 2017 and is responsible for the Marketing and Public Relations for the Group's corporate brand, providing marketing guidance to the Group's business subsidiaries and complementary luxury segments. Prior to joining the Group, Ms Bondi gained experience in London working for listed multinationals including Microsoft, Viacom and Channel 5.

The Directors believe that the Group's present management organisational structures are adequate for the current activities of the Issuer and the Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the Group's business and to strengthen the checks and balances necessary for optimum corporate governance and maximum operational efficiency.

4.3 Advisors

Legal Counsel

Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsor, Manager & Registrar

Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

Financial Advisors

Name: Ernst & Young Limited (C 30241)
Address: Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta

As at the date of the Prospectus, none of the advisors named under this sub-heading have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisors referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

4.4 Auditors

Name: Ernst & Young Malta Limited (C 30252)
Address: Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2019, 2020, and 2021 have been audited by Ernst & Young Malta Limited of Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta.

The annual statutory consolidated financial statements of the Guarantor for the financial years ended 31 December 2019, 2020, and 2021 have been audited by Ernst & Young Malta Limited of Fourth Floor, Regional Business Centre, Achille Ferris Street, Msida MSD 1751, Malta.

Ernst & Young Malta Limited (accountancy board registration number AB/26/84/96) is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979, Chapter 281 of the laws of Malta.

5. INFORMATION ABOUT THE ISSUER AND GUARANTOR

5.1 The Issuer

Full legal and commercial name of the Issuer:	**Von der Heyden Group Finance p.l.c.**
Registered address:	**14 East, Level 8, Sliema Road Gzira GZR 1639 Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 77266**
Legal Entity Identifier:	**391200IXSTHAHKXMJL91**
Date of registration:	**15 September 2016**
Legal form:	**The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act**
Telephone number:	**+356 27792200**
Email:	**vdhgroup@vdhgroup.com**
Website*:	**www.vonderheydengroup.com**

**The information on the Issuer's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The Issuer was established on 15 September 2016 as a wholly-owned subsidiary of the Guarantor, the ultimate parent of the Group, save for 1 ordinary share which is held by Von der Heyden Group Holdings B.V., a Curacao company having company registration number 155289. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, assets, including, but not limited to, securities and other financial interests. The issue of bonds falls within the objects of the Issuer. The Issuer's intended purpose is to raise finance for the business of the Group through the Guarantor. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor and the Group. The Issuer operates exclusively in and from Malta.

As at the date of the Prospectus, the Issuer has an authorised and issued share capital of €250,000 divided into 249,999 ordinary A shares of a nominal value of €1.00 each and 1 ordinary B share of a nominal value of €1.00, all being fully paid-up and subscribed for, allotted and taken up by the Guarantor, other than the 1 ordinary B share which is subscribed for, allotted and taken up by Von der Heyden Group Holdings B.V. Further details concerning the manner in which the shares in the Issuer are subscribed to are set out in sub-section 13.1 of this Registration Document.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent on the financial and operating performance of the businesses of Group entities, comprising of developing high-quality office buildings and residential buildings, owning and managing hotels in Europe, including Germany, Malta, Poland, Portugal and Spain, the holding of real estate properties for investment purposes, hotel accommodation and catering; asset management; and private equity and other ventures such as real estate brokerage, yacht dealership and chartering, low cost petrol stations operation and other venture capital and capital markets investments.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company to provide subsidiaries and associates within the Group with funding for project developments, strategic expansions and sustainable investments. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.3 of this Registration Document, as well as other projects that may be undertaken by its subsidiary companies and/or related companies enabling the Group to seize new opportunities arising in the market.

Since its incorporation, the Company issued one bond, which is currently listed and trading on the Official List of the Malta Stock Exchange, details of which are set out immediately below.

In January 2017, the Company issued €25,000,000 4.4% Unsecured Bonds 2024 of a nominal value of €1,000 per bond issued at par, the net proceeds of which were on-lent to Group companies to repay related party balances and to part-finance various acquisitions and developments of investment property, amongst others, in terms of a prospectus dated 30 January 2017. Unless previously re-purchased or cancelled, the 2017 VDHG Bonds are redeemable at their nominal value on 8 March 2024. Interest on the 2017 VDHG Bonds is repayable annually on the 8 March of each year between and including each of the years 2018 and the year 2024 at the rate of 4.4% *per annum*. As at the date of this Registration Document, the amount of €25,000,000 of the said 2017 VDHG Bonds remains outstanding, and it is the Issuer's intention that the 2017 VDHG Bonds are to be redeemed early upon the issue of the Bonds and admission to trading and listing of the Bonds on the Official List. Full details of the mechanics of the early redemption of the 2017 VDHG Bonds and the rights of holders of the 2017 VDHG Bonds upon such early redemption are set out in the Securities Note.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.

5.2 The Guarantor

Full legal and commercial name of the Guarantor:	**Timan Investments Holdings Limited**
Registered address:	**14 East, Level 8, Sliema Road Gzira GZR 1639 Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 63335**
Legal Entity Identifier:	**3912004RIUJ0D4BN4B86**
Date of registration:	**31 December 2013**
Legal form:	**The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act**
Telephone number:	**+356 27792200**
Email:	**vdhgroup@vdhgroup.com**
Website*:	**www.vonderheydengroup.com**

**The information on the Guarantor's website does not form part of the Prospectus, unless that information is incorporated by reference into the Prospectus.*

The Guarantor was established in the Netherlands in 1999 and in 2013 the Guarantor was re-domiciled to Malta. The Guarantor principally acts as the investment holding company of the Group, holding shares in a number of subsidiary companies registered in Germany, Italy, the Netherlands, Poland, Spain, Malta, Portugal and Montenegro, primarily operating in the real estate development and hotel management sectors.

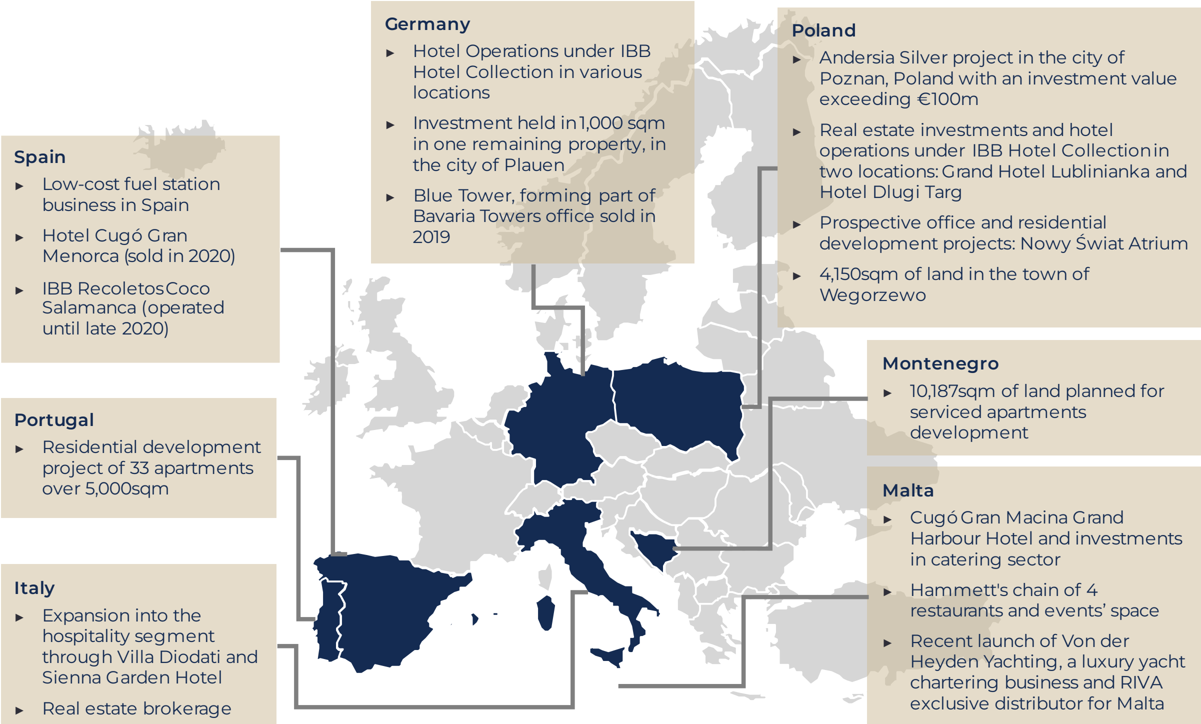
As at the date hereof, the Guarantor has an authorised share capital of €50,000,000 divided into 20,000,000 ordinary A shares of a nominal value of €1 each and 30,000,000 ordinary B shares of a nominal value of €1 each; and an issued share capital of €3,804,641 divided into 3,249,924 ordinary A shares of a nominal value of €1 each and 554,717 ordinary B shares of a nominal value of €1 each, all fully paid-up. At present, the shares in the Guarantor are subscribed to and held as indicated in sub-section 13.3 of this Registration Document.

The principal activity of the Guarantor is to hold investments in subsidiaries and associated entities for capital growth and income generation. The Guarantor also provides financing to the Group and related entities. The principal object of the Guarantor is to invest and deal with monies of the company in any shares, securities, commodities, derivatives and funds and in such manner as may, from time to time, be determined. The Guarantor is also empowered in terms of its Memorandum of Association to guarantee the payment of monies or the performance of any contract or obligation in which the Guarantor may be interested, even by the hypothecation of the Guarantor's property, whether present or future.

In terms of its Memorandum and Articles of Association, the Guarantor is controlled by Von der Heyden Group Holdings B.V. and, in turn, the Group is ultimately controlled by Mr Sven von der Heyden. The Guarantor acts as the parent company of the Group and its principal Malta registered subsidiaries are the Issuer and IBB Hotel Management Europe Ltd. The Group has representative offices in Ukraine (Kyiv), Poland (Warsaw, Poznań, Lublin and Gdansk), Germany (Berlin and Munich), Netherlands (Amsterdam), Spain (Madrid and Menorca), Italy (Sardinia), Portugal (Carvoeiro) and Malta (Gzira). The Group also recorded investments in the US (New York and Atlanta) and Germany (Dresden and Leipzig). As at 31 December 2021, the Group had 37 subsidiary entities 2 of which are immaterial and as such not consolidated) and 7 associated entities registered in Germany, Poland, Ukraine, Spain, Portugal, Italy, Malta, Montenegro, and the Netherlands. Amongst others, the Group's associates include Bogenhausener Tor Immobilien S.à r.l., a company that was involved in the development of the Bavaria Towers Munich project, and IBB Hammetts Operations Limited, an operator of food and beverage outlets and event facilities in Malta. With over 30 years of sound experience and continuing presence in European markets, the Group enjoys the trust of international financial institutions, funds and big market players, family offices as well as embassies and governmental institutions. More information on past, current and future projects may be found in sub-section 5.3 below.

Historically the Group's main business activities related to the development of relatively significant real estate projects, which represent the key driver for the Group's financial performance and wealth accumulation. Over the years, the Group sought to diversify its activities and entered various other segments, including real estate services, accommodation and catering, yachting and other private equity type of investments, where the Group has an involvement or investment as an associate undertaking. Operations are spread across Germany, Poland, Ukraine, Spain, Portugal, Italy, Montenegro and Malta. The Group normally manages every venture through a dedicated company; within the Hotel segment the Group would keep the asset in a property company, while the operations are separately managed through a hotel operating company where it operates the hotel. Hotels, whether the asset is owned by the Group or whether leased, are managed under the "IBB" brand for the 3 to 5-star segment and the Cugó Gran for the Boutique Hotel luxury segment. IBB Hotel Management Europe Ltd handles the management of all the portfolio of hotels held by the Group providing services such as corporate accounting, a common online booking platform, revenue management and marketing and sales.

The Guarantor has a direct or indirect presence in a number of key markets in Europe:



The Group has established itself as a niche boutique player targeting best-in-class results by developing high-quality office buildings, owning and managing hotel and residential properties in Europe. The Group's business activities are currently organised across four lines of business – (i) real estate developments, investments and services; (ii) hotel accommodation and catering; (iii) asset management; and (iv) private equity, venture capital and capital markets.

The following table provides a list of the principal assets and operations owned by the respective trading Group companies as at the date of the Prospectus:

Owning Company	Business Activity	Principal Assets / Operations	State, Country & Registered Office	% Ownership
Andersia Property Sp. z o.o. Reg No. 0000058643	Real Estate Investment	Holding Company (100% in Andersia Retail)	Plac Andersa 7, Poznań, Poland	66.67%
Andersia Retail Sp. z o.o. Reg No. 0000238196	Real Estate Investment	40,000sqm Poznań office development	Plac Andersa 7, Poznań, Poland	66.67%
Nowy Swiat 5 Sp. z o.o. Reg No. 0000063825	Real Estate Investment	Central Business District plot 3,750sqm	ul. Wspólna 62, Warsaw, Poland	100%
Von der Heyden & Partners Sp. z o.o. Reg No. 0000080543	Real Estate Investment	Owner - Plots of land, measuring 4,150sqm	ul. Wspólna 62, Warsaw, Poland	100%
Von der Heyden Development Sp. z o.o. Reg No. 0000228286	Real Estate Investment	Development Company	ul. Wspólna 62, Warsaw, Poland	100%
KASA Investments GmbH Reg No. HRB 138355	Real Estate Investment	Owner - 982sqm Residential Building	Devrientweg 26, 12207 Berlin, Germany	50%

Owning Company	Business Activity	Principal Assets / Operations	State, Country & Registered Office	% Ownership
DGDV Capital Limitada Reg No. 515098140	Real Estate Investment	Owner - 5,000sqm Residential Project	Sítio do Castelo do Sino, Vale Currais, Alfanzina, 8400-550-Carvoeiro, Lagoa, Portugal	25%
Hot Spot Real Estate d.o.o. Reg No. 50921297	Real Estate Investment	Owner - 10,187sqm plot of land in Budva	Bulevar Džordža Vašingtona Br. 108/A36, The Capital Plaza, Podgorica, Montenegro	100%
Donaupassage Hotel Passau Betriebs GmbH Reg No. HRB 7582	Hotel Management	Operator - IBB Hotel Passau (3*)	Neuburger Straße 79, 94036 Passau, Germany	99.59%
IBB Blue Hotel Betriebs GmbH Reg No. HRB 176072 B	Hotel Management	Operator- IBB Blue Hotel (3*) Berlin - Airport & IBB Blue Hotel Paderborn (3*)	Groß-Berliner Damm 71, 12487 Berlin, Germany	99.59%
IBB Hotel Deutschland Betriebs GmbH Reg No. HRB 49913	Hotel Management	Operator - (1) IBB Hotel Ingelheim (4*) & (2) IBB Hotel Altmühltal Eichstätt (4*)	Binger Straße 76, 55218 Ingelheim am Rhein, Germany	99.59%
Lublin Grand Hotel Management Sp. z o.o. Reg No. 0000145390	Hotel Management	Operator - IBB Grand Hotel Lublinianka (4*)	ul. Krakowskie Przedmiescie 56, Lublin, Poland	74.63%
Lublin Grand Hotel Sp. z o.o. Reg No. 0000061774	Real Estate Investment	Owner - IBB Grand Hotel Lublinianka	ul. Wspólna 62, Warsaw, Poland	75%
Długi Targ Hotel Management Sp. z o.o. Reg No. 0000610327	Hotel Management	Operator - IBB Hotel Dlugi Targ (4*)	Plac Andersa 7, Poznań, Poland	50%
Długi Targ Sp. z o.o. Reg No. 0000258097	Real Estate Investment	Owner - IBB Hotel Dlugi Targ	Plac Andersa 7, Poznań, Poland	66.67%
IBB España 2004 S.L. Reg No. B57245896	Hotel Management	Operator - IBB Recoletos Coco Salamanca (4*)	Plaza Explanada 57-2° 07703 Mahón, Baleares - España	99.59%
IBB Hotel Management Europe Ltd Reg No. C 74696	Hotel Management	Hotel management company for all IBB Hotels	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	99.59%
Senglea Hotel Operations Limited Reg No. C 81041	Hotel Management	Operator - Cugó Gran Macina Grand Harbour	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	99.59%

Owning Company	Business Activity	Principal Assets / Operations	State, Country & Registered Office	% Ownership
IBB Hammetts Operations Limited Reg No. C 81213	Hotel Management	Operator - Hammetts Gastro Bar, Hammetts Macina Restaurant, Sheer Bastion & Hammetts Mestizo	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	50%
Urbelia Bailen S.L. Reg No. B88062450	Private Equity & Other Investments	Operator - Petrol Station Bailen	C CARNICERIA NUMERO 3, 2H, 28250 Torrelodones, Madrid, Spain	50%
Urbelia Ciudad S.L. Reg No. B8807331	Private Equity & Other Investments	Operator - Petrol Station Ciudad Real	Calle de la Carnicería, 3, 28231 Las Rozas, Madrid, España	50%
Asset Management Company Von der Heyden Group LLC Reg No. 43263811	Private Equity & Other Investments	Asset Management Company	01023, Kyiv, PL. SPORTYVNA, Building 1-A, Building A, Office 12, Kiev, Ukraine	100%
Von der Heyden Real Estate Services Srl Reg No. 02808480905	Private Equity & Other Investments	Real Estate Brokerage & Other Services	Arzachena (SS) Localita' Mirialvera Snc Cap 07021, Sardinia, Italy	50%
Von der Heyden Yachting Limited Reg No. C 97298	Luxury Yacht Chartering & Riva Yachts dealership	Ownership and yachting chartering	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	100%
First Polish Real Estate B.V. Reg No. 34209436	Real Estate Development	Holds 100% Dlugi Targ Sp. z o.o., Holds 50% Dlugi Targ Hotel Management Sp. z o.o., Holds 63.75% in Andersia Property Sp. z o.o. and 100% Holding Company of Andersia Retail Sp. z o.o.	Barbara Strozzilaan 101, -201, 1083HN, Amsterdam, Netherlands	53.45%
Villa Diodati S.R.L. Reg No. 205085	Real Estate Development	Owner – 2,000 sqm villa	Santa Croce Sull'arno, (Pi) Largo Vittorio, Sereni 11 Cap 56029, Pisa, Italy	100%
Gzira 14 East Limited Reg No. C 80125	Real Estate Development	Office rental	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	100%
IBB Polska Sp. z. o.o. Reg No. 000165326	Hotel Management	Hotel Management company for Poland	Plac Andersa 7, Poznań, Poland	99.59%
IBB Hotel Collection Holding S.L Reg No. B07609258	Hotel Operations	Holding company for all the operational hotel companies of the Group and 4.43% holding in Millennium Menorca Travel SL	Plaza Explanada 57-2° 07703 Mahón, Baleares - España	99.59%
IBB Management 2007 S.L. Reg No. B57479347	Hotel Operations	Company supporting the management structure of the hotel team in Menorca	Plaza Explanada 57-2° 07703 Mahón, Baleares - España	99.59%

Owning Company	Business Activity	Principal Assets / Operations	State, Country & Registered Office	% Ownership
Lvant Prospects Limited Reg No. C 98752	Asset Management	Feeder company set in the form of a club deal for investors	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	100%
Von der Heyden Group Services Ltd Reg No. C 95013	Asset Management	Central services and procurements company	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta	100%
Urbelia Business S.L. Reg No. B87992699	Private Equity & Other Investments	Holds 100% equity in Urbelia Bailen S.L. and Urbelia Ciudad S.L.	Calle Carnicería, 3, 28250 Torrelodones, Madrid, España	50%
Timan Investments España S.L. Reg No. B57002388	Private Equity & Other Investments	Holds 73,42% shares in Millenium Menorca Travel SL	Plaza Explanada 57-2º 07703 Mahón, Baleares - España	100%
Viajes Menorca SL. Reg No. B57077224	Private Equity & Other Investments	Travel agency operation in Menorca	Avda Fort De L´Eau 129, 07701 Mahón-Menorca, España	88.97%

The remaining proportion of equity interest not held by the Company and/or the Group is the proportion held by non-controlling interests. The Group manages most of its large development projects through club deals, which are projects undertaken by the Group together with a number of investors and where the Group acts as the lead partner, even if the Group would not necessarily hold more than 50% of the company in question. In the case of operating companies where the Group holds 50% or less of the holding, the partner of the Group in that company would run the operation with the Group acting as an investing partner, this would be so for IBB Hammetts Operations Limited, Von der Heyden Real Estate Services Srl and Urbelia Business S.L.

5.3 Overview of the Group's business and investments

5.3.1 Real estate developments, investments and services

Real estate developments, investments and services represent the core business of the Group. Maintaining a solid pipeline of projects continues to drive the Group's growth prospects both in terms of value and profitability. The Group has a legacy and a reputation of being able to deliver major high-quality developments as the trusted lead partner.

Real estate developments are cyclical in nature and represent one-off transactions. Over recent years, the Group benefitted from a number of developments, including, more recently, the sale of Bavaria Towers, Germany. The Group has further planned to benefit from relatively significant returns further to the development and disposal of Andersia Silver Tower in Poland.

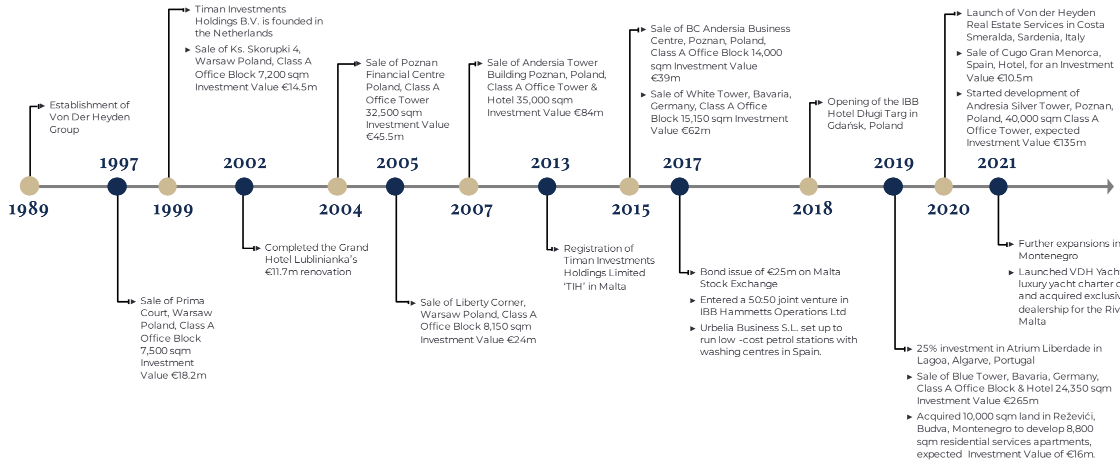
The Bavaria Towers complex, a most forward-looking real-estate development in the Bavarian capital in a top strategic location in Munich, arguably remains the Group's landmark real estate development project to date.

The complex covered a total area of approximately 23,000m² and was designed by *Nieto Sobejano Arquitectos* and comprising in total of four spectacular high-rises with inclined roofs and gently curved forms which are a striking addition to the Munich skyline and comprise of three office towers and a hotel, offering the perfect environment for discerning companies looking for stunning architecture, premium fixtures and fittings, and a high-end look and feel with a first-rate infrastructure.

The plot is the property of German registered company, Bogenhausener Tor Immobilien GmbH, co-owned by the Von der Heyden Group and an institutional investor. The Munich-based development company *Bayern Projekt GmbH* was tasked with project development and representing the interests of the owners.

2019 saw the successful completion and sale of the 18-storey Blue Tower, acquired from the Group with co-developers *BayernProjek*t and co-investors *Zurich Gruppe Deutschland,* the second highest tower of the four and sold at an investment value in excess of €265 million at a record yield of just less than 3%, registering the highest rate of return of equity for the Group in its A-Class building portfolio, after having secured long-term lease contracts. Total net sales proceeds from White Tower (hotel) and Blue Tower (office) amounted to just over €326 million. The White Tower refers to the third tower built in the Bavaria Towers complex that is today rented to H-Hotels with 345 rooms. The 15-storey tower has 15,150 sqm of rentable space and 140 underground parking spaces.

Hereunder is the timeline of the key real estate development projects over the Group's history:



Set out below are details concerning the Group's most recent key investment projects:

Andersia Silver

Andersia Silver tower becomes now the flagship project for the Group for the coming 3 years. The approximately 40,000 sqm of usable office and commercial space is spread over 26 floors above ground and 3 underground parking floors in the heart of the financial centre of the city of Poznań, Poland, projected to have a development cost in excess of €105 million. Andersia Silver will be the highest building in Poznań, completing what Poznań cityscape is today: a community-oriented bustling A-Class financial centre that offers a unique opportunity for businesses to claim a spot in one of the major thoroughfares of the city that offers tailored business solutions. With the planning in hand, the permit also included the possibility of the subsequent development of a *circa* 3,000m^2 plot into a 10,000m^2 smaller tower in the future.

At the heart of the city of Poznań, the fifth largest city in Poland, the Andersia Tower project is the Group's fourth and final major project around Andersia Square with a total investment value of €105 million, following the completion and sale of the Poznań Financial Centre Poland in 2004, a 32,500 sqm A-Class office tower with an investment value of €45.5m; the sale of Andersia Tower building in 2007, a 35,000 sqm A-Class office tower and hotel with an investment value of €84m and in 2015 the BC Andersia Business Centre, an A-Class office block comprising a 14,000 sqm development with an investment value of €39m.

The building is being designed by the *Architectural Design Studio's Ewa* and *Stanisław Sipiński* in Poznań. Andersia Silver is designed for gold-level LEED certification, with underground works having been completed in 2021 and above-ground works and the project generally expected to be completed in 2024.

The Group's interest is held through First Polish Real Estate B.V., in which the Guarantor holds 53.45% with the other shareholder being Adam Karol Trybusz a local partner who has acted as the Group's Managing Partner in the various developments the Group has completed in Andersia Square. First Polish Real Estate B.V. holds 63.75% in Andersia Property Sp. Z o.o., which in turn fully owns Andersia Retail Sp. Z o.o. the company that owns the land. The Municipality of Poznań holds 15% shares in Andersia Property Sp. z o.o, 25-year public-private partnership with the City of Poznań and the remaining 21.25% by Sopentar Holdings Limited whose managing director, Jozef Bronislaw Borowski, acts also as a non-executive Director on the Issuer.

The Andersia Silver project is progressing steadily with the underground works for the 251 car parking spaces spread over 3 underground floors completed. As at 31 December 2021 the asset had a carrying value at €28.2 million, that included the works carried out to date and the value of the land.

The Group secured the necessary bank financing from a consortium of three banks to part finance the construction and completion of the project, and which drawdown is conditional to 50% pre-leasing of the office space. In addition to the shareholders' funding and additional mezzanine financing, an amount of €4,000,000 of the Bond Issue net proceeds will be used for the purpose of part-financing the continued development of the project, as set out in sub-section 5.1 of the Securities Note.

Reževići, Montenegro Hotel/Residential Project

The Group set up a wholly-owned company in Montenegro, Hotspot Real Estate d.o.o., and acquired its first property in 2020 for €980,000 which comprises of a plot of land measuring 10,187m² in Blizikuce, Budva Municipality, Montenegro.

On the unique coast of Budva in Montenegro, the land constitutes one urban parcel which the Group aims to develop into an area of circa 8,000m² of serviced residential apartments with a boutique hotel. The site is on the coastal slopes of Blizikuce, Budva, benefiting from sea views over the famous Sveti Stefan Peninsula and close to the Crvena Glavica beach.

All planning permissions have been secured and the project is now at contracting stage. Works on the project are expected to commence in late 2022 with a total investment value of €16m and completion targeted for 2024.

Tuscany, Italy restoration of Villa

The Group set up a wholly owned company in Italy, Villa Diodati S.R.L., and acquired its first property in 2020 for €1.4 million which comprises of a historical villa and spacious gardens over a plot of land measuring 2,000m² in Lucca, Italy.

The 16th century villa stands imposing over the slopes of Ciciana overlooking the city of Lucca and the breath-taking views of Tuscany. The building permit was obtained in July 2021 and works commenced mid-October 2021. With renovations on schedule and underway, completion is expected for the first half of 2023, with an investment value of €7.5 million.

Atrium Liberdade Residences

The Group concluded a shareholder agreement in 2019 for a 25% investment in a 5,000m² residential development project in Lagoa, Algarve, Portugal, consisting of 33 apartments including 35 parking spaces and having an investment value of €5.5 million, for which a valid building permit has been granted and all architecture and engineering plans have been completed.

Financing for this project will be provided by a local bank and construction carried out by a Portuguese general contractor, using mostly locally sourced high-quality materials and equipment. The project qualifies as urban redevelopment (ARU) and, therefore, adds value to the local community.

As a result of COVID-19 and the change in residential demand patterns, the Group, together with the local architect and co-developer, prepared an alternative layout of the building, replacing the larger town houses and penthouses with smaller apartment units, essentially increasing the number of units, and slightly decreasing the average size of each.

The total development costs are projected at approximately €5.5m. All required planning permissions have been granted and construction as well as pre-sales are expected to start in the second half of 2022 and full completion is expected in the end of 2023.

Węgorzewo Project (Poland)

The Węgorzewo development project, through the Group's subsidiary company Von der Heyden & Partners Sp. z o.o., involves the construction of over 50 residential houses located on a moraine hill, right next to Święcajty Lake and a historic water tower in Węgorzewo. The complex will be characterized by modern architecture, referring to the traditional surrounding buildings. The residential development will be open, with public green areas, a children's playground, walking paths and bike trails.

The concept was prepared based on the analysis conducted by *Probuild Sp. o.o.* with participation from the local authorities and residents, while the urban and architectural design has been prepared by *Grupa 5 Architekci* based in Warsaw.

Five plots of land comprising of approximately 4,200m² have been sold and the six remaining plots of land which comprise of approximately 4,150m² are gradually being sold to individual buyers through a local estate agent.

Real estate services

The Group continued its strategy of involvement in luxury-related services and the leisure industry by expanding its geographic footprint into one of the world's most exclusive luxury locations, Costa Smeralda, Sardinia, Italy, through the setting up in 2020 of its real estate arm, Von der Heyden Real Estate Srl.

Many properties in Costa Smeralda were built in the 1980s and 1990s and present an opportunity for renovation of outdated designs. Von der Heyden Real Estate Srl also offers property management consultancy, enabling clients to maintain and increase the value of their properties. In addition, Von der Heyden Real Estate's agency prides itself in providing experiential holiday makers with superior and customized concierge services, including but not limited to yacht chartering or luxury short-let properties.

5.3.2 Accommodation and Catering

The Group's accommodation and catering segment has been a core segment driving EBITDA over recent years. This segment has been materially impacted by COVID-19 on account of restrictions imposed and lower occupancies across all hotel assets being operated by the Group.

The Group manages and operates its hotels through two brands, the IBB Hotel Collection for the 3 to 5-star Hotels and the Cugó Gran brand for the luxury boutique operations. The locally registered entity IBB Hotel Management Europe Ltd acts as the franchisor company, franchising each Group franchisee company in the different jurisdictions where hotel operations are located. The IBB Hotel Collection operates five 4-star hotels, three in Germany and two in Poland, as well as two 3-star hotels in Germany. The Collection's flagship Cugó Gran Brand luxury boutique hotel is situated in a 16th Century fortification on the water's edge in Malta's Grand Harbour.

Hotel management activities are mainly carried out through management agreements with third-party property owners. The Group is planning further expansion in Italy via the acquisition of a villa d'epoca in Lucca, Tuscany which is currently in the process of being renovated, to be operated as a luxury bed and breakfast. The Group is also in the process of acquiring a luxury property in Siena, Tuscany which it is planning to operate as a luxury hotel under the Cugó Gran brand.

On the basis of the experience garnered throughout the COVID-19 pandemic, IBB Hotel Collection commenced a process of repositioning the brand offering from the 3-star segment and expanding in the 4-star, 5-star and luxury segments. This led to ceasing operations of IBB Hotel in Passau City Centre in Germany as from April of 2020, and also the operation of Hotel Salamanca in Spain in late 2020, in both cases through an amicable agreement with the landlords.

IBB Hotel Cugó Gran Menorca became the very first 5-star luxury agrotourism hotel in the Balearic Islands after the rehabilitation of its 19th century old Menorcan 13-bedroom farmhouse perched on a stunning 100-hectare estate. In 2020 the Group sold the property to a private investor following the receipt of a very attractive offer of €10.5m.

The Group ceased to operate IBB Hotel Andersia, a 172 room 4-star hotel located in Andersia Tower, a tower completed and sold by the Group in August 2007 in the Poznan financial centre. The lease of the Hotel expired on 31 March 2022 and a handover given to the new operator identified by the owner of the Hotel following a bidding process.

Hotel operations in Germany

In Germany the Hotel group operates 3 hotels in the 4-star segment, IBB Hotel Ingelheim, IBB Hotel Altmühltal Eichstätt and IBB Hotel Passau Süd, 2 hotels in the 3-star segment, IBB Blue Hotel Berlin-Airport and IBB Hotel Paderborn.

IBB Hotel Ingelheim, operated by the Group through its subsidiary company IBB Hotels Deutschland Betriebs GmbH, of which the Guarantor is the sole shareholder, is a 4-star hotel comprising of 103 double rooms and 6 studios. Additional facilities include a boardroom hosting up to 12 guests, a breakfast restaurant, a bar and 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 Altmühltal Eichstätt, operated by the Group through its subsidiary company IBB Hotels Deutschland Betriebs GmbH, of which the Guarantor is the sole shareholder, is a 4-star hotel which opened in July 2020 in the city of Eichstätt near Ingolstadt, which is where the headquarters and main production plant of Audi are located. The hotel comprises of 90 rooms, a modern Bavarian Wirtshaus (restaurant) and 40 underground parking spaces.

IBB Hotel Passau Süd, operated by the Group through its subsidiary company Donaupassage Hotel Passau Betriebs GmbH, of which the Guarantor is the sole shareholder, is a 4-star hotel located only 3km away from the historical city centre of Passau. The hotel offers 63 elegant rooms and 2 apartments, as well as a conference area that may host up to 85 guests.

The Group also operates IBB Blue Hotel Berlin-Airport in Germany, through its subsidiary company IBB Blue Hotel Betriebs GmbH, of which the Guarantor is sole shareholder. IBB Blue Hotel Berlin-Airport is a 3-star hotel which offers a comfortable stay in a convenient location, ten minutes away from Bradenburg Berlin Airport. This hotel forms part of the IBB Hotel Collection “Blue” brand, reserved for 3-star hotels providing high quality services in the most attractive locations at affordable prices. The hotel comprises of 84 double rooms, the ‘Blue Lobby’ bar, one bistro and two conference rooms.

IBB Hotel Paderborn is a 3-star hotel which opened in June 2017 in the heart of East-Westphalia, which is an interesting destination for business as well as tourists due to its easy accessibility and is located in a modern building in the city centre of Paderborn, in the west of Germany, close to the shopping area, university and train station. It comprises of 49 modern designed spacious rooms.

Hotel operations in Poland

IBB Dlugi Targ Hotel

The IBB Długi Targ Hotel opened in January 2018 as a 4-star hotel following the conversion of three beautifully traditional narrow semi-detached city houses nestled amongst the multi-coloured historic buildings in the heart of old Town of Gdansk at the corner of Długi Targ Street and Mieszczanska Street, opposite the famous Neptun’s Statue and the Dwor Artusa historical building. Behind its historical façade, the IBB Długi Targ Hotel comprises of 89 rooms, comfortable apartments, a fully equipped meeting room, gym, lobby bar and unmatched panoramic city views from its 5th-floor restaurant. The ground floor comprises of prime retail space of approximately 1,000m² which has been rented out to a casino operator. The property is partly owned by the Group (53.45%) through its subsidiary company First Polish Real Estate B.V.

IBB Grand Hotel Lublinianka

IBB Grand Hotel Lublinianka, comprising of an investment value of €12 million, is partly owned by the Group (75%) through its subsidiary company Lublin Grand Hotel Sp. z o.o. and 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. The 4-star hotel in the centre of Lublin, Poland is one of the most recognized, iconic and award-winning buildings in the city of Lublin, dating back to 1899 and has recently undergone a refurbishment between 2020 and 2021.

The Grand Hotel Lublinianka comprises of a 4-star interior design with 72 rooms, mostly double rooms, and 6 suites. There are also two restaurants, a banquet room and various fitness facilities, including a sauna, a gym and a Turkish steam bath.

It has won the *"Best Overall Development 2002*" award granted by *Construction Journal Poland*; the *"Laur Konserwatorski 2003*" (Laurel Conservator 2003) award granted by *Lublin Voivodship Conservator* under the patronage of the Polish Minister of Culture, Lublin Voivod and Marshal of the Lublin Voivodeship; the "*Zabytek Zadbany 2003*" (Monument Well Maintained 2003) award granted by the Polish Ministry of Culture; and the "*Kryształowa Cegła*" (Crystal Brick) prize under the patronage of the President of State Office for Housing and Urban Development granted by *Polskie Towarzystwo Mieszkaniowe* Lublin. Furthermore, for the Grand Hotel Lublinianka's original renovation project in 2002, Mr Sven von der Heyden received a personal award for '*Preservation of historical buildings*', granted by the Polish Minister of Culture.

Hotel operations in Malta

The Cugó Gran Macina Grand Harbour Hotel, a luxury boutique hotel situated in the historic Macina building nestled within the historical fortress walls of Senglea, Malta constructed by the Order of Saint John in 1554, has become a new icon of the Senglea Harbour, as the location where a 16th Century Maltese landmark meets modern interior design and bespoke luxury fittings. The Cugó Gran Macina Grand Harbour Hotel comprises of 21 fully refurbished double rooms and suites which range from 40 square metres to an impressive 130 square metres, built with high vaulted ceilings, hand-picked designer pieces and an uninterrupted view of the marina. The Hotel offers an exclusive rooftop swimming pool with a terrace with unparalleled views of Vittoriosa and Cospicua and which can accommodate up to 1,000 guests. Other features include airy communal spaces, a fully-fledged bar, an events rooftop with panoramic harbour views and a fully equipped boardroom for small conferences. The Group, through Von der Heyden Malta Properties Limited, has entered into a promise of sale agreement for the acquisition of the 80-year remaining concession of the Cugó Gran Macina Grand Harbour Hotel.

The award-winning Hammett's Macina Restaurant which forms part of the hotel provides a fine dining experience through a modern representation of traditional Mediterranean culinary influences that date back to the Phoenician times and received a Michelin Plate in 2021. The Group operates this hotel through its subsidiary company Senglea Hotel Operations Limited which, in turn, is wholly-owned by the Guarantor. The restaurant on the ground floor and the Sheer Bastion terrace are under management through its joint venture IBB Hammetts Operations Limited.

Food and Beverage operations in Malta

The Group, through its subsidiary IBB Hotel Collection Holding S.L., entered into a joint venture in May 2017 and today operates 4 restaurants in Malta through IBB Hammetts Operations Limited, Hammett's Gastro Bar, the Hammett's Macina Restaurant, Hammett's Mestizo and the latest addition Monastik in Sliema, as well as an events space, the Sheer Bastion, as referred to in further detail above in this sub-section. The Group has the ambition to further expand its food and beverage operations through any opportunities that may continue to arise in Malta or abroad in the future.

Hammett's Monastik restaurant is located in a unique spot in Sliema and opened during Q3 2021. The restaurant is pioneering a new sustainability concept for the Maltese market. Being inspired by old Monasteries traditions, the company wanted to work by growing and using their own food which is the purest form of sustainability. The menu concept is of a continental European nature and all the products are very seasonal. The restaurant already produces locally 99% of its kitchen supplies. The only element being used and not Maltese is the flour, which will be ready after the first harvest. Already 98% of the fruit and vegetables are grown using organic and biodynamic practices to take care of the land. All the meat being served is bought from local farmers.

Hammett's Mestizo Restaurant, which opened in September 2020, is a vibrant Meso-South American inspired fusion social dining and drinking experience, with culinary influences expanding from Central America to the Caribbean and from the Andes to Amazon and Patagonia. The menu is constructed by a multi-award-winning team, led by talented Venezuelan Head Chef Rommer 'Zulu' Ochoa and directed by Chef and restaurateur Chris Hammett.

Hammett's Gastro Bar opened in July 2017 and is a unique, city-inspired, Asian fusion social dining experience on the Sliema seafront in Malta. Directed by award winning Chef and restauranteur Chris Hammett, the menu offers a wildly innovative plates-to-share concept with culinary influences, classic ingredients and upscale imaginative cooking techniques from all over Asia. The decor has a club feel to it, with great music being a central part of the experience, with the main dining area featuring a prominent bar with an endless selection of spirits and a more detached area at the back, perfect for sit-down dinners with larger groups wanting to focus more on conversation.

Hammett's Maċina Restaurant at Cugó Gran Macina Grand Harbour Hotel, opened in December 2017, is a Michelin plate winning restaurant situated in a tentative UNESCO World Heritage site, named 'Luxury Heritage Restaurant' in Europe at the 2019 World Luxury Restaurant Awards and run by a multi-award-winning team. Drawing on the historical significance of the 16th Century Maltese landmark in which it is located, the gastronomical concept is a take on the island's succession of powers with a modern representation of traditional Mediterranean culinary influences that date back to the Phoenician times. The menu constructed by a multi-award-winning team led by talented Head Chef Jorge Lugo, is a taste of history derived from the island's Mediterranean-semitic roots, with a contemporary twist, created using only the finest local, seasonal produce.

The Sheer Bastion at Cugó Gran Macina Grand Harbour Hotel, opened in March 2018, forms part of the fortifications of Senglea built by The Knights of St. John in 1554, a tentative UNESCO World Heritage Site with unparalleled panoramic views of the Grand Harbour and Birgu City, giving way to stunning sunsets, exquisite firework displays and illuminated views of the cities. From its defensive and naval origins, it is today an events venue equipped with an elite kitchen team and a dedicated, attentive staff set.

Proposed hotels in Tuscany, Italy

In 2021 the Group concluded the acquisition of a 16th-century residential villa in Lucca through Villa Diodati S.R.L. with a total gross area of 2,000m² and 1,500m² of net residential area. The Group intends to operate the villa as a boutique luxury longer-term accommodation that includes five apartments on the right wing of the property for a luxury operation under the Cugó Gran Brand commencing operations Q2 2023. The property is primarily being developed as a value-added transaction within the Group's portfolio for eventual resale of the property at a capital gain as there are very few comparable properties in this segment.

Also, the Group is in negotiations in connection with acquiring a Hotel in Siena, Italy which the Group intends to convert into a 70-room luxury boutique hotel in 2024 also under the Cugó Gran brand with an investment value of €16 million. Further details on the financing of the potential acquisition are set out in the audited financial statements of the Guarantor for the financial year ended 31 December 2021, a copy of which is available for download on the Issuer's website and for inspection as indicated in section 17 of this Registration Document.

5.3.3 Asset Management

In Q4 2019 the Group had opened an office in Kyiv, Ukraine and hired a team of highly skilled real estate and asset management professionals to set up a licenced Asset Management Company in Ukraine. During 2020, the company obtained an asset management license and was in an advanced stage to receive a licence from the Ukrainian Authorities to establish a Real Estate Property fund dedicated mainly to Ukrainian commercial and residential assets in the cities of Kyiv and Lviv. On the 24 February 2022, Russian troops invaded Ukraine which had a significant impact on the continuation of this project.

The ongoing war has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The Russian invasion of Ukraine has also resulted in sanctions by the international community being imposed on Russia.

The Company's directors and management will continue to monitor the situation in Ukraine, however due to the currently deteriorating situation, the Group has put on hold its plans for the Ukrainian subsidiary. The Group has not committed to any real estate transactions in Ukraine and will only pursue this venture if there is a solid political solution, that includes some form of multi-national guarantees towards Ukrainian sovereign integrity and stability for the future. Should this not be achieved in the forthcoming period, the Group will consider winding up its operations in Ukraine and surrendering the licence.

5.3.4 Private Equity and other investments

Fuel stations in Spain

Urbelia Business S.L. was incorporated in December 2017 to run low-cost petrol stations with washing centres and future electrical car loading stations in Spain. The initial objective was to build 2 low-cost petrol stations in Bailen and Ciudad Real, via *Urbelia Bailen S.L.* and *Urbelia Ciudad S.L.* respectively. The shareholders of *Urbelia Business S.L.* are the Guarantor (50%) and Urban Oil Wash S.L (50%). Both petrol stations in Bailen and Ciudad Real are up and running.

Through this venture the Group plans to further expand this operation and has secured the expansion of two further stations in 2022 - the third station is expected to become operational in October 2022 and the fourth station in January 2023. The Group's strategy is to scale up this business to around 15 stations in the coming three years. The strategy of the Group includes electric charging points in readiness for the green transport evolution underway.

Chartering of Yachts and Riva Dealership

Through Von der Heyden Yachting Limited, the Group has continued its strategy of investing in luxury related services and the leisure industry by expanding its operations to the luxury yachting industry through the operation of a chartering business by chartering yachts in Malta and Sardinia, principally through its own yacht a RIVA 63 Vanquish and acting as a broker for other Riva yachts in the Mediterranean.

Through a partnership agreement with Venture Yachts UK, in November 2021 Ferretti Group awarded the exclusive dealership for the prestigious Riva brand in Malta. As official Riva dealer, Von der Heyden Yachting now offers a combination of tailormade purchasing, selling, chartering, maintenance, management and assistance services for Riva motor yachts.

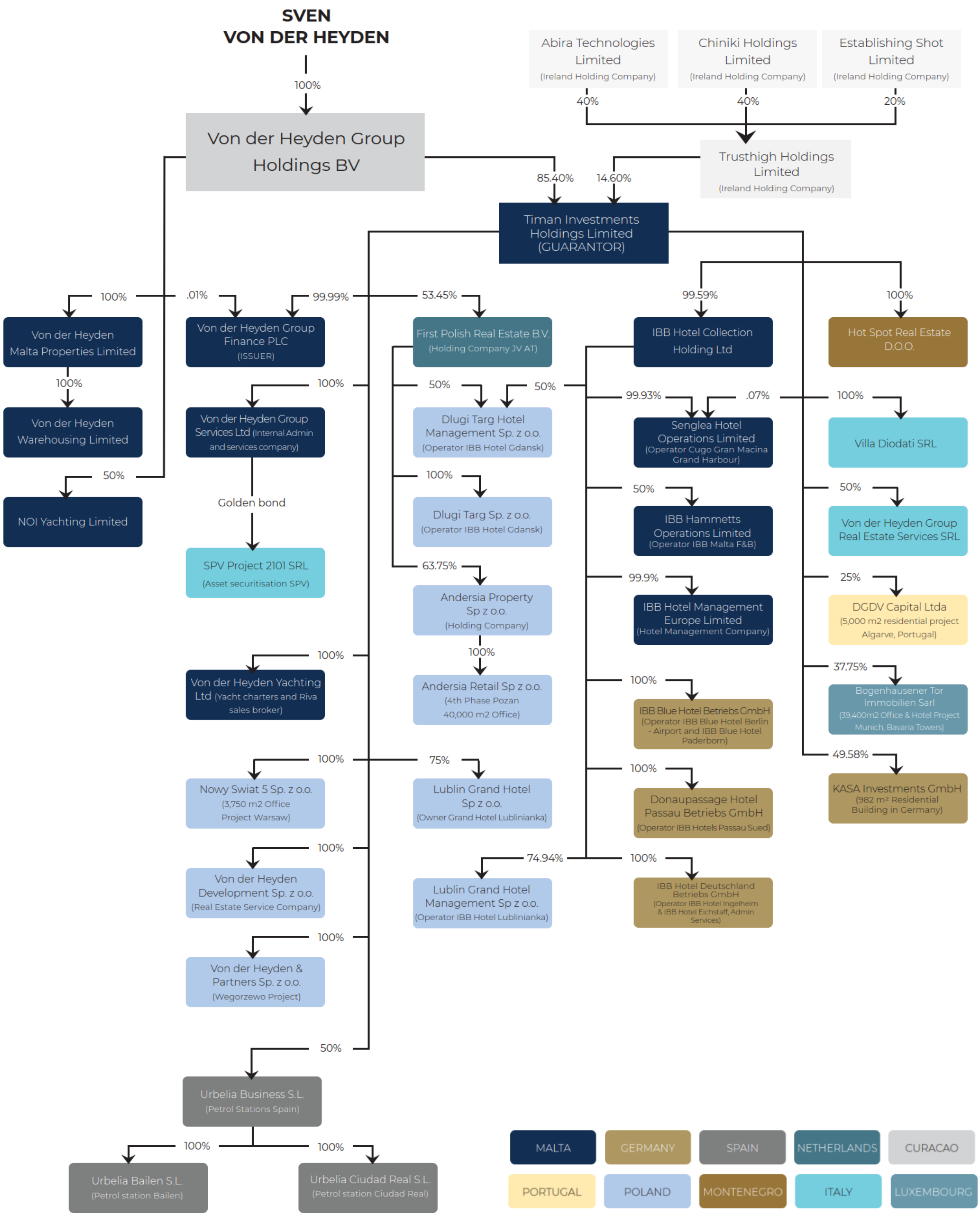
In addition to the investments detailed in this sub-section 5.3, the Group intends to expand its real estate investment portfolio in Malta and, in line with this strategy, the Group has secured a strategically located site in the south of the island to be developed into a multitenant A-Class warehousing and logistics park.

All prospective developments detailed in this sub-section 5.3 will be financed by the Group through equity, shareholder loans or bank financing, save for the part-funding of the Andersia Silver project from net proceeds of the Bond Issue as detailed in sub-section 5.3.1 above.

5.4 Group organisational structure

As the holding company of the Group, the Guarantor is ultimately dependent upon the operations, performance and business prospects of its Subsidiaries. Similarly, the Issuer is dependent on the operations, performance and business prospects of the Group. The diagram in the following page illustrates the principal Subsidiaries within the organisational structure of the Group as at the date of this Registration Document.

The ultimate parent company of the Group, Von der Heyden Group Holdings B.V., has incorporated a new structure in Malta to allow for the Group to carry out real estate investments in Malta. Von der Heyden Malta Properties Limited (C 101501), which is owned directly by Von der Heyden Group Holdings B.V., will act as the holding company for any investments done in Malta in the real estate sector and allows the Group to segregate better this activity while ensuring full fiscal transparency. The Group is looking at a number of investment opportunities, including the accommodation sector and logistics.



The complete list of Group companies and investments in associate companies is included in the audited consolidated financial statements of the Guarantor for the year ended 31 December 2021. The said financial statements are available for inspection as indicated in section 17 of this Registration Document. Furthermore, a complete organisational structure of the Group as at the date of the Prospectus is included in the Financial Analysis Summary.

6. KEY FINANCIAL REVIEW

6.1 The Issuer

The historical financial information included below is extracted from the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020, and 2021. Set out below are condensed extracts from the said consolidated financial statements for such years.

The Issuer acts as the finance company of the Group and, therefore, its income is exclusively linked to the loans granted by the Issuer to the Group's related companies and its expenditure is limited to the interest payable on the bond raised and other directly related administrative expenses.

Issuer's Income Statement for the years ended 31 December

	2019	2020	2021
	€000	€000	€000
Finance income	**1,645**	**1,411**	**1,459**
Finance costs	(1,145)	(1,142)	(1,142)
Net finance income	**500**	**269**	**317**
Administrative expenses	(264)	(236)	(158)
Expected credit losses on financial assets under IFRS 9	3	(28)	-
Profit before tax	**239**	**5**	**159**
Taxation	(48)	48	(55)
Profit after tax	**191**	**53**	**104**

The average finance income for the 3-year period amounted to €1.5 million. Due to the repayment of a number of loans, finance income dropped from €1.6 million in 2019 to around €1.4 million in 2021.

The Company incurred a corresponding finance costs of €1.1 million *per annum* for the years under review, with the net finance income for 2021 amounting to €317K. The reduction in the net finance income was in line with the reduction in gross finance income.

During the period under review administrative expenses were reduced from €264K in 2019 to €158K in 2021 registering a profit before tax of €159K (2020: €5K). The reduction in administrative expenses was the result of lower staff costs.

Consequently, the Issuer in 2021 generated a profit after tax of €104K and over the three years made an average profit after tax of €116K.

Issuer's Statement of Financial Position as at 31 December

	2019	2020	2021
	€000	€000	€000
Assets			
Non-current assets			
Loans receivable	19,049	13,340	21,814
Current assets			
Loans and other receivables	4,487	2,415	1,462
Cash and cash equivalents	2,555	10,367	3,051
Total current assets	**7,042**	**12,782**	**4,513**
Total assets	**26,091**	**26,122**	**26,327**
Equity and liabilities			
Equity			
Share capital	250	250	250
Retained earnings	20	73	178
Total equity	**270**	**323**	**428**
Non-current liabilities			
Debt securities in issue	24,833	24,875	24,917
Deferred tax liabilities	9	-	-
Total non-current liabilities	**24,842**	**24,875**	**24,917**
Current liabilities			
Trade and other payables	979	924	927
Income tax payable	-	-	55
Total liabilities	**25,821**	**25,799**	**25,899**
Total equity and liabilities	**26,091**	**26,122**	**26,327**

At the end of 2021, the Issuer's total assets amounted to €26.3 million mainly made up of loans and receivables and cash and cash equivalents. Loans and receivables represented the loans granted to the Group and related companies.

As at the end of 2021, the Issuer had on-lent and made available from its net bond proceeds an amount of €21.8 million as loans receivable. During the 3-years under review, 2020 was the year recording the lowest amount of loans receivable at €13.3 million. During 2020 the Company received €9.6 million loan repayments made by the associate company developing the Bavaria Towers project, following the sale of the Blue Tower A-Class office and hotel development in the city of Munich, Germany, as well as from the sale of the Cugó Gran Menorca property, Spain. In 2021 and 2019 the Company also received repayments of loans from related companies amounting to €750K and €2 million, respectively.

Following the repayment of these loans, the Company over the 3-year period advanced €7.5 million in 2021 to the parent company in support of the Group's general corporate funding requirements and in 2020 €3 million in relation to the Group's participation in the Andersia Silver project, an office tower with a planned development cost of over €105 million in the centre of Poznań, Poland.

During the period other receivables were reduced from €4.5 million in 2019 to €1.5 million in 2021. The reduction was due, among others, to the repayment of short-term portion of loans receivable and accrued interest on loans to related companies.

The reduction in cash and cash equivalents which decreased from €10.4 million in the end of 2020 to €3.1 million by the end of 2021, was due to the deployment of new loans during the same period, coming closer to the closing position in 2019 of €2.5 million, ensuring the optimum utilisation of the liquidity of the Issuer into interest earning activities.

Total liabilities mainly consisted of the Issuer's listed bonds. Given the limited trading activity of the Issuer, total liabilities in 2021 did not experience any significant movements from previous years. Total equity continued to increase year-on-year with the profits generated, reaching €428K in 2021.

Issuer's Cash Flow Statement for the years ended 31 December

	2019	2020	2021
	€000	€000	€000
Net cash flows generated from/(used in) operating activities	(399)	1,219	(567)
Net cash flows generated from/(used in) investing activities	1,552	6,604	(6,750)
Net movement in cash and cash equivalents	**1,153**	**7,823**	**(7,317)**
Cash and cash equivalents at start of year	1,402	2,555	10,367
Movement in expected credit losses in cash and cash equivalents under IFRS 9	-	(11)	-
Cash and cash equivalents at end of year	**2,555**	**10,367**	**3,051**

The Issuer in 2019 and 2020 generated €8.1 million from its investing activities through the settlement of loans granted to related companies associated with the sale of the Blue Tower and Cugó Gran Menorca amounting to €11.1 million, while advancing €3 million towards the Group's participation in the Andersia Silver project. In 2021 the Issuer advanced €7.5 million to the Group's parent company in support of new investment initiatives, partially offset by €800K of loan repayments from related companies.

The fluctuations in the net cash flows used in or generated from operating activities was correlated to settlement of interest payments, and that generally reflect movement in accrued interest. The positive position of 2020 was related to the recoverability of accrued interest fully repaid upon settlement of loans following the sale of assets referred to above.

Consequently, while the closing cash position of the Issuer in 2020 increased to €10.3 million, the closing cash position of the Issuer at the end of 2021 of €3.1 million realigned itself to the position of 2019, as the excess cash was redeployed towards new investment initiatives.

There were no significant changes to the financial or trading position of the Issuer since the date of its last published audited financial statements for the period ended 31 December 2021.

The said financial statements are available on the Issuer's website under the Investor Relations section (www.vonderheydengroup.com) and are also available for inspection at the Issuer's registered office as set out in section 17 of this Registration Document.

Information relative to the profit forecasts of the Issuer and the Guarantor is set out in the Financial Analysis Summary.

Set out below are the results registered by the Issuer during the first six months of the current year:

Issuer's Income Statement for the period ended 30 June

	Jan - Jun 2022 (Unaudited)	Jan - Jun 2021 (Unaudited)
	€000	€000
Finance income	**816**	**656**
Finance costs	(566)	(566)
Net finance income	**250**	**90**
Administrative expenses	(98)	(76)
Profit before tax	**152**	**14**
Taxation	(61)	-
Profit for the period	**91**	**14**
Total comprehensive income	**91**	**14**

The first half of the year saw a 24% increase in finance income when compared to the same period last year. This is mainly due to the higher levels of loans advanced to the Group when compared to the same period last year.

Issuer's Statement of Financial Position as at 30 June 2022 and 31 December 2021

	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)
	€000	€000
Assets		
Non-current assets		
Loans receivable	21,815	21,815
Current assets		
Loans and other receivables	1,487	1,462
Cash and cash equivalents	2,646	3,051
Total current assets	**4,133**	**4,513**
Total assets	**25,948**	**26,327**

	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)
	€000	€000
Equity and liabilities		
Equity		
Share capital	250	250
Retained earnings	269	178
Total equity	**519**	**428**
Non-current liabilities		
Debt securities in issue	24,938	24,917
Current liabilities		
Trade and other payables	376	928
Income tax payable	115	55
Total current liabilities	**491**	**983**
Total liabilities	**25,429**	**25,900**
Total equity and liabilities	**25,948**	**26,327**

The total assets for the first half of the year decreased marginally due to the reduction of cash and cash equivalents further to the lump sum settlement of the interest paid to bondholders in March 2022, offset by the interest payments received on advanced loans.

The movement in total equity mainly related to the profit for the period, with total liabilities decreasing mainly due to the lower accrued interest on the bonds in issue as at 30 June 2022, covering only four months while at 31 December 2021 the accrued interest calculation covered ten months.

Issuer's Cash Flow Statement for the period ended 30 June

	Jan - Jun 2022 (Unaudited)	Jan - Jun 2021 (Unaudited)
	€000	€000
Net cash flows used in operating activities	(404)	(883)
Net cash flows used in investing activities	-	(4,750)
Net movement in cash and cash equivalents	(404)	(5,633)
Cash and cash equivalents at start of period	3,051	10,367
Cash and cash equivalents at end of period	**2,646**	**4,735**

Net cash outflows for the six-month period ended 30 June 2022 are lower when compared to the same period last year due to improved collection of interests from loans advanced to the Guarantor and Group related companies.

The Company's interim report and interim condensed unaudited financial statements for the six months ended 30 June 2022 are available on the Issuer's website under the Investor Relations section (www.vonderheydengroup.com) and are also available for inspection at the Issuer's registered office as set out in section 17 of this Registration Document.

6.2 The Guarantor

The historical financial information included hereinafter is extracted from the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2019, 2020, and 2021.

In general terms, despite the continued operational challenges brought about by the on-going COVID-19 pandemic, performance proved resilient despite lower occupancy levels. The Group's hotel operations managed to continue improving their results and proving resilient by significantly limiting the cash flow burnout, through further cost controls, a continued restructuring process and, in addition, tapping into several support schemes offered by various Governments, especially in Poland and Germany which are the predominant accommodation markets for the Group.

Set out below are condensed extracts from the said consolidated financial statements for such years.

Group's Income Statement for the years ended 31 December

	2019	2020	2021
	€000	€000	€000
Revenue	25,884	23,506	11,519
Cost of sales	(4,393)	(3,556)	(2,674)
Gross profit	**21,491**	**19,950**	**8,845**
Other operating income	542	3,223	4,739
Administrative expenses	(19,650)	(21,090)	(12,500)
Other gains	301	2,338	1,791
Share of profits of associates	3,145	3,121	1,409
EBITDA	**5,829**	**7,542**	**4,284**
Depreciation and amortization	(1,197)	(1,099)	(842)
Depreciation under IFRS 16	(3,815)	(3,752)	(3,086)
EBIT	**817**	**2,691**	**356**
Expected credit losses reversal/(charge)	703	(53)	(10)
Interest and other related income	701	794	463
Interest and other related expenses	(4,171)	(3,916)	(3,107)
Loss before tax	**(1,950)**	**(484)**	**(2,298)**
Income tax (charge)/credit	(253)	(1,264)	77
Loss for the year	**(2,203)**	**(1,748)**	**(2,221)**
Other comprehensive income			
Translation of foreign operations	109	(1,048)	(413)
Share of other comprehensive income of associates	-	-	512
Movement in fair value of land & buildings and yacht	1,445	(1,034)	1,962
Total other comprehensive income/(loss)	**1,554**	**(2,082)**	**2,061**
Total comprehensive loss	**(649)**	**(3,830)**	**(160)**

In 2019 the Group turnover reached a record high of €25.9 million, an increase of 8.6% over 2018. The year before the Covid-19 pandemic, the growth in revenues was registered in all the markets the Group operated in, with 84% of the revenue (€21.8 million) generated from the accommodation and catering segments.

	2019	2020	2021
	€000	€000	€000
Poland	10,800	16,743	5,344
Spain	3,948	2,289	520
Germany	10,034	4,078	4,381
Malta	1,102	396	1,274
	25,884	**23,506**	**11,519**

Despite the breakout of the Covid-19 pandemic in March 2020, the Group turnover for 2020 reached €23.5 million, slightly lower than 2019. The accommodation and catering segments were the sectors most impacted by the sudden lockdowns, travel restrictions and other mitigating measures taken by Governments. The first 2 months of 2020 were indeed promising with nearly all Group hotels meeting or exceeding budgets, however, overall, the revenue from the accommodation and catering segment in 2020, in line with Covid-19 global industry trends, saw a 63% drop to €6.5 million from €17.7 million in 2019 in the accommodation segment and a 57% drop to €1.8 million from €4.2 million in 2019 in the catering segment.

On the other hand, the Group had a very successful year in the real estate development segment generating €12.3 million in revenue. The Group's financial performance had, for the third year, been positively impacted by the associate Bogenhausener Tor Immobilien Sarl having successfully sold the Blue Tower in Q4 2019, the last phase of the Bavaria Towers office and hotel park in the city of Munich, Germany. The Blue Tower was sold at a record yield of less than 3%, registering the highest rate of return on equity for the Group in its A-Class real estate portfolio, with the main impact on the income statement reflected in 2018 as the project neared its completion and the asset being accounted for its fair value.

The Group's revenue for 2021 amounted to €11.5 million. While continuing to be impacted by the Covid-19 pandemic, revenue was also impacted by the cyclicality of the Group's real estate activity where 2021 can be described as a development year with revenues generated from the real estate segment only amounting to €250K. With the completion and sale of the Bavaria Towers in Q4 2019, the Group is presently in the development stage of another major office investment of approximately 40,000 sqm in the city of Poznan, Poland, the Andersia Silver project. Also, the Group is involved in the development stage in three residential projects, one in Algarve Portugal, one in Tuscany, Italy and one in Rezevici, Montenegro. However, revenues from these projects will start to mature in 2023 as they near their successful completion and are placed on the market.

In the hotel accommodation and caterings segment, 2021 continued to be a year faced by restrictive travel measures, the introduction of obligatory vaccination certificates and quarantine measures. As pandemic numbers fluctuated, countries differed in the measures applied. Despite the continued operational challenges brought about by lower occupancy levels, the hotel group performance proved resilient by significantly limiting the cash flow burnout, through significant cost controls measures, a restructuring process and, in addition, tapping into several financial support schemes offered by various Governments, especially in Poland and Germany.

In 2020, the IBB Hotel group set out an ambitious restructuring process intended to reposition its hotel accommodation offering towards the 4-star, 5-star and luxury segments from the less profitable three-star segment when taking into account operational costs and return on capital deployed. In 2020 the Group ceased operations of its IBB Hotel in Passau City Centre, Germany and Hotel Salamanca, Spain. The Group in December 2019 had already sold hotel Paradis Blau in Menorca, Spain.

This meant that revenue from the hotel accommodation segment improved by 11% over 2020 to €7.3 million from €6.5 million in 2020, the catering segment also saw significant improvements, with an increase of 25% in sales to €2.2 million from €1.8 million in 2020.

Other operating income increased by 47% to €4.7 million from €3.2 million in 2020 and included an increase of €2 million in Government support schemes in Germany and Poland due to the COVID-19 pandemic and income from lease concessions and rebates of €1.2 million. In 2020 the Group also secured close to €1 million in lease concessions and rebates.

The Group's EBITDA includes other gains and share of profits in associates as the Group's directors believe that this adjusted EBITDA provides a fairer reflection of the Group's recurring and core activities, as this figure should not exclude the development of important and significant projects executed in partnership with other partners like the Bavaria Towers and which contribution to the results of the Group are reflected as share in profit of associates.

During the 3-year under review, despite all the challenges the Group managed to maintain a healthy EBITDA averaging €5.9 million each year and actually improving EBITDA margin progressively from 22.5% in 2019 to 37.2% in 2021.

The Group results for 2021 showed a significant improvement in total comprehensive income from 2020 due to the fair value gains made on real estate investments and closing with the lowest loss for the year of €160K for the three years under review. The Group managed a significant positive turnaround of €3.6 million, through the containment of staff costs and other operating costs, reduction in financing costs and also benefiting from fair value gains. This was a significant achievement considering the challenging economic climate the Group was operating in.

Group's Statement of Financial Position as at 31 December

	2019	2020	2021
	€000	€000	€000
Assets			
Non-current assets			
Intangible assets	179	132	66
Property, plant and equipment	38,633	27,012	27,309
Right of use assets	41,167	36,782	31,404
Investment properties	17,681	23,989	32,601
Investment in associates	24,674	3,601	2,981
Loans and other receivables	10,642	7,483	6,655
Other financial assets	220	1,082	1,924
Deferred tax assets	672	1,007	1,004
Total non-current assets	**133,868**	**101,088**	**103,944**
Current assets			
Inventories	145	139	90
Loans and other receivables	-	-	7,059
Trade and other receivables	7,260	5,774	5,298
Current tax receivable	194	49	2
Cash and cash equivalents	6,318	27,906	17,125
Total current assets	**13,917**	**33,868**	**29,574**
Total assets	**147,785**	**134,956**	**133,518**
Equity and liabilities			
Equity			
Share capital	3,805	3,805	3,805
Share Premium	4,445	4,445	4,445
Other reserves	6,442	3,363	4,877
Currency translation reserve	(661)	(1,350)	(1,616)
Retained earnings	14,915	16,339	14,272
Non-controlling interest	15,314	14,383	15,125
Total equity	**44,260**	**40,985**	**40,908**

	2019	2020	2021
	€000	€000	€000
Non-current liabilities			
Debt securities in issue	24,832	24,225	24,171
Borrowings	16,218	14,126	17,766
Finance lease liabilities	38,595	35,173	30,506
Deferred tax liabilities	3,791	4,392	5,002
Total non-current liabilities	**83,436**	**77,916**	**77,445**
Current liabilities			
Finance lease liabilities	3,284	5,059	2,771
Borrowings	10,683	5,911	6,836
Trade and other payables	6,069	4,443	5,503
Current tax payable	53	642	55
Total current liabilities	**20,089**	**16,055**	**15,165**
Total liabilities	**103,525**	**93,971**	**92,610**
Total equity and liabilities	**147,785**	**134,956**	**133,518**

The Group managed to strengthen and retain a very strong liquidity position benefiting from the significant inflows resulting from the dividends received from Bogenhausener Tor Immobilien Sarl following the sale of the Blue Tower in Q4 2019, with cash and cash equivalents, trade receivables and other liquid financial assets amounting to €31.4 million in 2021, from €13.8 million in 2019.

Cash and cash equivalents of the Group overall increased x2.7 from €6.3 million in 2019 to €17.1 million in 2021. In 2020 the Group held a cash position of €27.9 million as it received the bulk of the dividends from Bogenhausener Tor Immobilien Sarl. This allowed the Group to redeploy its liquidity into new activities in the real estate segment, asset backed securities and other ventures including the launch of Von der Heyden Yachting, amongst others.

Despite the impact on fair values of assets held by the Group because of the Covid-19 pandemic and the prevailing geopolitical challenges brought about by the war in Ukraine, the total assets owned by the Group recovered in 2021 in excess of €102 million.

	2019	2020	2021
	€000	€000	€000
Total assets	**147,785**	**134,956**	**133,518**
Less right of use assets	41,167	36,782	31,404
Total assets owned	**106,618**	**98,174**	**102,114**

The gearing ratio, taking a prudent approach and including all liabilities including lease liabilities under IFRS16 and trade payables (total net liabilities / total assets), saw a significant improvement from 65.78% in 2019 to 56.54% in 2021. The Group managed to improve its gearing ratio despite the continued deployment of cash towards new investments on the strength of the sale of the Blue Tower and Cugó Gran Menorca.

The Group's total debt ratio, excluding leases and right of use assets under IFRS 16, amounted to 0.48x (2020: 0.45x) highlighting that less than half the assets of the Group are financed through debt. This is coupled with a stable debt to equity ratio of 1.19x, meaning that almost all the Group's debt is covered by the equity portion.

The gearing position of the Guarantor on a stand-alone basis is of 9.46%. It is the policy of the Group not to cross-collateralise debt within the Group or provide for material corporate guarantees by the holding company to secure any debt for any subsidiary or associate undertaking except for the bond issued by the Issuer in 2017. Also, the holding company has no direct debt financing facilities and all financing arrangements at subsidiary levels are ring-fenced at the borrowing company level.

In 2021 the Group closed the year with a positive total working capital position of €14.4 million from a negative position in 2019 of €6.2 million. This was primarily due the significant increase in cash and cash equivalents.

Group's Cash Flow Statement for the years ended 31 December

	2019	2020	2021
	€000	€000	€000
Net cash flows generated from/(used in) operating activities	2,699	(2,333)	868
Net cash flows generated from/(used in) investing activities	9,682	34,309	(10,968)
Net cash flows generated used in financing activities	(9,668)	(11,263)	(761)
Effect of changes in foreign exchange	(198)	875	80
Net movement in cash and cash equivalents	**2,515**	**21,588**	**(10,781)**
Cash and cash equivalents at start of year	3,803	6,318	27,906
Cash and cash equivalents at end of year	**6,318**	**27,906**	**17,125**

Due to the Covid-19 pandemic in 2021 the Group experienced a negative cash flow from operating activities. However, in 2021, following the improvement of the results in the accommodation and catering segments through the cost controls imposed, the continued restructuring process and the receipt of public funds through the Covid-19 support schemes offered in Poland and Germany, the Group managed to increase cash from operating activities by €3.2 million in 2021 to €0.866 million.

While 2019 and 2020 saw an increase in cash flows from investing activities totalling close to €44 million, in 2021 the Group reinvested €11 million in new investments while maintaining a strong cash position in anticipation of the redemption of the 2017 VDHG Bonds in Q1 2024.

The Group maintains sufficient liquidity to meet short-term liabilities, including the liabilities for leases under IFRS 16. Applying the cash ratio as a measurement of the Group's liquidity (total cash and cash equivalents, including marketable securities to its current liabilities) the Group has a cash ratio of 1.26x. This demonstrates that the Group has the ability to meet the liquidity requirements of its short-term liabilities.

As a confirmation of the Group's liquidity position, also applying the quick ratio, the Group has the ability to meet its short-term obligations including leases under IFRS 16 with its most liquid assets including trade receivables, with a ratio of 2.07x.

There were no significant changes to the financial or trading position of the Guarantor since 31 December 2021.

The said audited consolidated financial statements of the Guarantor are available on the Issuer's website under the Investor Relations section (www.vonderheydengroup.com) and are also available for inspection at the Issuer's registered office as set out in section 17 of this Registration Document.

Set out below are the results registered by the Guarantor during the first six months of the current year:

Group's Income Statement for the period ended 30 June

	Jan - Jun 2022 (Unaudited)	Jan - Jun 2021 (Unaudited)
	€000	€000
Revenue	**6,207**	**3,010**
Cost of sales	(1,084)	(1,255)
Gross profit	**5,123**	**1,755**
Other operating income	562	3,970
Administrative expenses	(6,030)	(5,940)
Other gains (losses)	(232)	202
Share of profits of associates	(53)	-
EBITDA	**(630)**	**(13)**

	Jan - Jun 2022 (Unaudited)	Jan - Jun 2021 (Unaudited)
	€000	€000
EBITDA	**(630)**	**(13)**
Depreciation and amortisation	(446)	(571)
Depreciation under IFRS 16	(984)	(1,796)
EBIT	**(2,060)**	**(2,280)**
Interest and other related income	214	249
Interest and other related expenses	(1,339)	(1,537)
Loss before tax	**(3,185)**	**(3,668)**
Income tax (charge)/credit	(21)	150
Loss for the period	**(3,206)**	**(3,518)**
Other comprehensive income		
Translation of foreign operations	(227)	(180)
Share of other comprehensive income of associates	(56)	-
Movement in fair value of property and equipment	251	(182)
Total other comprehensive loss	**(31)**	**(363)**
Total comprehensive loss	**(3,238)**	**(3,881)**

During the first six-months of 2022, the Group more than doubled the revenue generated in the first half of 2021. The increase was mainly due to the improvement in the hospitality segment brought about by the recovery in the tourism industry as governments withdrew travel restrictions imposed in response to the COVID-19 pandemic. The drop in other income was mainly due to the withdrawal of the temporary financial support measures granted by the German and Polish Governments due to COVID-19.

The overall costs and administrative expenses in the first half of 2022 have remained stable when compared to the first half of 2021. The increased operating costs brought about by the higher activity in the accommodation and catering segment were offset by the discontinuation of the operations of IBB Hotel Andersia and the reclassification of the Urbelia Business S.L. activities from subsidiary to associate, both around March 2021.

In the first half of 2022 other operating income was mainly government subsidies from the German government in relation to COVID-19 and gains made on the disposal of fixed assets upon the transfer of IBB Hotel Andersia to a new operator. The substantial decrease in other operating income compared to the first half of 2021 was due to the termination of support by the Polish Government in 2022 and the decreasing support of the German government as post COVID-19 trading activities are coming back to normality and restrictions substantially being lifted. Also, lease concessions granted by owners during the covid period came to an end by the end of 2021.

Other losses in the first half of 2022 of €232K relate to currency exchange differences on the Polish Zloty. The loss on currency exchange differences was partially offset by a positive fair value movement in other financial assets of €66K.

The movement in depreciation and amortisation, including IFRS 16 depreciation, was mainly impacted positively by the termination of the lease of Andersia Tower Hotel. In addition, the deconsolidation of Urbelia group in March 2021 saw fixed assets, right-of-use depreciation and interest expense included in first half of 2021 and not in 2022.

Income taxes for the period are recorded on a provisional basis. In the first half of 2022, some trading subsidiaries have reported positive results and consequently a tax provision has been accounted for.

In conclusion, consideration should be given to the fact that the interim period covers the first half of the year, whereas the Group's results for the second half of the year are projected to be much stronger, in line with general hospitality trends wherein summer is the strongest period of the year.

Group's Statement of Financial Position as at 30 June 2022 and 31 December 2021

	30 Jun 2022 (Unaudited)	31 Dec 2021 (Audited)
	€000	€000
Assets		
Non-current assets		
Intangible assets	56	66
Property, plant and equipment	26,924	27,309
Right of use assets	30,420	31,404
Investment properties	34,433	32,601
Investment in associates	2,569	2,981
Loans and other receivables	7,820	6,655
Other financial assets	2,458	1,924
Deferred tax assets	1,004	1,004
Total non-current assets	**105,683**	**103,944**
Current assets		
Inventories	60	90
Loans and other receivables	7,059	7,059
Trade and other receivables	5,070	5,298
Current tax receivable	-	2
Cash and cash equivalents	10,456	17,125
Total current assets	**22,645**	**29,574**
Total assets	**128,328**	**133,518**
Equity and liabilities		
Equity		
Share capital	3,805	3,805
Share Premium	4,445	4,445
Other reserves	5,073	4,877
Currency translation reserve	(1,843)	(1,616)
Retained earnings	11,066	14,272
Non-controlling interest	15,125	15,125
Total equity	**37,671**	**40,908**
Non-current liabilities		
Debt securities in issue	24,182	24,171
Borrowings	17,967	17,766
Finance lease liabilities	29,685	30,506
Deferred tax liabilities	5,032	5,002
Total non-current liabilities	**76,865**	**77,445**
Current liabilities		
Finance lease liabilities	2,771	2,771
Borrowings	6,941	6,836
Trade and other payables	4,077	5,503
Current tax payable	3	55
Total current liabilities	**13,792**	**15,165**
Total liabilities	**90,657**	**92,610**
Total equity and liabilities	**128,328**	**133,518**

At 30 June 2022, the Group's total assets stood at €128.3 million, of which 71.5% or €91.7 million are real estate assets and right-of-use assets.

Non-current assets increased by €1.7 million to €105.7 million mainly due to the additional costs incurred in the construction of Andersia Silver Project, the Rezevici development, the ongoing restoration of Villa Diodati, and the revaluation of Lublin Grand Hotel property. The Group's major properties carried in the books as at period end include, within investment properties, Andersia Silver Project (€29.3 million), Villa Diodati (€3 million) and the Rezevici development in Montenegro (€1.5 million), and within property, plant and equipment, the two hotels Dlugi Targ Hotel (€15.4 million), and Lublin Grand Hotel (€9.2 million).

Other movements within non-current assets include further investments in other financial assets and additional loans given to related parties of €1.2 million. These additions were offset by depreciation of €1.4 million, share in losses of associates of €100K and the impact of translating the non-current assets of foreign operations to the reporting currency of €700K.

On the other hand, total current assets have decreased by about €7 million mainly from the net decrease in cash and cash equivalents. Cash and cash equivalents during the period were mainly used on investing activities and resulted in the increase of non-current assets, followed by net cash used in financing activities, including the payment on bonds interest and other interest on borrowings, and payment of leases.

Total liabilities at 30 June 2022 decreased by about €2 million mainly due to the reduction of trade and other payables, including the repayment of the accrued interest expense on the bonds in issue.

Group's Cash Flow Statement for the period ended 30 June

	Jan - Jun 2022 (Unaudited)	Jan - Jun 2021 (Unaudited)
	€000	€000
Net cash flows used in operating activities	(1,240)	(1,580)
Net cash flows used in investing activities	(3,238)	(6,470)
Net cash flows generated from/(used in) financing activities	(2,400)	1,665
Effect of changes in foreign exchange	209	2
Net movement in cash and cash equivalents	**(6,669)**	**(6,383)**
Cash and cash equivalents at start of period	17,125	27,906
Cash and cash equivalents at end of period	**10,456**	**21,523**

Net cash used in operating activities during the first six months of 2022 decreased compared to the first six months of 2021 mainly due to the improved cash inflows from trading activities in 2022 as the market recovers from the COVID-19 pandemic.

Cash flows from investing activities were related to the continuation of the Andersia Silver Project, the Rezevici development in Montenegro, as well as the ongoing restoration of Villa Diodati in Italy.

The financing movement during the period related to lease payments, the repayment of the interest on the bonds in issue and other bank repayment, net of proceeds from related party repayments.

7. BUSINESS DEVELOPMENT STRATEGY AND TREND INFORMATION

7.1 Trend information of the Issuer

There has been no material adverse change in the prospects or in the financial or trading position of the Issuer since the date of publication of its latest audited financial statements for the period ended 31 December 2021.

The Issuer is dependent on the business prospects of the Guarantor and, therefore, the trend information relating to the Guarantor has a material effect on its financial position and prospects.

7.2 The Guarantor

At the time of publication of this Registration Document, the Group considers that generally it shall be subject to the normal business risks associated with the industries in which the Group companies are involved and operate as disclosed in this Registration Document and, barring unforeseen circumstances, 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 Group companies and their respective businesses, at least with respect to the financial year 2022. However, investors are strongly advised to carefully read the risk factors disclosed in the Prospectus.

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited consolidated financial statements for the period ended 31 December 2021.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates:

The protracted Russian invasion of Ukraine and the consequences for the global economy have set the EU economy on a path of lower growth and higher inflation. The rapid increase in energy and food commodity prices is feeding global inflationary pressures, eroding the purchasing power of households and triggering a faster monetary policy response than previously assumed.

Whereas prices of some commodities are retreating from recent peaks, the EU economy remains vulnerable to developments in energy markets due to its high reliance on Russian fossil fuels. Whereas businesses still eye an expansion of economic activity, they are less optimistic about the future, which will weigh on investment. Private consumption is also anticipated to suffer.

Economic activity is expected to have regained some traction during summer, thanks to a promising tourism season. In 2023, economic growth is expected to gather some momentum, on the back of a resilient labour market, moderating inflation and a still large amount of excess savings.

Risks to the forecast for economic activity and inflation are heavily dependent on the evolution of the war. The recent downward tendencies of oil and other commodities' prices could intensify, bringing about a faster deceleration in inflation. Moreover, private consumption could prove more resilient to increasing prices if households were to use more of their savings. Finally, COVID-19 remains a risk factor.

Private consumption and investment growth are set to be less buoyant than previously expected. Despite strong labour markets, as employment levels increased and unemployment levels reduced, high inflation is weighing on households' real disposable income and savings. Notwithstanding private consumption is projected to continue growing throughout the coming two years, but less than previously expected.

The recovery of the German and Polish markets, the region in which the Group's hotels mainly operate in, is set to continue. The Group's hotels are mainly in Germany and Poland, situated in city centres and close to important locations such as the Berlin airport or major industrial undertakings that generate significant corporate business that should continue to increase as the economy grows.

Poznań, the city in which the most important real estate development project of the Group is underway, is recognised as one of the most business-friendly cities in Poland. The Poznań office market has shown resilience over the past years both in terms of low vacancy rates and new office take up. With no new sizeable developments as yet commissioned to be completed after 2023, the city is likely to experience a supply gap especially in the prime office segment market, providing a unique opportunity to attract the right tenants seeking to secure new office space as from 2024. The Andersia Silver project is situated at the heart of the commercial centre just 7,5 km from the main airport and within very close proximity of the main railroad station, the City Hall and Old Market Square and the main shopping centres.

8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

8.1 The Issuer

8.1.1 Executive and Non-Executive Directors

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than 2 and not more than 5 Directors, who are appointed by the shareholders.

As at the date of the Prospectus, the Board of the Issuer is composed of the 5 individuals listed in sub-section 4.1.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least 1 of the Directors shall be a person independent of the Group.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a Board consisting of five Directors entrusted with its overall direction, including the establishment of strategies for future development. Its responsibilities include the oversight of the Issuer's internal control procedures and financial performance, and the review of the Issuer's business risks, thus ensuring such risks are adequately identified, evaluated, managed, and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require.

The executive Directors of the Issuer are entrusted with the company's day-to-day management. The executive Directors of the Issuer are Antonio Fenech and Javier Errejón Sainz de la Maza.

The main functions of the remaining non-executive Directors comprising the Board, two of whom are independent, are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. The non-executive Directors are Jozef Bronislaw Borowski, Robert Aquilina and Joseph Muscat, the latter two being independent of the Issuer.

None of the Directors have, in the last five years:

i. been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
ii. been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities, including designated professional bodies; or
iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

8.1.2 Directors' service contracts

None of the Directors of the Issuer have a service contract with the Issuer.

8.1.3 Aggregate emoluments of Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in general meeting. The remuneration of Directors shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

The remuneration of Directors is a fixed amount *per annum* and does not include any variable component relating to profit sharing, share options or pension benefits. During the Company's Annual General Meeting held on 17 May 2022 it was resolved to approve an increase in the maximum aggregate emoluments of all the Company's Directors in accordance with Article 11.K of the Articles of Association of the Company to €102,000 (2021: €40,000).

8.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

8.1.5 Appointment and removal of Directors

The Directors shall be appointed by means of an ordinary resolution of the shareholders of the Company in general meeting. In terms of the Issuer's Articles of Association, an election of Directors shall take place every year at the Company's Annual General Meeting. All Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next Annual General Meeting of the Issuer.

A Director may, unless he resigns, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

8.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

The Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, subject to such limit as may be established by the shareholders in general meeting.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

8.1.7 Employees

As at the date of the Prospectus, the Issuer has no employees and is reliant on the resources which are made available to it by the Group. As at 31 December 2021, the number of persons employed with the Group amounted to 192 (2020: 248 employees).

8.2 The Guarantor

8.2.1 Directors

The Guarantor is managed by a board of directors consisting of 3 directors that is entrusted with the responsibility of the direction and management of the Guarantor. A brief *curriculum vitae* of each of the current directors of the Guarantor is set out in sub-section 4.1.2 above.

8.2.2 Directors' service contracts

None of the directors of the Guarantor have a service contract with the Guarantor.

8.2.3 Loans to directors

As at the date of the Prospectus, there are no loans outstanding by the Guarantor to any of its directors, nor any guarantees issued for their benefit by the Guarantor.

8.2.4 Appointment and removal of directors

Directors shall be appointed by means of an ordinary resolution of the shareholders of the Guarantor in general meeting. In terms of the Guarantor's Articles of Association, every member of the Board of directors shall continue to act indefinitely. In the case of any director that is appointed by a class of shareholders, such director may be removed and/or replaced at any time by his class appointees at their sole discretion by a simple letter addressed to the company secretary. On the death, resignation or removal of a director, a new director shall be appointed in his/her stead by the members of the class, if any, who appointed the retiring director, and such director shall serve as a director indefinitely.

Directors of the Guarantor may, unless they resign, be removed by ordinary resolution of the shareholders as provided in article 140 of the Act.

8.2.5 Powers of directors

By virtue of the Articles of Association of the Guarantor, the board of directors is empowered to exercise all the rights of the company except those rights as are expressly reserved for decision by the shareholders in general meeting.

8.3 Working Capital

As at the date of this Registration Document, the directors of the Issuer are of the opinion that working capital available to the Issuer is sufficient for the attainment of its objects and the carrying out of its business for the next 12 months of operations. The proceeds from the Bond Issue have been taken into account when providing said clean working capital statement; said clean working capital statement would still apply if the proceeds from the Bond Issue were not so included in the calculation of working capital.

8.4 Conflict of interest at Group level

As at the date of this Registration Document, besides being Directors of the Issuer, Antonio Fenech and Javier Errejón Sainz de la Maza are also directors of the Guarantor. Furthermore, Antonio Fenech and Javier Errejón Sainz de la Maza are also directors of various other Group companies.

Sven von der Heyden, apart from being a director of the Guarantor, is also a director of various other Group companies. Additionally, Mr von der Heyden is the ultimate beneficial owner of 85.42% of the Group.

Jozef Bronislaw Borowski, a non-executive Director on the Issuer, is the beneficial owner and managing director of Sopentar Holdings Limited which holds 21.25% of the capital of each of Andersia Property Sp. z o.o and Andersia Retail Sp. z o.o. Jozef Bronislaw Borowski, through Sopentar Holdings Limited, is also the beneficial owner of 25.06% of the capital of Lublin Grand Hotel Management Sp. z o.o. and 25% of the capital of Lublin Grand Hotel Sp. z o.o.

Adam Karol Trybusz, a member of the Group's Executive Team, is the beneficial owner of 46.55% of First Polish Real Estate B.V. (with the Guarantor holding the remaining 53.45%), as well as the beneficial owner of 21.25% of the capital of each of Andersia Property Sp. z o.o and Andersia Retail Sp. z o.o. Mr Trybusz also beneficially holds 50% of the share capital in each of Dlugi Targ Hotel Management Sp. z o.o. and Dlugi Targ Sp. z o.o. (in each case, with the Guarantor holding the remaining 50%).

In light of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the Issuer and the Guarantor, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them. The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its majority by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arm's length basis.

As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Capital Markets Rules regulating the role of the audit committee with respect to related party transactions.

Furthermore, the Directors are fully aware that the close association of the Issuer with the Guarantor and its other Subsidiaries is central to the attainment by the Issuer of its investment objectives and the implementation of its strategies. The Audit Committee ensures that transactions entered into between related parties are carried out on an arm's length basis and are for the benefit of the Issuer, and that the Issuer accurately reports all related party transactions in the notes to the Company's financial statements.

Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all other entities comprising the Group. To this effect, the Issuer, the Guarantor and all other entities comprising the Group are to submit to the Audit Committee bi-annual unaudited management accounts, as well as at least quarterly comparisons of actuals against projections.

No private interests or duties unrelated to the Issuer or the Group, as the case may be, have been disclosed by the general management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer.

Robert Hendrik Rottinghuis holds 25% shareholding in DGDV Capital Limitada. Save for the interests disclosed in this sub-section 8.4, senior management do not hold any shares in the Issuer or other entities comprising the Group.

To the extent known or potentially known to the Issuer as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other conflicts of interest between any duties of the Directors and their respective private interests and/or their duties which require disclosure in terms of the Prospectus Regulation.

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

9.1 The Issuer

The Issuer is subject to, and continues to support, the Code of Principles of Good Corporate Governance forming part of the Capital Markets Rules (the "Code"). The Board acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. Nonetheless, the Board strongly believes that the Code is in the best interest of the shareholders and other stakeholders since it ensures that the Directors, management and employees of the Group adhere to internationally recognised high standards of corporate governance.

More specifically, on 4 November 2016, the Board of Directors of the Company in office at the time adopted a Code of Principles of Good Corporate Governance based on Appendix 5.1 and as referred to in Rules 5.94 - 5.97 of Chapter 5 of the Capital Market Rules. This code was endorsed by the new Board in office on 12 January 2017 and later endorsed by the current Board in August 2020. It is regularly discussed, and compliance thereto is verified, during the Company's board meetings.

The Board considers that during the financial year ended 31 December 2021, the Issuer was in compliance with the Code, save for the following exceptions:

(i) Principle 7: "Evaluation of the Board's Performance"

Under the present circumstances, the Board does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is evaluated on an ongoing basis by its shareholders and is subject to the continuous oversight and communication with its shareholders.

(ii) Principle 8: "Committees"

Due to its limited operational function with the Group, the Issuer does not have a remuneration committee or a nomination committee as recommended in Principle 8. Under the present circumstances the Board does not consider it necessary to appoint a nomination committee and a remuneration committee as decisions on these matters are taken at shareholder level. No part of the remuneration paid to the Directors is performance based.

(iii) Principle 10: "Institutional shareholders"

This principle is not applicable to the Company since the Company is privately held and does not have any institutional shareholders.

As required by the Act and the Capital Markets Rules, the Issuer's financial statements are subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, as applicable.

9.2 The Guarantor

In view of the fact that the Guarantor is not a public company having securities listed on a regular market, it is not bound by the provisions of the Code set out in the Capital Markets Rules. While the Guarantor is not required to adopt the provisions of the Code, the Audit Committee of the Issuer has been specifically tasked with keeping a watching brief over the financial performance of the Guarantor and other Group subsidiaries, as set out in sub-section 8.4 above.

10. AUDIT COMMITTEE PRACTICES

The Board of Directors of the Issuer has, in addition to setting the Company's strategy, policies and objectives, established an Audit Committee in line with the requirements of the Capital Markets Rules.

The Audit Committee's objective is to assist the Board in fulfilling its supervisory and monitoring responsibilities according to terms of reference that reflect the requirements of the Capital Markets Rules, as well as current good corporate governance best practices. The Audit Committee oversees the conduct of the external audit and acts to facilitate communication between the Board, management and the external auditors. The external auditors are invited to attend Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee, adopted on 12 January 2017 and amended on 14 July 2021 and 5 September 2022, include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Board reserved the right to change the Audit Committee's terms of reference from time to time.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. The main responsibilities of the Audit Committee include, but are not limited to, the following:

a. monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
b. monitoring the effectiveness of the Issuer's internal quality control and risk management system;
c. making recommendations to the Board in relation to the appointment of the external auditor and the remuneration and terms of engagement of the external auditor, following appointment by the shareholders during the Issuer's Annual General Meeting;
d. reviewing and monitoring the external auditor's independence;
e. evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer; and
f. assessing any potential conflicts of interest between the duties of the Directors and their respective private interests or duties unrelated to the Issuer.

The Audit Committee has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different roles held by the Directors are handled in the best interest of the Issuer. Additionally, the Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's subsidiaries, limitedly insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations.

As the Company's internal control system, the Audit Committee is designed to ensure proper quarterly and annual reporting implementation, implementation of the four-eyes principle to mitigate risks and compliance with local and international laws and regulations.

The Audit Committee is made up entirely of non-executive Directors, the majority of whom are also independent of the Issuer, and who are appointed for a period of one year, automatically renewable. Joseph Muscat, an independent, non-executive Director of the Issuer, acts as Chairman, whilst Jozef Bronislaw Borowski and Robert Aquilina act as members of the Audit Committee. In compliance with the Capital Markets Rules, Joseph Muscat is considered to be the member competent in accounting and auditing matters. The Issuer considers that the members of the Audit Committee have the necessary experience and standing to hold office as members thereof and the Audit Committee, as a whole, is deemed to have relevant competence in the sector the Company operates in. The CVs of the said Directors may be found in sub-section 4.1.1 above.

11. HISTORICAL FINANCIAL INFORMATION

The Issuer's historical financial information for the three financial years ended 31 December 2019, 2020, and 2021, as audited by Ernst & Young Malta Limited, and the auditor's reports thereon, are set out in the applicable audited financial statements of the Issuer.

The Guarantor's historical financial information for the financial years ended 31 December 2019, 2020, and 2021, as audited by Ernst & Young Malta Limited, and the auditor's reports thereon, are set out in the applicable audited consolidated financial statements of the Guarantor.

The afore-mentioned audited financial statements of the Issuer and the audited consolidated financial statements of the Guarantor are available for inspection as set out in section 17 below, are incorporated by reference and may be accessed on the Issuer's website www.vonderheydengroup.com.

	Information incorporated by reference in this Registration Document	Financial year ended 31 December 2019	Financial year ended 31 December 2020	Financial year ended 31 December 2021
		Page number in Annual Report		
Issuer	Statements of Comprehensive Income	Page 18	Page 18	Page 10
	Statements of Financial Position	Page 17	Page 17	Page 9
	Statements of Cash Flows	Page 20	Page 20	Page 12
	Notes to the Financial Statements	Pages 21 to 35	Pages 21 to 35	Page 13 to 28
	Independent Auditor's Report	Pages 10 to 16	Pages 10 to 16	Page 29 - 36
Guarantor	Statements of Comprehensive Income	Page 6	Page 7	Page 20
	Statements of Financial Position	Pages 7 to 8	Pages 8 to 9	Pages 21 to 22
	Statements of Cash Flows	Pages 13 to 14	Pages 14 to 15	Pages 25 to 27
	Notes to the Financial Statements	Pages 15 to 66	Pages 16 to 62	Pages 28 to 89
	Independent Auditor's Report	Pages 67 to 70	Pages 63 to 66	Pages 90 to 94

There have been no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited financial statements relate.

Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12. LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings involving the Issuer or the Guarantor, including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware, during the period covering 12 months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13. MAJORITY SHAREHOLDERS AND ADDITIONAL INFORMATION

13.1 Share capital of the Issuer

The authorised and issued share capital of the Issuer is €250,000 divided into 249,999 ordinary A shares of a nominal value of €1 each and 1 ordinary B share of €1, all being fully paid-up and subscribed for, allotted and taken up specifically as follows:

Name of Shareholder	Number of shares held
Timan Investments Holdings Limited (C 63335)	249,999 ordinary 'A' shares of €1 each
Von der Heyden Group Holdings B.V. (155289)	1 ordinary 'B' share of €1

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued under those conditions decided by extraordinary resolution of the shareholders in general meeting.

All ordinary shares in the Issuer, irrespective of the letter by which they are denominated, shall rank equally in all respects subject to the following exceptions:

a. the holder of the ordinary A shares shall be entitled to 1 vote in general meetings for each of such share held, whilst the holder of the ordinary B share shall not be entitled to any vote in respect to such share. Provided that both classes of shares shall entitle the holder to receive notice of general meetings of the Issuer in terms of the Articles of Association of the Company;
b. the ordinary B share shall not carry any dividend entitlement;
c. the holder of the ordinary A shares shall be entitled to any surplus assets of the Company on a winding up whilst the holder of the ordinary B share shall not be entitled to any surplus assets on winding up but shall have a prior claim over the holder of the ordinary A shares for the return of the nominal value of the said ordinary B share.

The shares of the Issuer are not listed on the Exchange. An application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the 2 years immediately preceding the publication of the Prospectus.

It is not expected that the Issuer will issue any shares during the financial year ending 31 December 2022, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. Furthermore, there are no arrangements in place as at the date of the Prospectus, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer with the rest of the Group and/or with the ultimate shareholders is retained at arm's length, including, in respect of the Issuer, adherence to rules on related party transactions set out in Chapter 5 of the Capital Markets Rules requiring the vetting and approval of any related party transaction by the Audit Committee. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of two independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder. With particular reference to the relationship between the Issuer and the ultimate shareholders, the Articles of Association of the Issuer require any director of the Issuer who in any way, whether directly or indirectly, has an interest in a contract, arrangement, transaction or proposal with the Issuer, to declare the nature of his interest to the Board of Directors of the Issuer. Furthermore, said Director shall not be permitted to vote at that meeting in respect of any contract, arrangement, transaction or any other proposal in which he has, either directly or indirectly, a personal material interest.

13.2 Memorandum and Articles of Association of the Issuer

The objects of the Issuer are set out in clause 4 of the Issuer's Memorandum of Association, with the principal object being to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors, as detailed above in this Registration Document.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the Company.

13.3 Share capital of the Guarantor

The authorised share capital of the Guarantor is €50,000,000 divided into 20,000,000 ordinary A shares of a nominal value of €1 each and 30,000,000 ordinary B shares of a nominal value of €1 each. The issued share capital of the Guarantor is €3,804,641 divided into 3,249,924 ordinary A shares of a nominal value of €1 each and 554,717 ordinary B shares of a nominal value of €1 each, all fully paid-up, which have been subscribed for, allotted and fully taken up as follows:

i.	Von der Heyden Group Holdings B.V. (155289)	3,249,924 ordinary A shares of €1 each
ii.	Trusthigh Holdings Limited (546261)	554,717 ordinary B shares of €1 each

The ultimate controlling beneficial owner of the Guarantor is Sven von der Heyden.

The authorised share capital of the Guarantor may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each share, irrespective of the class by which it is designated, confers the right to one (1) vote at general meetings of the Guarantor. All ordinary shares rank *pari passu* in all respects.

In terms of the Guarantor's articles of association, resolutions in respect of: (i) amendments, alterations to and/or revocations of the memorandum and articles of association and additions thereto, including any share transfers, increase or reduction of or any other changes to the authorised and/or issued share capital or to the shareholding structure of the company, or any disposal of the company's assets; (ii) any proposed merger or amalgamation; and (iii) the voluntary liquidation of the company, shall require an extraordinary resolution signed or agreed to by all the shareholders as well as a unanimous resolution of the shareholders holding the ordinary A and B shares in the company.

Wherever a shareholders' extraordinary resolution is required, it shall be taken to mean a resolution which has been passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than 75% in nominal value of the shares conferring that right to vote at the meeting. Resolutions in respect of decisions which either in terms of the above or in terms of law do not require an extraordinary resolution shall be taken by an ordinary resolution; that is, a resolution which has been taken by a member or members having the right to attend and vote and who, in the aggregate, hold a simple majority in nominal value of shares in the company. Accordingly, Von der Heyden Group Holdings B.V., as holder of 85.42% of the issued share capital of the Guarantor, is empowered, in its sole discretion, with the control of the Guarantor.

In terms of the Guarantor's articles of association, subject to the provisions of any shareholders' agreements, if at any time the share capital is divided into different classes of shares, the change of any shares from one class into another or the variation of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the company is being wound-up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class, and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class and of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of any other class affected thereby.

The shares of the Guarantor are not listed on the Exchange. Application has not been filed for the shares of the Guarantor to be quoted on the Official List of the Exchange.

It is not expected that shares in the Guarantor shall be issued during the financial year ending 31 December 2022, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Guarantor which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Guarantor is to be put under option. To the best of the Guarantor's knowledge, there are no arrangements in place as at the date of the Prospectus the operation of which may, at a subsequent date, result in a change in control of the Guarantor.

13.4 Memorandum and articles of association of the Guarantor

The principal objects of the Guarantor are set out in clause 3 of the memorandum of association of the Guarantor and include, but are not limited to, investing and dealing with monies of the company in any shares, securities, commodities, derivatives and funds and in such manner as may, from time to time, be determined.

The Guarantor is also empowered in terms of its memorandum of association to guarantee the payment of monies or the performance of any contract or obligation in which the Guarantor may be interested, even by the hypothecation of the Guarantor's property, whether present or future.

The memorandum and articles of association of the Guarantor otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors, as detailed above in this Registration Document.

A copy of the memorandum and articles of association of the Guarantor may be inspected during the lifetime of this Registration Document at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Malta Business Registry during the lifetime of the company.

13.5 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the 2 years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or the Guarantor.

14. MATERIAL CONTRACTS

Each of the Issuer and the Guarantor has not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or the Guarantor being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their respective obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

15. DISCLOSURES UNDER MARKET ABUSE REGULATION

No information has been disclosed by the Issuer over the last 12 months which is relevant as at the date of the Prospectus under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

16. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Financial Analysis Summary reproduced in Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Financial Analysis Summary dated 10 October 2022 has been included in Annex III of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from Calamatta Cuschieri Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta during the term of the Bond Issue during office hours:

a. the Memorandum and Articles of Association of the Issuer;
b. the Memorandum and Articles of Association of the Guarantor;
c. the audited financial statements of the Issuer for the financial years ended 31 December 2019, 2020, and 2021;
d. the audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2019, 2020, and 2021;
e. the interim unaudited financial statements of the Issuer for the six-month period 1 January to 30 June 2022;
f. the interim consolidated unaudited financial statements of the Guarantor for the six-month period 1 January to 30 June 2022;
g. the Financial Analysis Summary; and
h. the Guarantee.

The documents listed in (a) to (e) above, both included, are also available for inspection in electronic form on the Issuer's website www.vonderheydengroup.com.

SECURITIES NOTE

Dated 10 October 2022

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the Malta Financial Services Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Capital Markets Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of

€35,000,000 5% Unsecured Bonds 2032

of a nominal value of €100 per Bond issued at par by

VON DER HEYDEN GROUP

VON DER HEYDEN GROUP FINANCE P.L.C.

a public limited liability company registered in Malta with company registration number C 77266

*Guaranteed by

TIMAN INVESTMENTS HOLDINGS LIMITED

a private limited liability company registered in Malta with company registration number C 63335

ISIN: MT0001401216

**Prospective investors are to refer to the Guarantee contained in Annex I of this Securities Note for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

Legal Counsel

GVZH ADVOCATES

Sponsor, Manager & Registrar

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

APPROVED BY THE DIRECTORS

Antonio Fenech
in his capacity as Director of the Issuer and for and on behalf of
Javier Errejón Sainz de la Maza, Jozef Bronislaw Borowski, Joseph Muscat and Robert Aquilina

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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 10 OCTOBER 2022 AND CONTAINS INFORMATION ABOUT VON DER HEYDEN GROUP FINANCE P.L.C. IN ITS CAPACITY AS ISSUER, ABOUT TIMAN INVESTMENTS HOLDINGS LIMITED IN ITS CAPACITY AS GUARANTOR AND ABOUT THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES ISSUED BY THE MALTA FINANCIAL SERVICES AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 6.18 OF THIS SECURITIES NOTE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE COMPANY OF A MAXIMUM OF €35 MILLION UNSECURED BONDS 2032 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5% *PER ANNUM* PAYABLE ANNUALLY IN ARREARS ON 16 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 16 DECEMBER 2023. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 16 DECEMBER 2032. THE BOND ISSUE IS GUARANTEED BY THE GUARANTOR.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF SECURITIES OF THE ISSUER, OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE PROSPECTUS AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT PROFESSIONAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THIS SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS, OR ANY PART THEREOF, OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, OTHER THAN MALTA, THE BONDS CAN ONLY BE OFFERED TO *"QUALIFIED INVESTORS"* (AS DEFINED IN THE PROSPECTUS REGULATION), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON AS DEFINED IN REGULATION "S" OF THE SAID ACT. FURTHERMORE, THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940, AS AMENDED, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE MFSA IN SATISFACTION OF THE CAPITAL MARKETS RULES, TO THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE COMPANIES ACT.

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE MALTA FINANCIAL SERVICES AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

STATEMENTS MADE IN THIS SECURITIES NOTE ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISERS TO THE ISSUER NAMED IN SUB-SECTION 4.3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

Words and expressions and capitalized terms used in this Securities Note, shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressions and capitalized terms as indicated in the Registration Document forming part of the Prospectus. In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

2017 Existing VDHG Bondholders	holders of the 2017 VDHG Bonds, as defined in the Registration Document, appearing on the applicable register held at the CSD as at the Cut-Off Date;
Applicant/s	any person or persons, natural or legal, who subscribes for the Bonds;
Application/s	the application to subscribe for Bonds made by an Applicant/s through any of the Authorised Intermediaries, which include the Sponsor, Manager & Registrar, in accordance with the terms of this Securities Note;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday, both days included, on which commercial banks in Malta settle payments and are open for normal banking business;
CET	Central European Time;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Cut-Off Date	close of business on 13 October 2022, trading session of 11 October 2022;
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
Interest Payment Date	16 December of each year between and including each of the years 2023 and the year 2032, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	an offer for subscription of Bonds made by the Issuer to the Authorised Intermediaries through subscription agreements, as further detailed in sub-section 6.4 of this Securities Note;
Issue Date	expected on 16 December 2022;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
Placement Agreement/s	the placement agreements entered into between the Issuer and a number of Authorised Intermediaries, as further detailed in sub-section 6.2 of this Securities Note;
Placement Date	11 November 2022;
Preferred Applicants	the 2017 Existing VDHG Bondholders;
Preferred Applicants Offer Period	the period between 08:30 hours CET on 1 November 2022 and 12:00 hours CET on 14 November 2022 during which the Bonds are available for subscription by Preferred Applicants;
Intermediaries' Offer Period	the period between 08:30 hours CET on 18 November 2022 and 12:00 hours CET on 2 December 2022 during which the Bonds are available for subscription by the general public through Authorised Intermediaries, which offer period may not take place or close earlier in case of over-subscription;
Redemption Premium	the premium to be afforded to all 2017 Existing VDHG Bondholders in the form of payment of a redemption price of ten Euro (€10) per 2017 VDHG Bond held as at the Cut-Off Date, as detailed in sub-section 6.1.7 of this Securities Note;
Redemption Value	the nominal value of each Bond, being €100 per Bond; and
Terms and Conditions	the terms and conditions of the Bonds, set out in sub-section 5.3 (*'Issue Statistics'*), section 6 (*'Information concerning the Bonds'*) and section 8 (*'Terms and Conditions of the Bond Issue'*) of this Securities Note.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

a. Unless it appears otherwise from the context:
b. words importing the singular shall include the plural and *vice-versa*;
c. words importing the masculine gender shall include the feminine gender and *vice-versa*;
d. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
e. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
f. any reference to a person includes that person’s legal personal representatives, successors and assigns;
g. any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
h. any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Securities Note.

2. RISK FACTORS

THE VALUE OF INVESTMENTS, INCLUDING THE BONDS, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS IS REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES. PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP’S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND COULD, THEREBY, NEGATIVELY AFFECT THE ABILITY OF THE ISSUER TO MEET ITS OBLIGATIONS IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE BONDS AND REPAYMENT OF PRINCIPAL WHEN DUE AND OF THE GUARANTOR TO HONOUR ITS OBLIGATIONS UNDER THE GUARANTEE.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

This Securities Note contains forward-looking statements which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. Such forecasts and projections do not bind the Issuer with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

2.2 Suitability of the Bonds

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Chapter 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;
iv. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
v. is able to assess as to whether an investment in the Bonds shall achieve his/her/its investment objective.

2.3 Risks relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets generally in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

- In view of the current inflationary environment, investment in the Bonds involves the risk that rising inflation on real rates of return in relation to coupon payments as well as secondary market prices may have an adverse impact on the value of the Bonds, such that increasing rates of inflation could have an adverse effect on the return on the Bonds in real terms.

- Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the MFSA has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MFSA may discontinue the listing of the Bonds on the Official List. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.18 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority. Furthermore, in terms of the Guarantee, the Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in: (i) the amount payable by the Guarantor under the Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of this Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of the Guarantee. In the event that the Guarantor were to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place, they could have an adverse effect on the market price for the Bonds.
- The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Capital Markets Rules, the Companies Act and the Prospectus Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

2.4 Risks relating to the Guarantee

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall, at all times, rank *pari passu* without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law. Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.

In view of the fact that the Bonds are being guaranteed by the Guarantor on a joint and several basis, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

3. PERSONS RESPONSIBLE

This Securities Note includes information given in compliance with the Capital Markets Rules for the purpose of providing prospective investors with information with regard to the Issuer, the Guarantor and the Bonds. Antonio Fenech, Javier Errejón Sainz de la Maza, Joseph M. Muscat, Robert C. Aquilina and Jozef B. Borowski, being all of the Directors of the Issuer as further detailed in sub-section 4.1.1 of the Registration Document, accept responsibility for the information contained in the Prospectus.

To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors hereby accept responsibility accordingly.

4. CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

4.1 Consent required in connection with use of the Prospectus by Authorised Intermediaries

For the purposes of any subscription for Bonds through any of the Authorised Intermediaries in terms of this Securities Note and any subsequent resale, placement or other offering of Bonds by such Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Issuer consents to the use of the Prospectus, and accepts responsibility for the information contained herein in accordance with the terms hereof, with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

a. in respect of Bonds subscribed for through Authorised Intermediaries;
b. to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
c. to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

Neither the Issuer nor the Guarantor, or any of their respective advisers, accept any responsibility for any actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar have authorised, nor do they authorise or consent to the use of the Prospectus in connection with, the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. If the prospective investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, such information and/or representation must not be relied upon as having been authorised by the Issuer. The Issuer does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or offering of Bonds to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor, including price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and the Issuer does not have any responsibility or liability for such information.

Any Authorised Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to Authorised Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.vonderheydengroup.com.

4.2 Statement of authorisation

This Securities Note has been approved by the Malta Financial Services Authority, as the competent authority under the Prospectus Regulation. The Malta Financial Services Authority only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Bonds.

5. KEY INFORMATION

5.1 Reasons for the Bond Issue and use of proceeds

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

1. an amount of €25,250,000 of the Bond Issue net proceeds will be used for the redemption of the outstanding amount of 2017 VDHG Bonds remaining in issue as at or about 16 December 2022, being the expected date of redemption of the 2017 VDHG Bonds as determined by the Issuer and duly notified to 2017 Existing VDHG Bondholders, including payment of the Redemption Premium to 2017 Existing VDHG Bondholders;
2. an amount of €4,000,000 of the Bond Issue net proceeds will be used for the purpose of part-financing the continued development of the Andersia Silver project in Poznań, Poland, details of which are set out in sub-section 5.3.1 of the Registration Document; and
3. the remaining balance of the Bond Issue net proceeds in an amount of *circa* €5,150,000 will be used for the general corporate funding purposes of the Group.

In the event that the Bond Issue is subscribed for an amount of less than €25,000,000 (the "Minimum Amount"), no allotment of the Bonds shall be made, the subscription of Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer, acting through the Sponsor, Manager & Registrar, without interest, by direct credit transfer to the respective Authorised Intermediary to the account number indicated in the respective subscription agreement by latest 16 December 2022. Neither the Issuer nor the Sponsor, Manager & Registrar will be responsible for any loss or delays in transmission of the refunds or any charges in connection therewith. In this regard, any monies returnable to Authorised Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. In the event that the Minimum Amount is not reached as aforesaid there shall be no redemption of the 2017 VDHG Bonds, which 2017 VDHG Bonds shall remain in full force and effect in accordance with the terms and conditions applicable thereto set out in the prospectus dated 30 January 2017.

In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for equal to or above the Minimum Amount and the proceeds from the Bond Issue shall be applied for the purpose and in the order of priority set out above. The residual amount required by the Issuer for the purpose of the uses specified in this sub-section 5.1 which shall not have been raised through the Bond Issue shall be financed from the Group's own funds, bank financing and/or shareholders' funding.

The issue and allotment of the Bonds is conditional upon: (i) the Minimum Amount of €25,000,000 being subscribed for; (ii) the Guarantee being granted in terms of Annex I to this Securities Note; (iii) the Issuer obtaining the approval of the 2017 Existing VDHG Bondholders for the early redemption of the 2017 VDHG Bonds pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017, as detailed in sub-section 6.1.8 below; and (iv) the Bonds being admitted to the Official List. In the event that any one or more of the aforesaid conditions is not satisfied the Sponsor, Manager & Registrar shall return the proceeds of the Bond Issue to Applicants.

5.2 Estimated expenses and proceeds of the Bond Issue

The Bond Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with the Bond Issue. Such expenses, which shall be borne by the Issuer, are estimated not to exceed approximately €600,000, with approximately €437,500 being attributed to selling commissions and approximately €162,500 to professional, MSE, regulatory and ancillary fees. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to approximately €34,400,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

Amount:	€35 million;
Bond Issue or Issue:	the issue of a maximum of €35 million unsecured Bonds due in 2032 denominated in Euro having a nominal value of €100 each, which will be issued by the Issuer at par and shall bear interest at the rate of 5% *per annum*, redeemable on 16 December 2032;
Bond Issue Price:	at par (€100 per Bond);
Closing date for Applications to be received from Preferred Applicants:	14 November 2022 at 12:00 hours CET;
Closing date for Applications to be received from all other Applicants not being Preferred Applicants:	2 December 2022 at 12:00 hours CET, unless the Intermediaries' Offer does not take place or the Intermediaries' Offer Period closes earlier in case of over-subscription;
Denomination:	Euro (€);
Events of Default:	the events listed in sub-section 6.15 of this Securities Note;
Form:	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing law and jurisdiction:	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
Interest:	the Bonds shall bear interest from and including 16 December 2022 at the rate of five per cent (5%) *per annum* payable annually in arrears on the Interest Payment Dates;
Interest Payment Date:	annually on the 16 December of each year between and including each of the years 2023 and 2032, as from 16 December 2023, being the first interest payment date, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
Intermediaries' Offer:	in the event that following closing of the subscription for Bonds by Preferred Applicants there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer as set out in sub-section 6.4 of this Securities Note. In the event that the Intermediaries' Offer takes place and the aggregate of subscriptions received from Authorised Intermediaries pursuant to subscription agreements in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer, acting through the Registrar, shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.6 of this Securities Note;
ISIN:	MT0001401216;

Listing:	the Malta Financial Services Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Minimum amount:	should subscriptions for a total of at least €25,000,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Applicants for Bonds shall be refunded accordingly;
Minimum amount per Application:	two thousand Euro (€2,000) in nominal value of Bonds and in multiples of one hundred Euro (€100) thereafter per individual Bondholder;
Plan of distribution:	the Bonds are open for subscription by: Preferred Applicants; and Authorised Intermediaries in terms of the Placement Agreements and pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Preferred Applicants as aforesaid;
Placement Agreements:	the agreements entered into by and between the Issuer and a number of Authorised Intermediaries in respect of a maximum amount of €10 million in nominal value of Bonds being reserved for subscription by a number of Authorised Intermediaries for their own account or on behalf of their clients, as further described in sub-section 6.2 of this Securities Note;
Preferred allocations:	2017 Existing VDHG Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of 2017 VDHG Bonds at par value, subject to a minimum Application of €2,000 in Bonds. Any 2017 Existing VDHG Bondholders whose holding in 2017 VDHG Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application ("**Cash Top-Up**"). 2017 Existing VDHG Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the 2017 VDHG Bonds held by them as at the Cut-Off Date, including any Cash Top-Up necessary as stated above ("**2017 Bond Transfer**"), shall be allocated Bonds for the corresponding nominal value of 2017 VDHG Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of 2017 VDHG Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2017 VDHG Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds. Bonds applied for by 2017 Existing VDHG Bondholders by way of 2017 Bond Transfer as described above, including Cash Top-Up, where applicable, shall be allocated with priority to any additional Bonds applied for by 2017 Existing VDHG Bondholders as contemplated below. In the event that the aggregate value of the Applications received from 2017 Existing VDHG Bondholders transferring all of the 2017 VDHG Bonds held by them as at the Cut-Off Date through 2017 Bond Transfer (including Cash Top-Up, where applicable) is in excess of €25,000,000, the Issuer (acting through the Registrar & Manager) shall scale down each Application received such that the Bonds shall be made available for subscription to such 2017 Existing VDHG Bondholders, *pari passu,* without priority or preference between them in accordance with the allocation policy to be issued in terms of sub-section 6.6 of this Securities Note. A 2017 Existing VDHG Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of 2017 VDHG Bonds held by him/her/it as at the Cut-Off Date, including Cash Top-Up, where applicable, may subscribe for such additional Bonds in terms of sub-section 6.3 below.

	The balance of the Bonds available for subscription by Preferred Applicants not subscribed for by 2017 Existing VDHG Bondholders limitedly by means of a 2017 Bond Transfer, if any, shall be made available for subscription to 2017 Existing VDHG Bondholders in respect of any number of additional Bonds applied for other than by 2017 Bond Transfer exceeding in value the nominal value of 2017 VDHG Bonds held by them as at the Cut-Off Date, including Cash Top-Up, where applicable, without any priority or preference between them. Accordingly, in the event that the aggregate value of the Applications received from 2017 Existing VDHG Bondholders transferring all or part of the 2017 VDHG Bonds held by them as at the Cut-Off Date through 2017 Bond Transfer (including Cash Top-Up, where applicable) is equal to or in excess of €25,000,000, 2017 Existing VDHG Bondholders applying for additional Bonds shall not get any allocation of Bonds;
Redemption Date:	16 December 2032;
Redemption Value:	at par (€100 per Bond);
Status of the Bonds:	the Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed jointly and severally by the Guarantor in respect of both the interest due and the principal amount under said Bonds. The Bonds shall, at all times, rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law;
Subscription:	multiples of one hundred Euro (€100); and
Underwriting:	the Bond Issue is not underwritten.

5.4 Interest of natural and legal persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries, which include the Sponsor, Manager & Registrar, and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

5.5 Expected timetable of principal events

1	Meeting of 2017 Existing VDHG Bondholders	31 October 2022
2	Application Forms available to 2017 Existing VDHG Bondholders	1 November 2022
3	Placement Date	11 November 2022
4	Closing date for Applications to be received from 2017 Existing VDHG Bondholders	14 November 2022 (by 12:00 CET)
5	Intermediaries' Offer*	18 November 2022 - 2 December 2022 at 12:00 CET
6	Announcement of basis of acceptance through a company announcement	9 December 2022
7	Refunds of unallocated monies, if any	16 December 2022
8	Dispatch of allotment letters	16 December 2022
9	Expected date of early redemption of the 2017 VDHG Bonds	16 December 2022
10	Expected date of admission of the Bonds to listing	16 December 2022
11	Issue date of the Bonds	16 December 2022
12	Expected date of commencement of trading in the Bonds	19 December 2022
13	Commencement of interest	16 December 2022

** In the event that, in addition to the subscription of €10 million in nominal value of Bonds in full by Authorised Intermediaries in accordance with Placement Agreements, the total value of Applications received from 2017 Existing VDHG Bondholders reaches €25,000,000, the Intermediaries' Offer will not take place. In the event that the Intermediaries' Offer does take place, the Issuer reserves the right to close the Intermediaries' Offer before 2 December 2022 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In the eventuality that the Intermediaries' Offer does not take place or, if it does take place, it is closed early as aforesaid, some of the events set out above may be brought forward and the Issuer will issue a company announcement accordingly.*

6. INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the Terms and Conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Bonds hereafter described and to accept and be bound by the said Terms and Conditions.

6.1 General

6.1.1 Each Bond forms part of a duly authorised issue of 5% unsecured bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €35,000,000, except as otherwise provided under sub-section 6.17 *"Further Issues"* below. The Issue Date of the Bonds is expected to be 16 December 2022. The Bond Issue is guaranteed by Timan Investments Holdings Limited (C 63335).

6.1.2 The currency of the Bonds is Euro (€).

6.1.3 The Bonds shall bear interest at the rate of 5% *per annum* payable annually in arrears on 16 December 2022 of each year, with the first interest payment falling due on 16 December 2023, covering the period between 16 December 2022 and 15 December 2023. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0001401216.

6.1.5 The Bonds are expected to be listed on the Official List on or about 16 December 2022 and dealing can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.1.6 All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par, together with accrued interest up to the date fixed for redemption, on the Redemption Date.

6.1.7 Upon redemption of the 2017 VDHG Bonds, all 2017 Existing VDHG Bondholders will be afforded a premium in the form of payment of a redemption price of ten Euro (€10) per 2017 VDHG Bond held as at the Cut-Off Date (the "Redemption Premium"). 2017 Existing VDHG Bondholders will have the Redemption Premium settled in cash upon redemption of the 2017 VDHG Bonds, by direct credit into the 2017 Existing VDHG Bondholder's bank account.

6.1.8 The Issuer shall be obtaining the approval of the 2017 Existing VDHG Bondholders for the early redemption of the 2017 VDHG Bonds pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017. In terms of the said prospectus dated 30 January 2017, a meeting of the 2017 Existing VDHG Bondholders for the purpose of considering the early redemption of the 2017 VDHG Bonds is called by the Directors of the Issuer by giving all 2017 Existing VDHG Bondholders listed on the register of bondholders as at a date being not more than 30 days preceding the date scheduled for the meeting, not less than 14 days' notice in writing. The quorum at the 2017 Existing VDHG Bondholders' meeting is at least 2 bondholders present, in person or by proxy, representing not less than 50% in nominal value of the 2017 VDHG Bonds then outstanding. The proposal for the early redemption of the 2017 VDHG Bonds placed before the 2017 Existing VDHG Bondholders' meeting shall only be considered approved if at least 60% in nominal value of the 2017 Existing VDHG Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal. A circular shall be dispatched to all 2017 Existing VDHG Bondholders to enable them to understand the nature of the proposed early redemption of the 2017 VDHG Bonds, the principal commercial terms thereof, and to provide other necessary information about the proposed early redemption of the 2017 VDHG Bonds to the holders thereof. The Issuer will be providing further details in this regard via company announcement following the date of the Prospectus.

6.1.9 In the event that 2017 Existing VDHG Bondholders subscribing for Bonds by way of 2017 Bond Transfer shall not be allocated Bonds in full, the portion of 2017 VDHG Bonds not allocated shall be paid by the Issuer on the redemption date of the 2017 VDHG Bonds being 16 December 2022 whereas, with respect to the Cash Top-Up portion (where applicable) it shall be paid without interest by direct credit into the Applicant's bank account as indicated by the Applicant by latest 16 December 2022.

6.1.10 In the event that any of the Applicants applying for Bonds have not been allocated any Bonds or have been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant at any time before the Bonds are admitted to listing on the Official List of the MSE. Neither the Issuer nor the Registrar will be responsible for any loss or delay in transmission of such refunds or any charges in connection therewith. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

6.1.11 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital, as detailed in sub-section 6.13 below, seeking recourse from the Guarantor pursuant to the Guarantee in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note and in accordance with the ranking specified in sub-section 6.7 of this Securities Note.

6.1.12 The minimum subscription amount of Bonds that can be subscribed for by Applicants upon subscription is €2,000, and in multiples of €100 thereafter.

6.1.13 The issue of the Bonds is made in accordance with the requirements of the Capital Markets Rules, the Act and the Prospectus Regulation.

6.1.14 The Bond Issue is not underwritten. Should subscriptions for a total of at least €25,000,000 (the "Minimum Amount") not be received, no allotment of the Bonds shall be made, the Applications for Bonds shall be deemed not to have been accepted by the Issuer and all money received from Authorised Intermediaries shall be returned by the Issuer, acting through the Registrar, without interest, by direct credit transfer to the respective Authorised Intermediary to the account number indicated on the respective subscription agreement by latest 16 December 2022. In the event that the Minimum Amount is reached but the Bond Issue is not fully subscribed, the Issuer will proceed with the allotment and listing of the amount of Bonds subscribed for.

6.1.15 All Applications shall be subject to the Terms and Conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 Placement Agreements

The Issuer has entered into Placement Agreements with a number of Authorised Intermediaries whereby the Issuer bound itself to allocate a total aggregate amount of €10 million in nominal value of Bonds to such Authorised Intermediaries, which, in turn, bound themselves to subscribe to, for their own account or for the account of their underlying clients, a specified number of Bonds up to an aggregate amount of €10 million, subject to (i) the Prospectus being approved by the Malta Financial Services Authority, (ii) the Issuer obtaining the approval of the 2017 Existing VDHG Bondholders for the early redemption of the 2017 VDHG Bonds pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017, as detailed in sub-section 6.1.8 above and (iii) the Bonds being admitted to trading on the Official List.

In terms of the Placement Agreements, the Authorised Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

i. distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or

ii. complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 12:00 hours CET on 11 November 2022 being the Placement Date.

Authorised Intermediaries must effect payment to the Issuer for the Bonds subscribed to by not later than the Placement Date.

6.3 Applications by 2017 Existing VDHG Bondholders

6.3.1 The consideration payable by 2017 Existing VDHG Bondholders applying for Bonds may be settled by the transfer to the Issuer of all or part of the 2017 VDHG Bonds held by such Applicant as at the Cut-Off Date, subject to a minimum application of €2,000, which transfer shall be effected at the par value of the 2017 VDHG Bonds ("2017 Bond Transfer"). Any 2017 Existing VDHG Bondholders whose holding in 2017 VDHG Bonds is less than €2,000 shall be required to pay the difference (the "Cash Top-Up").

2017 Existing VDHG Bondholders electing to subscribe for Bonds through 2017 Bond Transfer shall be allocated Bonds for the corresponding nominal value of 2017 VDHG Bonds transferred to the Issuer, including Cash Top-Up, where applicable. The transfer of 2017 VDHG Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such 2017 VDHG Bonds to be extinguished and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by 2017 Existing VDHG Bondholders by way of 2017 Bond Transfer, including Cash Top-Up, where applicable, shall be allocated with priority to any additional Bonds applied for by 2017 Existing VDHG Bondholders as contemplated below.

In the event that the aggregate value of the Applications received from 2017 Existing VDHG Bondholders transferring all of the 2017 VDHG Bonds held by them as at the Cut-Off Date through 2017 Bond Transfer (including Cash Top-Up, where applicable) is in excess of €25,000,000, the Issuer (acting through the Registrar & Manager) shall scale down each Application received such that the Bonds shall be made available for subscription to such 2017 Existing VDHG Bondholders, *pari passu*, without priority or preference between them in accordance with the allocation policy to be issued in terms of sub-section 6.6 of this Securities Note.

A 2017 Bond Transfer shall be without prejudice to the rights of 2017 Existing VDHG Bondholders to receive interest on the 2017 VDHG Bonds up to but excluding 16 December 2022. The 2017 VDHG Bonds shall be redeemed on 16 December 2022 as determined by the Issuer and duly notified to 2017 Existing VDHG Bondholders.

All Applications for the subscription of Bonds by 2017 Existing VDHG Bondholders by means of 2017 Bond Transfer must be submitted to any Authorised Intermediary, which include the Sponsor, Manager & Registrar, by 12:00 hours CET on 14 November 2022.

6.3.2 Payment by Preferred Applicants of the Cash Top-Up referred to in sub-section 6.3.1 above, and the full price of the additional Bonds applied for referred to in sub-section 6.3.5 below, shall be made in Euro and in cleared funds at the Bond Issue Price, either through a bank transfer, by cheque payable to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary.

6.3.3 2017 Existing VDHG Bondholders subscribing for Bonds by means of 2017 Bond Transfer are, in virtue of such subscription, confirming:

i. that all or part, as the case may be, of the 2017 VDHG Bonds held by the Applicant on the Cut-Off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, as and if applicable;

ii. that the Application constitutes the Applicant's irrevocable mandate to the Issuer to:

   a) cause the transfer of the said 2017 VDHG Bonds in the Issuer's name in consideration of the issue of Bonds; and

   b) engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said 2017 VDHG Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant; and

iii. that in respect of the payment of the Cash Top-Up in terms of sub-section 6.3.1 above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section 6.3.5 below, the Applicant's remittance will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer, acting through the Sponsor, Manager & Registrar, reserves the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Sponsor, Manager & Registrar. Such acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation.

6.3.4 Where the Applicant is the holder of 2017 VDHG Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application.

6.3.5 In addition to the aforesaid, 2017 Existing VDHG Bondholders transferring all of the 2017 VDHG Bonds held by them as at the Cut-Off Date pursuant to sub-section 6.3.1 above may apply for an amount of Bonds in excess of the amount of 2017 VDHG Bonds being transferred by 2017 Bond Transfer (including Cash Top-Up, where applicable). In such case 2017 Existing VDHG Bondholders may subscribe for additional Bonds, in multiples of €100, by indicating such matter in the relative Application.

2017 Existing VDHG Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a 2017 Bond Transfer, subject to a Cash Top-Up, as and if applicable.

In the event that 2017 Existing VDHG Bondholders apply for additional Bonds other than by 2017 Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications for additional Bonds received from other 2017 Existing VDHG Bondholders, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 6.6 of this Securities Note.

6.3.6 Holders of 2017 VDHG Bonds as at the Cut-Off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 6.3 shall receive all capital and accrued interest to date, together with the Redemption Premium, on 16 December 2022.

6.3.7 The balance of the Bonds available for subscription by Preferred Applicants not subscribed for by 2017 Existing VDHG Bondholders limitedly by means of a 2017 Bond Transfer as contemplated in sub-section 6.3.1 above, if any, shall be made available for subscription, pari passu without priority or preference between them, to 2017 Existing VDHG Bondholders in respect of any number of additional Bonds applied for other than by 2017 Bond Transfer exceeding in value the nominal value of 2017 VDHG Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable), as outlined in sub-section 6.3.5 above.

6.4 Intermediaries' Offer

Any balance of Bonds reserved for, and not subscribed to by, 2017 Existing VDHG Bondholders as contemplated in sub-section 6.3 above shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by 2017 Existing VDHG Bondholders, but limited to any remaining balance of Bonds after fully allocating the Bonds applied for by 2017 Existing VDHG Bondholders, as detailed in sub-section 6.3 above.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to any such amount as may not be taken up by 2017 Existing VDHG Bondholders as aforesaid.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, up to the total amount of Bonds as indicated therein, subject to the Bonds being admitted to trading on the Official List. The subscription agreements, which will be subject to the Terms and Conditions of the Prospectus, will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

In terms of the subscription agreements, Authorised Intermediaries may subscribe for the Bonds either for their own account or for the account of underlying customers, including retail customers. The minimum which each Authorised Intermediary may apply for in terms of the applicable subscription agreement is €2,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

Completed subscription agreements, together with evidence of payment, are to reach the Registrar by 12:00 hours CET on 2 December 2022. The Issuer, acting through the Registrar, will communicate the number of Bonds each Authorised Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 9 December 2022. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 16 December 2022. The results of the Bond Issue will be announced through a company announcement by latest 16 December 2022.

6.5 Plan of distribution and allotment

Applications for subscription to the Bonds may be made through any of the Authorised Intermediaries, which include the Sponsor, Manager & Registrar. The Bonds are open for subscription by all categories of investors, as follows:

i. an amount of €10 million in nominal value of Bonds has been reserved for subscription by a number of Authorised Intermediaries which have entered into Placement Agreements with the Issuer (as further detailed in sub-section 6.2 above);

ii. the remaining €25 million in nominal value of Bonds has been reserved for 2017 Existing VDHG Bondholders during the Preferred Applicants Offer Period; specifically, and with priority, (a) by 2017 Existing VDHG Bondholders up to the amount of 2017 VDHG Bonds held as at the Cut-Off Date and subject to any Cash Top-Up, as and if applicable, and, in second instance, (b) by 2017 Existing VDHG Bondholders in respect of any number of additional Bonds applied for other than by 2017 Bond Transfer exceeding in value the nominal value of 2017 VDHG Bonds held by them as at the Cut-Off Date (including Cash Top-Up, as and if applicable) without priority or preference between them; and

iii. following the allocation in terms of (i) and (ii) above, any remaining balance of Bonds shall be made available for subscription by Authorised Intermediaries through an Intermediaries' Offer.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries, which include the Sponsor, Manager & Registrar, subject to a minimum Application of €2,000 and in multiples of €100 thereafter.

It is expected that an allotment letter will be issued by the Issuer to Applicants by latest 16 December 2022. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the 2017 VDHG Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

6.6 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

i. an amount of €10 million in nominal value of Bonds has been reserved for, and shall be allocated to, a number of Authorised Intermediaries in accordance with Placement Agreements, details of which can be found in sub-section 6.2 of this Securities Note;

ii. the remaining €25 million in nominal value of Bonds has been reserved for 2017 Existing VDHG Bondholders during the Preferred Applicants Offer Period; specifically, to 2017 Existing VDHG Bondholders applying for Bonds by way of 2017 Bond Transfer, and subject to any Cash Top-Up as and if applicable, in accordance with sub-section 6.3 above, and subject to a minimum application of €2,000, and, thereafter, the balance of the Bonds not subscribed for by 2017 Existing VDHG Bondholders limitedly by means of a 2017 Bond Transfer, and subject to any Cash Top-Up as and if applicable, if any, shall be made available for subscription to 2017 Existing VDHG Bondholders in respect of any additional Bonds applied for other than by 2017 Bond Transfer exceeding in value the nominal value of 2017 VDHG Bonds held by them as at the Cut-Off Date, *pari passu,* without priority or preference between them and in accordance with the allocation policy as determined by the Issuer; and

iii. any remaining balance of Bonds reserved for, and not taken up by, 2017 Existing VDHG Bondholders in terms of paragraph (ii) above, shall be allocated to Authorised Intermediaries pursuant to the Intermediaries' Offer, as further detailed in sub-section 6.4 of this Securities Note. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 9 December 2022. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 16 December 2022.

Should Applications submitted by Preferred Applicants exceed the reserved portion indicated in paragraph (ii) above, the unsatisfied excess amounts will be returned by direct credit transfer to the account number indicated in the relative Application, within 5 Business Days following the announcement of basis of acceptance.

In the event that the Bond Issue is subscribed for in full by Authorised Intermediaries in accordance with Placement Agreements and 2017 Existing VDHG Bondholders in terms of paragraphs (i) and (ii) above, the Intermediaries' Offer shall not take place.

Preferred Applicants will share the same allocation policy without priority or preference between themselves should the need for scaling down arise in case of over-subscription, in accordance with the allocation policy as determined by the Issuer acting through the Registrar.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance and the allocation policy to be adopted through a company announcement by latest 9 December 2022.

6.7 Status and ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed jointly and severally by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer, present and future, if any, save for such exceptions as may be provided by applicable law.

Furthermore, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

The following sets out a summary of the Group's capitalisation and indebtedness as at 30 June 2022, and includes bank loan and overdraft facilities, debt securities in issue, lease liabilities and other financial liabilities. The bank facilities included below are secured by privileges and hypothecs and, therefore, the indebtedness being created by the Bonds, together with other unsecured debts, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Group's Capitalisation as at 30 June 2022

	€000
Current debt	
Guaranteed	-
Secured	577
Unguaranteed / unsecured	9,136
Total current debt	**9,712**
Non-current debt	
Guaranteed	-
Secured	13,559
Unguaranteed / unsecured	58,274
Total non-current debt	**71,833**
Total debt	**81,545**
Shareholders' equity	
Share capital	3,805
Legal reserves	4,445
Other reserves	29,421
Total shareholders' equity	**37,671**
Total	**119,217**

Further details on the aforesaid indebtedness are found in the audited financial statements of the Guarantor for the financial year ended 31 December 2021, which have been published on the Issuer's website (www.vonderheydengroup.com) and are available for inspection at its registered office during office hours for the term of the Bonds.

6.8 Rights attaching to the Bonds

This Securities Note incorporates the Terms and Conditions of the Bond Issue and, in its entirety, creates the contract between the Issuer and a Bondholder.

A Bondholder shall have such rights as are, pursuant to this Securities Note, attached to the Bonds, including:

i. the payment of interest;
ii. the repayment of capital;
iii. ranking with respect to other indebtedness of the Issuer and the Guarantor in accordance with the provisions of sub-section 6.7 above;
iv. seeking recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds;
v. the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
vi. the right to enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.9 Interest

6.9.1 The Bonds shall bear interest from and including 16 December 2022 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 December 2023, covering the period 16 December 2022 up to and including 15 December 2023. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal amount in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

6.9.2 When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

6.10 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 5% *per annum*.

6.11 Registration, form, denomination and title

6.11.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

6.11.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

6.11.3 Bondholders who opt to subscribe for the online e-portfolio account with the CSD will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. A Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept at the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. Further detail on the e-portfolio is found on https://eportfolio.borzamalta.com.mt/Help.

6.11.4 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that, on subscription, the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

6.11.5 Any person in whose name a Bond is registered may, to the fullest extent permitted by applicable law, be deemed and treated at all times, by all persons and for all purposes, including the making of any payments, as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in sub-section 6.16 of this Securities Note.

6.12 Pricing

The Bonds are being issued at par, that is, at €100 per Bond, with the full amount payable upon subscription.

6.13 Payments

6.13.1 Payment of the principal amount of Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

6.13.2 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

6.13.3 All payments with respect to the Bonds are subject in all cases to any pledge, duly constituted, and to any applicable fiscal or other laws and regulations prevailing in Malta from time to time. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

6.13.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.13. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.14 Redemption and purchase

6.14.1 The Issuer hereby irrevocably covenants in favour of each Bondholder that, unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value, together with accrued interest up to the date fixed for redemption, on 16 December 2032. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which are payable by the Bondholders.

6.14.2 Subject to the provisions of this sub-section 6.14, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

6.14.3 All Bonds so redeemed or re-purchased will be cancelled forthwith and may not be re-issued or re-sold.

6.15 Events of Default

The Bonds shall become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events ("Events of Default") shall occur:

i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or

ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or

iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days, where applicable; and/or

iv. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; and/or

v. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; and/or

vi. if the Issuer stops or suspends payments, whether of principal or interest, with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or

vii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or

viii. if in terms of section 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or

ix. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer or Guarantor; and/or

x. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or

xi. any default of a payment obligation which occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined below) of the Issuer in excess of three million Euro (€3,000,000) or its equivalent at any time.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

For the purpose of this sub-section 6.15, "Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person.

6.16 Transferability of the Bonds

6.16.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole, in multiples of €100, in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €2,000 shall only apply during the Preferred Applicants Offer Period and the Intermediaries' Offer Period, if it takes place. As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List and commence trading thereafter, subject to trading in multiples of €100.

6.16.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered himself/herself/itself as holder of the Bond or to have some person nominated by him/her/it registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself/itself, he/she/it shall deliver or send to the CSD a notice in writing signed by him/her/it stating that he/she/it so elects. If he/she/it shall elect to have another person registered he/she/it shall testify his/her/its election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph 6.16.2, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

6.16.3 All transfers and transmissions are subject in all cases to any pledge, duly constituted, of the Bonds and to any applicable laws and regulations.

6.16.4 The costs and expenses of affecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.

6.16.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.17 Further issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series, including the Bonds, and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series, including the Bonds, or upon such terms as the Issuer may determine at the time of their issue.

6.18 Meetings of Bondholders

6.18.1 The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting and to affect any change to the applicable Terms and Conditions of the Bonds.

6.18.2 A meeting of Bondholders shall be called by the Directors by giving (i) all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting; and (ii) the Guarantor, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders and the Guarantor whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section 6.18 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

6.18.3 No change or amendment to, or waiver of, any of the applicable Terms and Conditions of the Bonds may be made unless such decision is taken at a meeting of Bondholders duly convened and held for that purpose in accordance with the terms hereof.

6.18.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting and the Guarantor. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.

6.18.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

6.18.6 Once a quorum is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders and the Guarantor the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

6.18.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.

6.18.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting, or at any adjourned meeting, as the case may be, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

6.18.9 In terms of the Guarantee, the Guarantor has the power to veto a decision by the Bondholders, taken at a Bondholders' meeting duly convened and held, to amend or waive the Terms and Conditions of the Bonds which are issued with the benefit of its Guarantee, in cases in which such amendment or waiver may give rise to changes in: (i) the amount payable by the Guarantor under the Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of this Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of the Guarantee. In the event that the Guarantor were to exercise such right of veto, the proposed amendment to, or waiver of, the Terms and Conditions would not be put into effect.

6.18.10 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.19 Authorisations and approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 22 September 2022. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 22 September 2022.

6.20 Admission to trading

6.20.1 The MFSA has authorised the Bonds as admissible to listing pursuant to the Capital Markets Rules by virtue of a letter dated 10 October 2022.

6.20.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.

6.20.3 The Bonds are expected to be admitted to the Official List with effect from 16 December 2022 and trading is expected to commence on 19 December 2022. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.21 Representations and warranties

6.21.1 The Issuer represents and warrants to Bondholders, who shall be entitled to rely on such representations and warranties, that:

i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and

ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions of the Prospectus.

6.21.2 To the best of the Directors' knowledge, the Prospectus contains all relevant material information with respect to the Issuer, the Guarantor and the Bonds and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantor, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.22 Bonds held jointly

In respect of any Bonds held jointly by several persons (including spouses), the person first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bonds so held.

6.23 Bonds held subject to usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed *vis-a-vis* the Issuer to be the holder of the Bonds so held and shall have the right to receive interest on the Bonds and to vote at meetings of the Bondholders but shall not, during the existence of the Bonds, have the right to dispose of the Bonds so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bonds, which shall be due to the bare owner.

6.24 Governing law and jurisdiction

6.24.1 The Bonds are governed by and shall be construed in accordance with Maltese law.

6.24.2 Any legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.25 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her/its registered address and posted.

7. TAXATION

7.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to the acquisition, holding and disposal of Bonds, as well as any interest payments made by the Issuer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned. This information, that does not constitute legal or tax advice and does not purport to be exhaustive, refers only to Bondholders who do not deal in securities in the course of their normal trading activity.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors who do not deal in the acquisition and disposal of securities in the course of their normal trading activities. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder to receive the interest gross of any withholding tax or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek professional advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder is not obliged to declare the interest so received in his/her income tax return, to the extent that the interest is paid net of tax. No person, whether corporate or non-corporate, shall be charged to further tax in Malta in respect of such income and the tax deducted shall not be available as a credit against the recipient’s tax liability or available as a refund, as the case may be.

The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts of interest paid and tax so deducted, including the identity of the recipient.

In the case of a valid election made in writing by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his/her/its Maltese income tax return and be subject to tax on such interest at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out therein, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual/s who are ordinarily resident and domiciled in Malta, are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3 Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information, including, but not limited to, information regarding payments made to Bondholders, to the Maltese Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.

7.4 Maltese taxation on capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, *"shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return"*, to the extent that the Bonds are held as capital assets by the Bondholder, no income tax on capital gains should be chargeable in respect of a transfer of the Bonds.

7.5 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as *"a holding of share capital in any company and any document representing the same"*.

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the Official List, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

8.1 The following Terms and Conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand and the Bondholders on the other.

8.2 The issue and allotment of the Bonds is conditional upon (i) the Minimum Amount of €25,000,000 being subscribed for; (ii) the Guarantee being granted in terms of Annex I to this Securities Note; (iii) the Issuer obtaining the approval of the 2017 Existing VDHG Bondholders for the early redemption of the 2017 VDHG Bonds pursuant to a meeting called for the purpose in terms of the prospectus dated 30 January 2017; and (iv) the Bonds being admitted to trading on the Official List. In the event that the Bonds are not admitted to the Official List any application monies received by the Issuer from all Applicants will be returned, without interest, by direct credit into the Applicant's bank account indicated by the Applicant/Authorised Intermediary on the relative Application / subscription agreement.

8.3 Applications for the Bonds by Preferred Applicants may be lodged with any Authorised Intermediary, which include the Sponsor, Manager & Registrar, by not later than 12:00 hours (CET) on 14 November 2022. Applications for the Bonds by Applicants, other than Preferred Applicants, may be lodged with any Authorised Intermediary, which include the Sponsor, Manager & Registrar, by not later than 12:00 hours (CET) on 2 December 2022.

Pursuant to the Placement Agreements as described in more detail in sub-section 6.2 above, Authorised Intermediaries (either in their own name or in the name of underlying clients) must provide details of Applicants representing the amount they have been allocated in terms of the respective Placement Agreement by completing a data file as provided by the Registrar by latest 12:00 hours CET on 11 November 2022, accompanied by full payment.

Should the Intermediaries' Offer take place, Authorised Intermediaries need to submit to the Registrar completed subscription agreements as described in more detail in sub-section 6.4 above by latest 12:00 hours CET on 2 December 2022. Authorised Intermediaries may subscribe for Bonds either in their own name or in the name of underlying clients.

Applications must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made by credit transfer to the respective Authorised Intermediary, by cheque payable to the respective Authorised Intermediary or by any other method of payment as accepted by the respective Authorised Intermediary. In any case, acceptance of payment shall be made at the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may, without prejudice to other rights, treat the agreement to allocate such Bonds as void, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds, other than return of such late payment.

8.4 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

8.5 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the Terms and Conditions set out in this Securities Note.

8.6 If Applications are signed/delivered on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his/her principal, or the relative corporation, corporate entity or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer, acting through the Registrar, but it shall not be the duty or responsibility of the Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application and bind the Applicant.

8.7 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier ("LEI") which needs to be unexpired. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer, acting through the Registrar, and subscription monies will be returned to the Applicant in accordance with the terms set out herein.

8.8 In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated by him/her/it at any time before the Bonds are admitted to listing on the Official List. Neither the Issuer nor the Registrar shall be responsible for any charges, loss or delay arising in connection with such credit transfer.

8.9 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.

8.10 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parent/s / legal guardian/s submitting the Application until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

8.11 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

8.12 No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use the Prospectus, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person without contravention of any regulation or other legal requirements.

8.13 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

8.14 Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer, acting through the Registrar, is not properly completed in all respects in accordance with the relative instructions or is not accompanied by the required documents.

8.15 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in any of the annexes and in any other document issued pursuant to the Prospectus.

8.16 The Issuer has not sought assessment of the Bonds by an independent credit rating agency.

8.17 Subject to all other Terms and Conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Preferred Applicants Offer Period and/or the Intermediaries' Offer Period, if the Intermediaries' Offer takes place. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

8.18 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.

8.19 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (Subsidiary Legislation 373.01), as may be amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in articles 1.2(d) and 2.4 of the *"Members' Code of Conduct"* appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

8.20 It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.

8.21 By completing and delivering an Application for Bonds, the Applicant:

i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;

ii. warrants that the information submitted by the Applicant is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer, acting through the Registrar, and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details, including name and surname and the Applicant's address, provided by an Applicant and those held by the MSE in relation to the MSE account number indicated by the Applicant, the details held by the MSE shall be deemed to be the correct details of the Applicant;

iii. authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of securities of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary and the MSE to process the personal data that the Applicant provides in connection with an Application for Bonds, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must be signed by the Applicant to whom the personal data relates;

iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance or surrender of the 2017 VDHG Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

vi. agrees to provide the Issuer, acting through the Registrar, with any information which it/they may request in connection with the Application;

vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;

viii. warrants that all applicable exchange control or other regulations, including those relating to external transactions, have been duly and fully complied with;

ix. represents that the Applicant is not a U.S. person, as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended, and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

x. agrees that unless such Application is made with Calamatta Cuschieri Investment Services Limited as an Authorised Intermediary, Calamatta Cuschieri Investment Services Limited will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;

xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out by the Applicant and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant;

xii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;

xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application, or any smaller number for which the Application is accepted, at the Bond Issue Price subject to the Prospectus and the Terms and Conditions thereof;

xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer, acting through the Registrar, reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary. Such acceptance shall be made in the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may, without prejudice to other rights, treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds, other than return of such late payment;

xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

xvi. warrants that if he/she signs/delivers an Application on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;

xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;

xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and

xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant. No interest shall be due on refunds. The Issuer shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

9. ADDITIONAL INFORMATION

Save for the Financial Analysis Summary reproduced in Annex III of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Financial Analysis Summary dated 10 October 2022 has been included in Annex III of this Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer has received confirmation from Calamatta Cuschieri Investment Services Limited that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

Annex I
Guarantee

Annex I - The Guarantee

Timan Investments Holdings Limited - C 63335
(the "Guarantor")

To All Bondholders:

Reference is made to the issue of up to €35 million 5% Unsecured Bonds 2032 by Von der Heyden Group Finance plc, a company registered in Malta bearing company registration number C 77266 (the "Issuer"), pursuant to and subject to the Terms and Conditions contained in the Securities Note forming part of the Prospectus dated 10 October 2022.

Now, therefore, by virtue hereof, Timan Investments Holdings Limited (C 63335) hereby stands surety jointly and severally with the Issuer and irrevocably and unconditionally guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

This Guarantee shall be governed by the laws of Malta.

Signed and executed on this the 10th day of October 2022, after approval of the board of directors of Timan Investments Holdings Limited.

____
Antonio Fenech
Director
Timan Investments Holdings Limited
(C 63335)

Interpretation

In this Guarantee, unless the context otherwise requires:

terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;

"Indebtedness" means any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders, whether alone and/or with others, in terms of the Prospectus and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability; and

"writing" or **"in writing"** shall mean any method of visual representation and shall include e-mails and other such electronic methods.

1. NATURE OF THE GUARANTEE

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of the joint and several corporate Guarantee of the Guarantor, the full terms of which are set out in clause 3 below.

2. INFORMATION ABOUT THE GUARANTOR

The information about the Guarantor required pursuant to the Capital Markets Rules and the Prospectus Regulation may be found in the Registration Document forming part of the Prospectus.

3. TERMS OF THE GUARANTEE

3.1. Covenant to pay

For the purposes of the Guarantee, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the Terms and Conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.

All payments shall be made to Bondholders without any withholding for taxes and, in so far as this obligation exists under any law, the payment shall be grossed up by the amount of withholding, and without set-off for any amounts which may be then owing to the Guarantor by the Issuer.

This Guarantee shall apply to all Bonds issued on or about 16 December 2022 in accordance with the terms of the Securities Note.

3.2. Guarantor as joint and several surety

The Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3. Maximum liability

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €35,000,000 (thirty-five million Euro), apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor, which shall be additional to the maximum sum herein stated.

3.4. Continuing and unconditional liability

The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

a) the bankruptcy, insolvency or winding up of the Issuer; or
b) the incapacity or disability of the Issuer; or
c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or

d) a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5. Indemnity

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason, whether or not now known or becoming known to the Issuer, the Guarantor or any Bondholder, not recoverable from the Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

3.6. Representations and warranties

3.6.1. The Guarantor represents and warrants:

(i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
(ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deed of constitution and the laws of its incorporation and regulation;
(iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
(iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject, or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;
(v) that this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create, any encumbrance on the Guarantor's undertakings, assets, rights or revenues;
(vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature (which for the purposes of this Guarantee shall mean proceedings relative to a claim amounting to at least €1.0 million) and nor is it threatened with any such procedures;
(vii) that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;
(viii) that it is not in material breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound, nor has any default occurred in its regard; and
(ix) that all the information, verbal or otherwise, tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts.

3.6.2. As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7. Deposit and production of the Guarantee

The original instrument creating this Guarantee shall be deposited with and be held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantor have been discharged in full, and until such time the Guarantor acknowledges the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

3.8. Subrogation

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

3.9. Benefit of the Guarantee and no assignment

This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10. Amendments

The Guarantor has the power to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of this Guarantee, limitedly in cases in which such amendments may give rise to changes in: (i) the amount payable by the Guarantor under this Guarantee; (ii) the term and/or frequency of such payments; (iii) the Events of Default listed in sub-section 6.15 of the Securities Note; and/or (iv) any other term which may otherwise increase the exposure of the Guarantor to the enforcement of this Guarantee.

3.11. Notices

For notification purposes in connection with this Guarantee, the proper address and telephone number of the Guarantor is:

Timan Investments Holdings Limited - C 63335

Address:	14 East, Level 8, Sliema Road, Gzira GZR 1639, Malta
Telephone number:	+356 27792200
Contact person:	The Company Secretary

3.12. Governing law and jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.

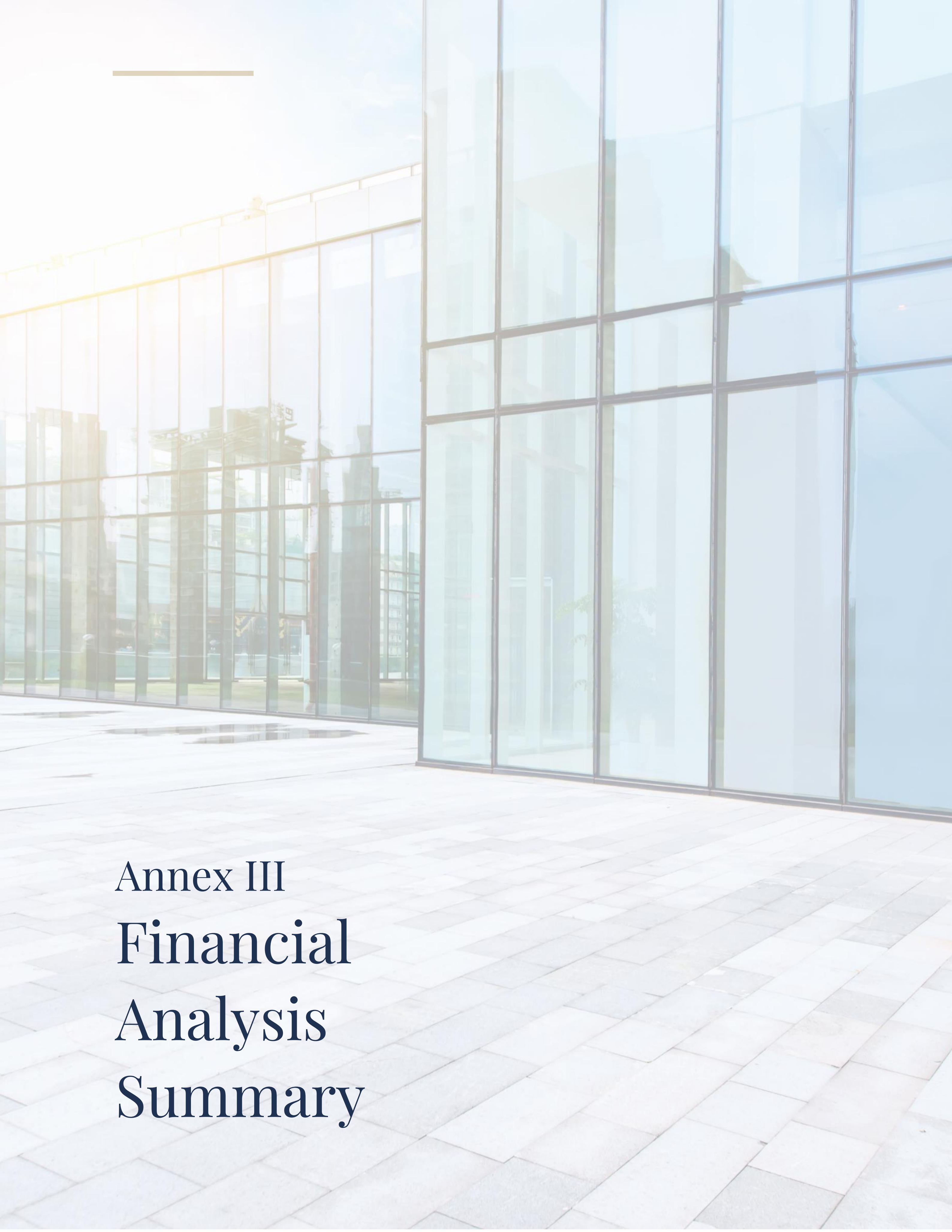
____

Antonio Fenech
Director
Timan Investments Holdings Limited
(C 63335)

Annex II
Authorised Intermediaries

Annex II - Authorised Intermediaries

Name	Address	Telephone
APS Bank p.l.c.	APS Centre Tower Street Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	475 Triq il-Kbira San Guzepp St Venera SVR 1011	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre Triq Dun Karm Birkirkara BKR 9034	25688688
Curmi & Partners Ltd	Finance House Princess Elizabeth Street Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions, Office No 2 Emvin Cremona Street Floriana FRN 1281	21220002
Jesmond Mizzi Financial Advisors Ltd	67 Level 3 South Street Valletta VLT 1105	21224410
Lombard Bank Malta p.l.c.	67 Republic Street Valletta VLT 1117	25581112
MeDirect Bank (Malta) p.l.c.	The Centre, Tigne` Point Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Limited	The Brokerage St Marta Street Victoria, Gozo VCT 2550	22587000
MZ Investment Services Ltd	63 St. Rita Street Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor High Street Sliema SLM 1551	22583000



Annex III

Financial Analysis Summary

Annex III - Financial Analysis Summary

Calamatta Cuschieri
YOUR PARTNER IN FINANCIAL SERVICES

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

10 October 2022

Dear Sirs,

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 Limited (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 2019, 2020 and 2021 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 2022 and 2023 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

FINANCIAL ANALYSIS SUMMARY

Von der Heyden Group Finance plc

10 October 2022

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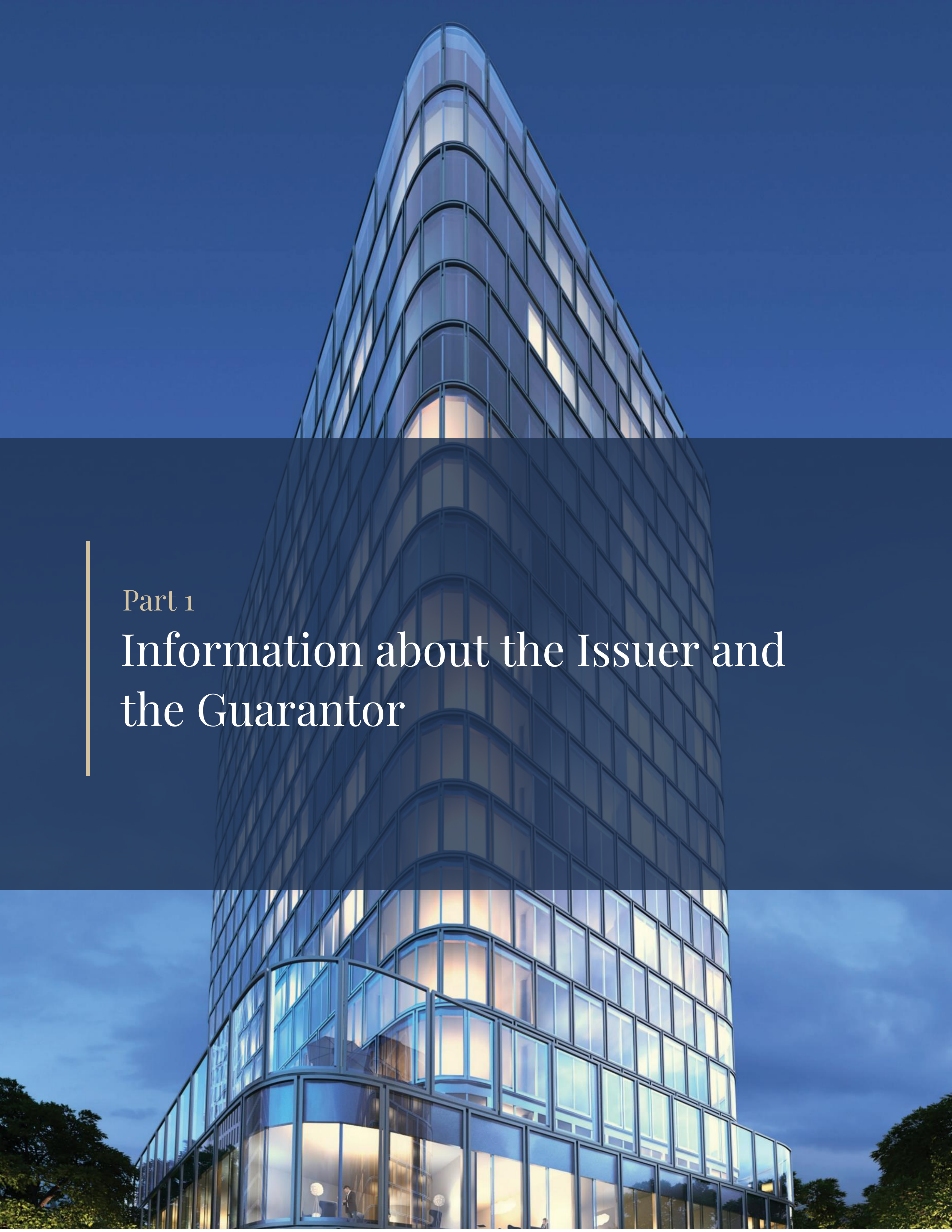
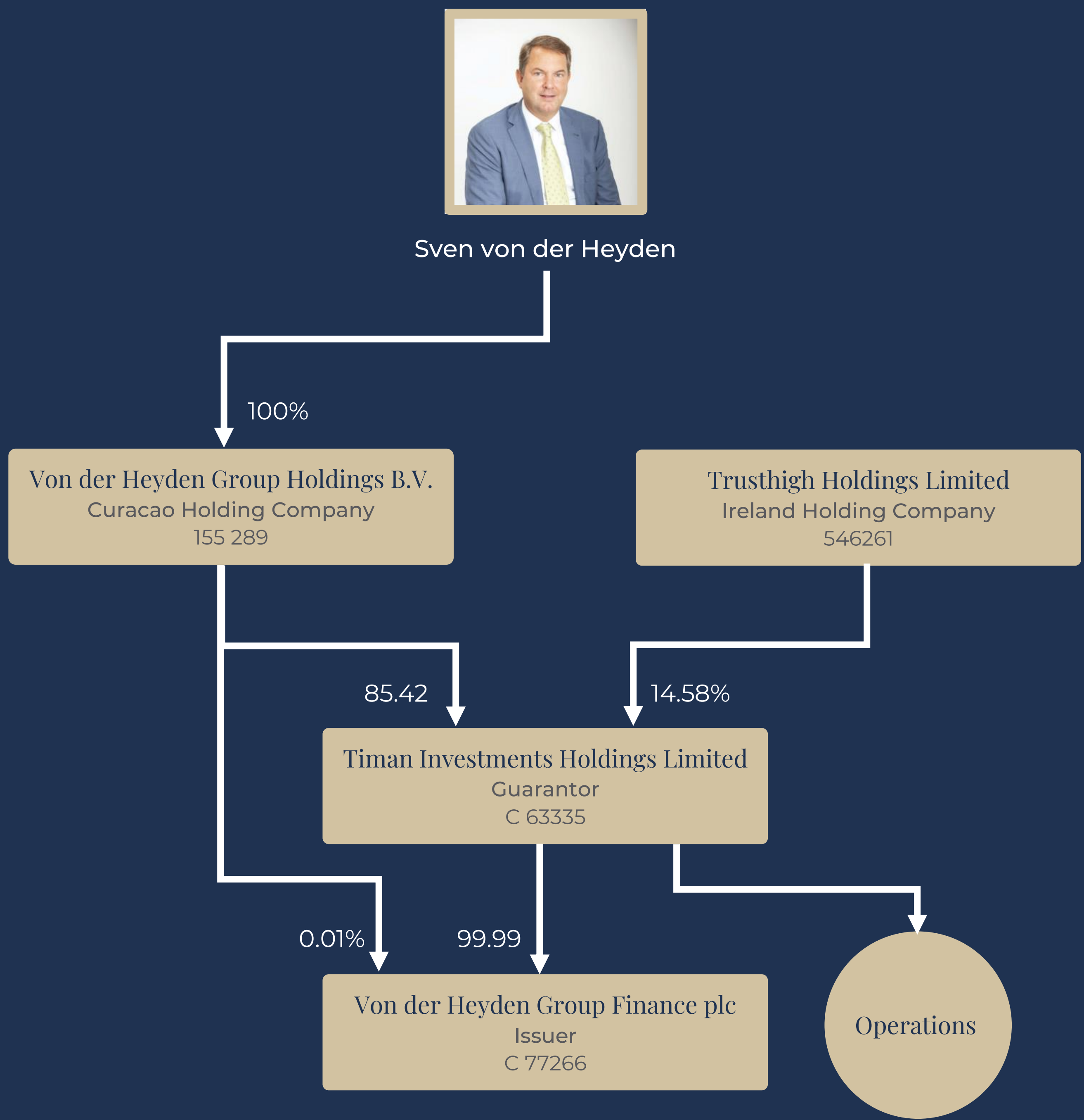


Part 1

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:



1.1 Issuer and Guarantor's Key Activities and Structure - *continued*

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, real estate brokerage, asset management, and fuel retailing as one of its alternative investments. It has operations in Germany, Poland, Spain, Portugal, Italy, Montenegro, and Malta.

The Group consists of Von der Heyden Group Holdings B.V., a holding company registered in Curacao being the ultimate parent of the Group, Von der Heyden Group Finance p.l.c. (the "**Issuer**"), Timan Investments Holdings Limited (the "**Guarantor**"), a holding company in Malta being the immediate parent of the Issuer and of the Group, and the numerous 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 B.V.

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 Timan Investments Holdings Limited.

The Guarantor of the Issuer's listed debt securities is a private 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 B.V.) 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 is held as follows:

- Von der Heyden Group Holdings B.V. - 3,249,924 class A Ordinary shares (85.4%) of €1 each fully paid up; and

- Trusthigh Holdings Limited - 554,717 class B Ordinary shares (14.6%) of €1 each fully paid up.

In terms of its Memorandum and Articles of Association, the Guarantor is controlled by Von der Heyden Group Holdings B.V., and, accordingly, the Group is ultimately controlled by Mr Sven von der Heyden. The Guarantor acts as the parent company of the Group and its principal Malta registered subsidiaries are the Issuer and IBB Hotel Management Europe Ltd ("IBBHME"). As of 31 December 2021, the Group had 38 subsidiary entities (2 of which are immaterial and as such not consolidated) and 8 associated entities registered in Germany, Poland, Ukraine, Spain, Portugal, Italy, Malta, Montenegro, and the Netherlands. Amongst others, the Group's associates include Bogenhausener Tor Immobilien S.à r.l. ("BTI"), a company that was involved in the development of the Bavaria Towers Munich project, and IBB Hammetts Operations Limited, an operator of four restaurants and an event facility in Malta.

In the accommodation segment, typically, the Group sets up a hotel operating company for each hotel. Hotels, whether owned-and-managed, or leased-and-managed fall either under the "IBB" brand for the 3 and 4-star hotels or the "Cugo Gran" for the luxury boutique hotels. IBB Hotel Management Europe Limited is responsible for the management of all the portfolio of hotels held by the Group providing services such as sales & marketing, including a common online booking platform, revenue management, human resource management, and corporate accounting.

1.1 Issuer and Guarantor's Key Activities and Structure - *continued*

History of the Von der Heyden Group

The Group was founded in 1989 and has completed investment programmes in real estate markets with a market value of over half a billion Euro. The Group has representative offices in Ukraine (Kyiv), Poland (Warsaw, Poznań, Lublin, and Gdansk), Germany (Berlin and Munich), Netherlands (Amsterdam), Luxembourg (Luxembourg), Spain (Madrid and Menorca), Italy (Sardinia), Portugal (Carvoeiro) and Malta (Gzira). The Group also recorded investments in Germany (Dresden and Leipzig) and in the US, specifically New York, through a co-investment in a B-class office building in Downtown Manhattan for a total of just under €7.0m.With over 30 years of sound experience and continuing presence in European markets, the Group enjoys the trust of international financial institutions, funds, and big market players, as well as embassies, governmental institutions, and cities. Investors can visit the Group's website at: www.vonderheydengroup.com.

The Group has established itself as a niche boutique player targeting top-quality results by developing high-quality office buildings, owning and managing hotel and residential properties in Europe, including in Germany, Poland, Spain, and Portugal. In recent years, the Group has also embarked also on exciting development projects in countries including Montenegro and even Malta. The Group's business activities are currently organised across four lines of business:

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

Real estate developments, investments, and services

Real estate developments, investments, and services remain the core business of the Group, and maintaining a solid pipeline of projects remain the cornerstone for the success of the Group. The Group has a legacy and a reputation of being able to deliver major high-quality developments as the trusted lead partner that generates significant returns.

REAL ESTATE DEVELOPMENT

The Andersia Silver project is currently the flagship project of the Group and is expected to be completed by the end of 2024. The 39,705sqm A-class office tower in the financial centre of the city of Poznań, Poland, is spread over 26 floors above ground and 3 underground parking floors and is projected to have an investment value of over €135 million. The underground works have been completed, and the Group has managed to secure bank financing from a consortium of three banks to finance the construction and completion of the project.

The Group is also involved in four residential projects: the Atrium Liberdade Residences in Algarve, Portugal, the Reževići Project in Montenegro, and an investment in the renovation of two luxury villas one in Tuscany, Italy, and another in Menorca, Spain.

REAL ESTATE INVESTMENTS

The real estate investments business line includes a portfolio of various commercial and residential real estate assets in Germany, Poland, and Spain held for rental income generation as well as capital appreciation (through yield compression and rental increase, as well as value-added and opportunistic investment strategies).

REAL ESTATE SERVICES

In 2020, the Group has expanded its geographic footprint to Sardinia with the launch of a real estate services arm in one of the world's most exclusive luxury locations; Costa Smeralda, Sardinia, Italy, providing a specialist perspective and bespoke brokerage service in the real estate market to buyers and property owners. The Group continues to embark on projects which are already in the pipeline including Poland, Portugal, Montenegro while also evaluating new opportunities in Italy and Malta.

ASSET MANAGEMENT

The Group was in the process of setting up a licensed asset management company in Ukraine. In Q4 FY20, Von der Heyden Asset Management, was the first foreign company to have been granted such a licence by the Ukrainian authorities during the last ten years or so. In view of the unprovoked invasion by the Russian forces in Ukraine earlier this year, the Group has suspended its operations out of loyalty and strong moral values decided not to lay off members of staff and is supporting their reallocation. The Group had not yet committed to any real estate investment transactions in Ukraine and will only pursue this venture should a solid political solution to the war emerge in the short term.

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 Blue brand representing the 3-star 4-star offering, and the Cugó Gran brand, representing highly sophisticated boutique hotels.

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 a travel agency, low-cost petrol stations, 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 which 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.

NAME	DESIGNATION
Mr Antonio Fenech	Executive director, Chairman
Mr Javier Errejon Sainz de la Maza	Executive director, Managing Director
Mr Joseph M Muscat	Independent, non-executive director
Mr Jozef B Borowski	Non-executive director
Mr Robert C Aquilina	Independent, non-executive director

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

The board of directors of the Guarantor comprises of the following:

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

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.

NAME	DESIGNATION
Mr Robert Hendrik Rottinghuis	Group CEO
Mr Javier Errejon Sainz de la Maza	Managing Director
Mr Antonio Fenech	Executive Director, Business Development
Ms Tiana Vella	Head of the Group's Human Resources
Mr Adam Karol Trybusz	Head of Poland Operations
Mr Alexander Schreiter	Head of German Operations

As per the latest audited financial statements, the average number of employees employed by the Group during 2021 was 192 (FY20: 248), whilst the Issuer had an average of 4 employees (FY20: 6).

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	OWNER-SHIP %
Andersia Property Sp. z o.o	Real Estate Investment	Holding Company (100% in Andersia Retail)	Poznań, Poland	67
Andersia Retail Sp. z o.o.	Real Estate Development	4th Phase in Poznań n 39,705sqm A-class office development	Poznań, Poland	67
Nowy Swiat 5 Sp. z o.o.	Real Estate Investment	Central Business District plot 3,750sqm	Warsaw, Poland	100
Von der Heyden & Partners Sp.z o.o.	Real Estate Investment	Owner - Plots of land, measuring 4,150sqm	Warsaw, Poland	100
Von der Heyden Development Sp. z o.o.	Real Estate Development	Development company	Warsaw, Poland	100
KASA Investments GmbH	Real Estate Investment	Owner - 982sqm Residential Building	Various, Germany	50
DGDV Capital Limitada	Real Estate Development	Owner - 5,000sqm Residential Development Project	Algarve, Portugal	25
Hotspot Real Estate Limited	Real Estate Development	Owner - 10,187sqm plot of land in Budva	Podgorica, Montenegro	100
Donaupassage Hotel Betriebs GmbH	Accommodation and Catering	Operator - IBB Hotel Passau (3*)	Passau, Germany	100
IBB Blue Hotel Betriebs GmbH	Accommodation and Catering	Operator - IBB Blue Hotel (3*) Berlin - Airport & IBB Blue Hotel Paderborn (3*)	Passau, Germany	100
IBB Hotels Deutschland Betriebs GmbH	Accommodation and Catering	Operator - IBB Hotel Ingelheim (4*) & IBB Hotel Altmühltal Eichstätt (4*)	Passau, Germany	100
Villa Diodati S.R.L.	Accommodation and Catering	Owner of 2,000sqm land and villa under restoration for short-term luxury letting of main villa and apartments	Lucca, Italy	100

1.3 Major Assets of the Group - *continued*

OWNING COMPANY	BUSINESS ACTIVITY	PRINCIPAL ASSETS OR OPERATIONS	STATE & COUNTRY	OWNER-SHIP %
Lublin Grand Hotel Management Sp. z o.o.	Accommodation and Catering	Operator - IBB Grand Hotel Lublinianka (4*)	Lublin, Poland	75
Lublin Grand Hotel Sp. z o.o..	Real Estate Investment	Owner - IBB Grand Hotel Lublinianka	Lublin, Poland	75
Andersia Tower Hotel Management Sp. z o.o.	Accommodation and Catering	Operator - IBB Hotel Andersia (4*) (Ceased operation from early 2022)	Poznań, Poland	74
Dlugi Targ Hotel Management Sp. z o.o.	Accommodation and Catering	Operator - IBB Hotel Dlugi Targ (4*)	Lublin, Poland	50
Dlugi Targ Sp. z o.o.	Real Estate Investment	Owner - IBB Hotel Dlugi Targ	Lublin, Poland	50
IBB Hotel Management Europe Limited	Accommodation and Catering	The hotel management company for all the IBB Hotels	Gzira, Malta	100
Senglea Hotel Operations Limited	Accommodation and Catering	Accommodation and Catering	Gzira, Malta	100
IBB Hammett's Operations Limited	Accommodation and Catering	Operator - Hammett's Gastro Bar, Hammett's Macina Restaurant, Hammetts Mestizo, Hammett's Monastik & Sheer Bastion	Gzira, Malta	50
Urbelia Bailen S.L.	Private Equity & Other	Operator - Petrol Station Bailen	Madrid, Spain	50
Urbelia Ciudad Real S.L.	Private Equity & Other	Operator - Petrol Station Ciudad Real	Madrid, Spain	50
Asset Management Company Von der Heyden Group	Private Equity & Other	Asset Management Company	Kyiv, Ukraine	100
Von der Heyden Real Estate Services	Asset Management	Real Estate Brokerage & Other Services	Sardinia, Italy	50
Von der Heyden Yachting Limited	Private Equity & Other	Ownership and chartering of luxury yachts & RIVA dealership	Gzira, Malta	100

Real estate developments, investments, and services

Andersia Silver

With a projected investment exceeding €105m in the centre of the Poznań financial district. The project will be the fourth and final development phase of the significant contribution that the Group made to the development of the Anders Square in Poznań. This project is considered the flagship project of the Group which at 31 December 2021 had a carrying value of €28.2 million, that included works carried as at that date and the value of the land. The Group's interest in the project is held through First Polish Real Estate B.V., in which the Group holds 53.45% shareholding.

As a result of COVID-19 impact on the hospitality sector, the Group designed an alternative layout for the building, replacing the hotel component with an additional office component. The project now comprises 3 underground levels with 251 parking spaces and an office tower of 26 floors with almost 40,000sqm GLA of office space. The plot still has additional potential for another smaller building of *circa* 3,000sqm. In line with the original plans, the new design in architecture and mechanical installations are being performed by Pracownia Architektoniczna Ewy I Stanisława Sipińskich and PKEnergy Paweł Krych studios, respectively. Construction started in the summer of 2020 and underground works have been completed. The Group secured the necessary bank financing from a consortium of three banks to part finance the construction and completion of the project, and which drawdown is conditional to 50% pre-leasing of the office space. Andersia Silver is expected to be completed by the end of 2024.

Reževići Project

The Group through its subsidiary Hot Spot Real Estate d.o.o. owns land in Reževići, Blizikuce, in the Budva Municipality – Set up in 2020, the Group acquired its first property in Montenegro, which comprises the land of 10,187sqm. Based on the extract from the relevant zoning plan, the land constitutes one urban parcel, and the Group aims to develop a gross building area of 8,800sqm that include a 5-star boutique hotel catering for 18 serviced apartments as well as 56 additional residential apartments. The site is on the coastal slopes of Blizikuce, benefiting from sea views over the famous Sveti Stefan Peninsula and close to the Crvena Glavica beach. The Group has secured all planning permission necessary and has started the process of selecting the main contractor for the project, with works expected to commence in Q422 and be completed in H124.

Villa Diodati

The Group through its subsidiary Villa Diodato S.r.l acquired a 16th-century residential villa in Lucca, Tuscany, with a total gross area of 2,000 sqm / net area of 1,500 sqm which it intends to restore and convert into a luxury hospitality operation for short and long-term lease. The renovation works are well in advance, and completion is expected in May 2023.

Nowy Świat Atrium

This project will be located in the very heart of Warsaw at Nowy Świat 5 Street, close to the Warsaw Stock Exchange, Liberty Corner, and the most exclusive retail area in Warsaw. To apply for the required building permits for a 3,750sqm office development with a 2-3 floor underlying car park, the Group started legal proceedings to obtain the right of way easement by necessity on the neighbouring plots owned by the city of Warsaw. Given the current stalemate regarding the permitting process, it cannot be determined when this project will commence.

1.3 Major Assets of the Group - *continued*

Real estate developments, investments, and services - continued

Von der Heyden & Partners

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 in a side district in Northern Poland. The total size of the plots jointly is approximately 4,150sqm. The Group is gradually selling the plots to individual buyers through a local real estate agent.

Villa in Menorca

The Group acquired a 263 sqm villa in Mahón, Menorca that includes a 1,076 sqm garden with the intention of refurbishing and reselling the property.

Atrium Liberdade

In 2019, the Group concluded a shareholder agreement for a 25% investment in a 5,000sqm residential development project in Lagoa, Algarve, Portugal, consisting of 33 apartments and 35 parking spaces. Total development costs are projected at *circa* €5.5m with expected sale proceeds of €6.75m, resulting in net proceeds of €1.25m The project has been fully licensed with the architecture and engineering process completed and approved by the local municipality. The co-development, together with the sales process, will be overseen by the Group's local partner, Carvoeiro Clube.

As a result of COVID-19 and the change in residential demand patterns, the Group, together with the local architect and co-developer, prepared an alternative layout of the building, replacing the larger townhouses and penthouses with smaller apartment units, essentially increasing the number of units and decreasing the average size of each. Financing for this project is expected to be procured from a local bank. The project qualifies as urban redevelopment and therefore provides for certain attractive fiscal measures. Pre-sales have started in H122 with the project expected to be completed in the H123.

KASA Investments

The Group has investments 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 using the positive momentum in the German real estate market to downsize the portfolio. Currently, the entity holds just under 1,000sqm in one remaining property in Eastern Germany, in the city of Plauen.

Asset Management

In 2021 the Group set up a special purpose vehicle licensed by the Bank of Italy to acquire asset-backed credits on the Italian market (SPV). This vehicle allows the Group to issue interest or dividend-earning investment instruments that can be sold to investors to fund the acquisition of these credits or finance such acquisition through specialized banks. The Group already acquired a block of credits, and the goal is to expand this business through the acquisition of 2 to 3 blocks of credits a year that have single issuers with an interesting underlying asset. The credit instruments should be varied across different asset classes in order to spread the risk of the portfolio and enjoy diversification benefits.

1.3 Major Assets of the Group - *continued*

Real estate developments, investments, and services - continued

Hotel properties owned

The Group presently holds two hotel properties in its real estate investments portfolio. The first hotel is Hotel Długi Targ, located in the heart of Gdansk Old Town, Poland. This property consists of three historical semidetached city houses that have been converted into 4-star hotels. The second property is Grand Hotel Lublinianka, in the centre of the city of Lublin, Poland.

Real estate services in Sardinia

The Group continued its strategy of investing in luxury-related services and the leisure industry by expanding its geographic footprint into one of the world's most exclusive luxury locations, Costa Smeralda, Sardinia, Italy, through the setting up in 2020 of its real estate services arm, Von der Heyden Real Estate.

Many properties in Costa Smeralda were built in the 1980s and 1990s and present an opportunity for the renovation of outdated designs. Von der Heyden Real Estate also offers property management consultancy, enabling clients to maintain and increase the value of their properties. In addition, Von der Heyden Real Estate's agency prides itself in providing experiential holidaymakers with superior and customized concierge services, including but not limited to yacht chartering or luxury short-let properties.

Hotel Accommodation and Catering

The Group manages its hotels through its IBB Hotel Collection brand and the Cugó Gran for the luxury boutique brand. The Malta-registered entity IBB Hotel Management Europe Limited acts as the management company for all the hotels within the chain. IBB Hotel Collection currently operates eight hotels, of which two are owned by the Group. The Group's hotel portfolio consists of five hotels in the 3 and 4-star categories in Germany, two in the 4-star category in Poland, and a Cugó Gran boutique hotel in Malta.

As part of the IBB Hotel Collection's new strategy to focus on the luxury accommodation segment of the Cugó Gran brand, the Group ceased operations of three Hotels in 2021, two in Spain and one in Poland.

In March 2022, the Group also ceased operating IBB Hotel Andersia in Poland. The lease of this hotel expired on 31 March 2022, and a handover was given to the new operator identified by the owner following a competitive bidding process.

Cugó Gran Macina Grand Harbour Hotel

The Cugó Gran Macina Grand Harbour 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 is 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 the Hammett's Macina Restaurant 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. The Group operates this hotel, officially named Cugó Gran Macina Grand Harbour, under a management and operating agreement which was entered into on 13 January 2017 through its subsidiary company Senglea Hotel Operations Ltd which, in turn, is wholly owned by the Guarantor. The restaurant on the ground floor with terrace and the Sheer Bastion is under management through its joint venture IBB Hammetts Operations Limited.

1.3 Major Assets of the Group - *continued*

Hotel Accommodation and Catering - continued

IBB Blue Hotel Berlin-Airport

IBB Blue Hotel Berlin-Airport - This is a 3-star hotel that offers a comfortable stay in a convenient location – ten minutes away from Brandenburg Berlin Airport. This hotel forms part of the IBB Hotel Collection Blue brand, reserved for 3-star hotels providing high-quality services in the most attractive locations at affordable prices. The hotel comprises 84 double rooms, the 'Blue Lobby' bar, one bistro, and two conference rooms. The full potential of IBB Blue Hotel Berlin Airport is expected to unlock with a full return of the travel industry after the opening of the new Berlin-Brandenburg airport.

IBB Hotel Ingelheim

IBB Hotel Ingelheim – This 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 in the past generated a lot of business travel. Due to COVID-19 restrictions and delays in the vaccination program, the restart of operations was delayed during 2021. However, since Boehringer Ingelheim has lifted the travel restrictions, the revenues of the hotel began to boost, and excellent performance is expected by end of FY22.

IBB Hotel Passau Süd

IBB Hotel Passau Süd - This is a 4-star hotel located 3km away from the historical city centre of Passau. The hotel offers 63 rooms and 2 apartments, as well as a conference area that can host up to 85 guests. The hotel IBB Passau Süd had generated stable revenue performance in FY21 in spite of the COVID-19 pandemic challenges last year.

IBB Hotel Altmühltal Eichstätt

IBB Hotel Altmühltal Eichstätt – On 1 July 2020, the Group opened this hotel in the city of Eichstätt, a small but economically stable city in Germany near Ingolstadt (where the headquarters and main production plant of the car maker Audi are located). The hotel is made up of 90 rooms, a modern Bavarian Wirtshaus (restaurant), and 40 underground parking spaces. Hotel IBB Eichstätt commenced operations in July 2020 and had to be closed in October 2020 due to COVID-19 restrictions therefore, it only operated for 3 months in 2020 before the reopening again in 2021.

IBB Blue Hotel Paderborn

IBB Blue Hotel Paderborn - This is a 3-star hotel opened by the Group in June 2017 in the heart of East Westphalia. The hotel is situated in a modern building in the city centre of Paderborn, close to the shopping area, university, and train station. The hotel comprises 49 spacious rooms.

1.3 Major Assets of the Group - *continued*

Hotel Accommodation and Catering - continued

IBB Grand Hotel Lublinianka

IBB Grand Hotel Lublinianka is a 4-star hotel in the centre of Lublin, Poland, which consists of a 5,700 sqm renovation project with an investment value of €11.7m completed in 2002. Grand Hotel Lublinianka is one of the most recognised, iconic, and award-winning buildings in the city of Lublin, 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 two restaurants, a banquet room, and various fitness facilities, including a sauna, a gym, and a Turkish steam bath.

The nearly fully refurbished Grand Hotel Lublinianka, which is partly owned by the Group (75%) through its subsidiary company Lublin Grand Hotel Sp.z o.o. ("LGHS"), opened its doors to guests in 2002. 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. ("LGHM"), of which the Guarantor is a 74.77% shareholder.The renovation works recently completed in the hotel rooms a year ago are expected to contribute to the hotel generating a higher average daily rate.

Following the outbreak of the Ukraine-Russia conflict, the hotel hosted a number of refugees which has generated additional revenues that were not accounted for in the original budget.

IBB Blue Hotel Dlugi Targ

IBB Hotel Dlugi Targ is a 4-star hotel in three historical semi-detached city houses offering 89 rooms with prime retail space on the ground floor of approximately 1,000sqm which has been rented out to a casino operator. It opened its doors in April 2018.

The FY22 forecast for Hotel IBB Dlugi Targ foresees a substantial increase in room revenue of around 85.41% and a similarly material increase of 127% in catering revenue over FY21. The occupancy is projected to be close to 60% which represents an increase of 87.5% when compared to FY21. The average daily rate will be close to €62.38 which is similar to the previous year's figures.

IBB Dlugi Targ was negatively affected by the Ukraine - Russia conflict, however, at the time of this Analysis, the situation has already begun to improve.

Food and Beverage Operations in Malta

The Group, through its subsidiary IBB Hotel Collection Holding S.L., entered into a joint venture in May 2017 with the principal object being the operation of 2 catering establishments and the Sheer Bastion event space. Despite the pandemic and the drop in revenues experienced during 2020, the Group continued to invest in the Hammett's restaurants chain in Malta and it has now expanded to 4 restaurants and the Sheer Bastion event space, with the latest addition the Hammett's Monastik in Sliema, which opened in May 2022.

With the lifting of restrictions and increasing tourisim activities, the Group is expecting improved results in the coming year.

1.3 Major Assets of the Group - *continued*

Private equity, venture capital, and other investments segment

Fuel stations business in Spain

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 Ltd (50%) and Urban Oil Wash S.L (50%), the joint venture partner of VDH Group. The initial objective of the venture was to build two low-cost petrol stations in Bailen and Ciudad Real, via Urbelia Bailen S.L. and Urbelia Ciudad Real S.L. respectively.

Urbelia Bailen S.L. was opened in September 2018 after obtaining all the necessary permits. Urbelia Ciudad Real S.L. received its occupancy permit in August 2019, following substantial delays after full construction completion. The plan of the Group is to run a portfolio of *circa* 10 petrol stations in the next three years.

In FY21 both petrol stations, Bailen and Ciudad Real, were up and running. COVID-19 has impacted the activity of the company as, due to the State lockdowns, the fuel stations business saw a massive reduction in traffic. As of April 2021, Urbelia was de-consolidated given a change in shareholding.

The positive aspect of the recovery of both petrol stations is that consumers are generally very sensitive to petrol prices and that plays in favor of Urbelia due to the low-cost petrol model. This is becoming increasingly true in the current inflationary environment. Additionally, Urbelia has signed a contract with one of the main utilities companies in Spain called Iberdrola, to install fast charging points for electrical cars which is the long-term future of mobility.

Chartering of yachts in Malta and Sardinia

The Group has continued its strategy of investing in luxury-related services and the leisure industry and, following the above-mentioned real estate services in Sardinia, the Group has expanded its operations in the luxury yachting industry.

The Group launched **Von der Heyden Yachting** earlier last year and in November 2021, Ferretti Group awarded the exclusive dealership rights of the prestigious Riva brand in Malta to the Group. As an official Riva dealer, Von der Heyden Yachting offers a combination of tailor-made purchase, sale, chartering, maintenance, management, and assistance services for Riva motor yachts in Malta.

Sustainable fashion in the UK

The Group acted as a seed investor in **Blulabel Limited**, a UK start-up company. Blulabel was seeking to build an application to support the fashion industry's efforts to achieve environmental sustainability targets by seeking to be more transparent to consumers in their efforts to wear more sustainable fashion products. Blu Label was in need of additional funds to be able to sustain the technology build to be market ready, test the product and launch itself into the market. Having not yet secured the next stage if funding the investment was impaired in FY21. The founders of the company are seeking new angel investors to take this project to the next phase. The success of this venture is dependent on the ability of the company to attract the investment required to take it to the next level. As at end of FY21, the Group’s investment in this venture has been fully impaired pending third-party refinancing of the venture.

1.4 Operational Developments

Key Developments and Strategy

2021 proved to be another challenging year for the Group as the impact of COVID-19 continued to depress economic conditions worldwide. The continued disruption of global supply chains and increasing inflation pressures in the second half of the year put pressure on businesses. The sectors that the group operates in were especially hard hit as the hospitality and the real estate development sectors were negatively conditioned due to the travel and quarantine restrictions.

In the real estate development segment, Andersia Silver continues to be the flagship development project of the Group in 2022, an office tower that is located in the city of Poznań, Poland with a total estimated investment cost exceeding €105m. In the development segment, the group also has two residential projects underway, namely the Atrium Liberdade in Algarve, Portugal, and a project in Reževići, on the coast of Budva, in Montenegro. Following the acquisition of a 16th-century villa in Lucca the Group started the related restoration works with the aim of turning the villa into a luxury hospitality location for both long and short-term stays.

Additionally, the Group also acquired a villa in Menorca, Spain with the intention of refurbishing and reselling it.

The hotel accommodation and catering segment faced headwinds in 2021 due to the COVID pandemic and the restrictive measures imposed by governments to curb the spread of the virus. Despite the difficult situation, the Group managed to improve its results compared to 2020: revenue from the hotel accommodation segment improved by 11% over 2020 while catering saw a 25% increase in revenues year-on-year.

The Group managed to prove itself resilient despite the sustained losses in the Hotel and Catering Groups, by significantly limiting the cash outflow, through cost control, restructuring, and also tapping into the various schemes that the German and Polish Governments enacted to support the Hotel accommodation sector. Most inflows accruing from these schemes have been received in 2021 and 2022.

In the hotel and accommodation segment, the Group is now moving into an exciting phase of repositioning its portfolio with new assets and operations that match its quality ambition. For years, the Von der Heyden Group has grappled with making a success, especially in the 3-star segment. The Hotel sub-group has successfully exited from this sector with the exception of two properties that are still under the management of the Von der Heyden Group and which are currently being restructured. In addition, the Group is seeking to secure an attractive mid-sized hotel in Tuscany Italy that will provide the first luxury hotel offering in Italy. The Group is also pursuing a long-term hotel concession in Costa Rica. Other properties in Seville, Spain and Venice, and Sardinia as well as further opportunities in Italy are also being pursued.

The Group also has an interest in low-cost petrol station operations in Spain, though its investment in Urbelia Business S.L. ("Urbelia"). Urbelia currently operates two petrol stations with the vision to scale up its operation to a total of 15 stations within the next three years, of which two additional stations have already been secured, with the first becoming operational in October this year and the other in January 2023. The prospective petrol stations would also include electric charging points in line with the continuous progress in electric mobility.

The Group has also continued its strategy of investing in luxury-related services and the leisure industry and set up a luxury yachting chartering venture, Von der Heyden Yachting that commenced its chartering activity in 2021. In November of last year, Ferretti Group awarded the exclusive dealership rights of the prestigious Riva brand in Malta to the Group. As an official Riva dealer, Von der Heyden Yachting offers a combination of tailor-made purchase, sale, chartering, maintenance, management, and assistance services for Riva motor yachts in Malta.

1.4 Operational Developments - *continued*

Business overview

The operations and financial results of the Group in 2021, particularly those of the hotel accommodation and catering segments, have continued to be significantly impacted by the decline in tourism activity because of the imposition of intermittent travel and quarantine restrictions since the beginning of the COVID-19 pandemic in March 2020. Whilst the situation has started to improve in the second half of 2021, the level of profitability remained significantly lower than that registered before the pandemic. Notwithstanding, the Group managed to improve its EBIDTA margin, generate positive cash flows from operating activities, and increase investment levels while maintaining a strong liquidity position.

In the year under review, the Group recorded a €2.2m loss for the year (2020: €1.75m loss) which, however, underlies a €0.9m positive net cash flow (2020: €2.3m deficit) from operations, registered on account of the significant containment of operating costs, government grants received in relation to Covid-19, and lease concessions negotiated in mitigation of the activity curtailed by the pandemic. In 2021, the Group continued to enjoy the satisfactory performance of the associated companies, a segment which in 2020 had contributed an exceptional €6m promote fee (net of direct costs) on the successful conclusion of the Bavaria Towers development project in Munich. The Group's financial position remains robust. As at 31 December 2021, the Group had total assets of €133.5m (2020: €134.9m) including a cash balance of €17.1m (2020: €27.9m). Total shareholders' funds amount to €40.9m (2020: €41.0m).

During the year2021, the Group continued to deploy its significant cash resources in the development of its core investment property portfolio, as well as in the acquisition of the initial block of asset-backed securities in Italy. In the coming year, the Directors will continue to monitor and pursue investment opportunities as arising, as long as the timing thereof is aligned to the Group's core objective of maintaining sufficient liquidity to meet short- and longer-term obligations, including the servicing of bank borrowings and the Group's Bonds, as arising.

Operational Costs and the Workforce

As a result of the immediate decisions taken by the Group following the COVID-19 outbreak, which mainly included cost control and restructuring, the Group managed to reduce its cost of sales by 25% (2020: 19%) to €2.7m (2020: €3.6m). The reduction in costs was in line with the improvements projected by management. The further reduction in costs was due to the efforts made by management and staff, particularly in the accommodation and catering segment, to improve profitability.

As lodging demand recovers from the lows seen in the early months of the pandemic, the Group has seen and continues to see industry-wide labour shortages, causing challenges in hiring or re-hiring for certain positions, primarily in Germany where demand has come back quickly. In response, the Group has enhanced its recruitment and retention efforts to maintain competitiveness.

1.4 Operational Developments - *continued*

Outlook for 2022

The Group looks forward to 2022 as market expectation is that the impacts of COVID-19 will be less felt and business, more specifically in the accommodation segment, see the return towards normality. The Group is hopeful of a return to normality in 2023, allowing for general economic factors not being unduly negative, and that the rampant increase in inflation, particularly higher energy costs, to not unduly impact consumers' discretionary spend on travel, hospitality & leisure.

The Group is also expecting to go to market offering a second bond of €35million to the public.The net proceeds of the bond issue, which are expected to amount within the region of €34.4 million, are earmarked by the Issuer for the following purposes:

- *Circa* €25.0m to refinance an existing bond that matures in 2024. The €25m unsecured bond was issued in 2017 at 4.4% with a nominal value of €1,000 per bond, issued at par. The proposed bond is being considered on the basis that existing bond holders will agree to amend the terms of the current bond to allow for an early redemption in FY22 with the proposed bond;
- *Circa* €4.0m for the continued development of the Andersia Silver project in Poznań, Poland. The construction on the project started in 2020 with an investment value of *circa* €105m (of which the Group has an interest of approximately 42%);
- *Circa* €5.4m to be kept for general corporate funding purposes.

Bond issue costs are estimated at €600k and consist of broker, sponsor, legal, and financial advisory fees.

Impact of the Ukraine-Russia Conflict

The Group has a subsidiary in Ukraine that is a licensed asset management company and, at the time of the invasion, it was in the advanced stages of securing a licence for a real estate fund. The total investments of the Ukrainian subsidiary amounted to *circa* €800k spent over a period of 3 years in the process of setting up the fund and obtaining the necessary licences. As of 31 December 2021, the carrying amount of the investment in the Group's financial statements was written down to *circa* €155k in line with the subsidiary's net assets, mainly reflecting restricted deposits with a Ukrainian bank.

The Group's directors and management continuously monitor the situation in Ukraine however due to the currently deteriorating situation, the Group has put on hold its plans for the Ukrainian subsidiary. The Group has not committed to any real estate transactions in Ukraine and will only pursue this venture if there is a solid political solution, that includes some form of multi-national guarantees towards Ukrainian sovereign integrity and stability for the future. Should this not be achieved in the forthcoming period, the Group will consider winding down its operations in Ukraine and surrendering the licence.

Part 2

Historical Performance and Forecasts

Introduction

In 2017, the Group issued a €25m 7-year 4.4% bond via Von der Heyden Group Finance p.l.c. The bond is listed on the official list of the Malta Stock Exchange. The allocation of the net bond proceeds is further described in section 5.1 of the Securities Note, forming part of the Prospectus of the Issuer dated 30 January 2017. Timan Investments Holdings Limited provided a guarantee in favour of the bondholders.

In 2022, the Group is in the process of offering and issuing its second bond: €35m 10-year 2032 . The second bond will follow the same structure of its first bond, that is, the bond will be issued by Von der Heyden Group Finance p.l.c. and will be guaranteed in favour of the bond holder by Timan Investments Holdings Limited.

The Issuer is intended to serve as a vehicle through which the Group will continue to finance its current and future projects and/or enabling 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 2019, 2020, and 2021 and the forecasts for 2022 and 2023 are presented in sections 2.1 to 2.3 of the Analysis. The forecasts are based on management's projections.

The Group's historical financial information for the three years ended 31 December 2019, 2020, and 2021 and the forecasts for 2022 and 2023 are presented in sections 2.4 to 2.6 of the Analysis. Forecasts are based on management's projections.

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

Other than the potential protracted issues that COVID-19 and the conflict in Ukraine could continue to present on the hotel 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 their respective companies and that of the Group, at least up to the end of the of 31 December 2022.

2.1 Issuer's Income Statement

For the years ended 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Finance income	1,645	1,411	1,459	1,759	2,046
Finance costs	(1,145)	(1,142)	(1,142)	(1,503)	(1,698)
Net finance income	**500**	**269**	**317**	**256**	**348**
Administrative expenses	(264)	(236)	(158)	(227)	(238)
Expected credit losses on financial assets under IFRS 9	3	(28)	-	-	-
Profit before tax	**239**	**5**	**159**	**29**	**110**
Income tax (charge)/credit	(48)	48	(55)	-	-
Profit after tax	**191**	**53**	**104**	**29**	**110**

Ratio analysis[1]

	2019A	2020A	2021A	2022F	2023F
Gross Profit Margin	30.4%	19.1%	21.8%	14.6%	17.0%
Net Margin	11.6%	3.8%	7.2%	1.6%	5.4%

[1] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance.

2.1 Issuer's Income Statement - *continued*

As at 31 December 2021, the Issuer had on lent and made available from its net bond proceeds an amount of €21.8m (FY20: €13.3m) to various companies of the Group, resulting in an interest income of €1.4m (FY20: €1.4m) and a corresponding interest expense of €1.1m (FY20: €1.1m).

The net interest earned for the FY21 was €317k (FY20: €269k), which is stated after bank interest received and the amortisation of bond issue costs. After considering administrative expenses of €158k (FY20: €236k), the Issuer in FY21 registered a profit before tax of €159k (FY20: €5k). The higher profit before tax was driven by the reduction in administrative expenses as well as by no unfavourable movement in the expected credit losses of financial instruments in FY21 when compared to FY20. The lower administrative expenses were the result of reduced staff costs and more specifically, the lower amount of remuneration provided to the directors of the Issuer.

Consequently, the Issuer reported €55k income taxes (FY20: €48k tax credit) and generated a profit after tax of €104k in FY21 (FY20: €53k).

The Issuer is forecasting to generate finance income of €1.8m in FY22 from its lending position to the Group and related companies. Finance costs are expected to increase in line with revenue at €1.5m. Administrative expenses are anticipated to be €0.2m, resulting in an expected profit after tax of €29k. Similarly, to FY21, in FY22, the Issuer expects to make a profit but given the application of Group loss relief, no tax expense is being forecasted. In FY23 the Issuer expects finance income to continue increasing as the new fund raised through the €35m bond are on-loan to the Group. The finance company would see a corresponding increase in its finance cost to €1.7m. Administrative expenses are expected to remain at FY22 levels. Because of this, the Issuer expects to report a profit after tax of €0.1m in FY23.

2.2 Issuer's Statement of Financial Position

As at 31 December

	2019A	2020A	2021A	2022F	2022F
	€000	€000	€000	€000	€000
Assets					
Non-current assets					
Loans receivable	19,049	13,340	21,814	31,814	31,144
Current assets					
Loans and other receivables	4,487	2,415	1,462	1,327	1,568
Cash and cash equivalents	2,555	10,367	3,051	3,110	3,685
Total current assets	**7,042**	**12,782**	**4,513**	**4,437**	**5,253**
Total assets	**26,091**	**26,122**	**26,327**	**36,251**	**36,397**
Equity and liabilities					
Equity					
Share capital	250	250	250	250	250
Retained earnings	20	73	178	206	317
Total equity	**270**	**323**	**428**	**456**	**567**
Non-current liabilities					
Debt securities in issue	24,833	24,875	24,917	34,685	34,720
Deferred tax liabilities	9	-	-	-	-
Total non-current liabilities	**24,842**	**24,875**	**24,917**	**34,685**	**34,720**
Current liabilities					
Trade and other payables	979	924	927	1,110	1,110
Income tax payable	-	-	55	-	-
Total liabilities	**25,824**	**25,799**	**25,899**	**35,795**	**35,830**
Total equity and liabilities	**26,091**	**26,122**	**26,327**	**36,251**	**36,397**

2.2 Issuer’s Statement of Financial Position - *continued*

As of FY21, the Issuer’s total assets of €26.3m decreased slightly from a year earlier (FY20: €26.1m). They were mainly made up of loans and receivables, and cash and cash equivalents. Loans and receivables represented the loans granted to the Group and related parties. In FY21, total loans and receivables amounted to €23.3m, an increase of €7.5m when compared to FY20, when they stood at €15.8m. The increase was mainly driven by the higher loans receivable balance from the Group which increased from €4.0m to €11.5m. They were largely offset by the reduction in cash and cash equivalents which decreased from €10.4m to €3.1m, a decrease of €7.3m from FY20. The reason for this is that during FY21, the Issuer advanced €7.5m (FY20: €3m) to the parent company in support of the Group’s general corporate funding requirements.

Total liabilities mainly consisted of the Issuer’s listed securities.. Total equity experienced a slight increase in FY21 when compared to the prior year, which reflects the Issuer’s net profit for the year.

For FY22, the total assets of the Issuer are expected to increase to €36.3m due to increased loans receivables passed on to companies within the Group. The Issuer’s liabilities for FY22, are expected to increase to €35.8m due to the Bond issue and accrued interest thereon. Total equity is expected to remain similar to FY21 levels at around €0.5m. During FY23 the Issuer expects a similar financial position to FY22 across the board.

2.3 Issuer's Cash Flow Statement

For the years ended 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Net cash flows generated from/(used in) operating activities	(399)	1,219	(567)	(91)	(95)
Net cash flows generated from/(used in) investing activities	1,552	6,604	(6,750)	(9,500)	670
Net cash flows generated from/(used in) financing activities	-	-	-	9,650	-
Net movement in cash and cash equivalents	**1,153**	**7,823**	**(7,317)**	**59**	**575**
Cash and cash equivalents at start of year	1,402	2,555	10,367	3,051	3,110
Movement in expected credit losses in cash and cash equivalents under IFRS 9	-	(11)	-	-	-
Cash and cash equivalents at end of year	**2,555**	**10,367**	**3,051**	**3,110**	**3,685**

For FY21, the Issuer reported a cash outflow from operating activities of €0.6m (FY20: cash inflow of €1.2m). The Issuer utilised €6.8m of cash flow from investing activities, of which €7.5m of loans were advanced to Von Der Heyden Group Holding B.V and partially offset by €0.8m of loan repayments from related parties.

Consequently, the Issuer reported a negative cash movement of €7.3m, leaving €3.1m of cash and cash equivalents at the end of FY21.

The Issuer's cash flow in FY21 had a negative cash movement of €6.8m. This was mainly due to the advancement of €7.5m loans to the parent company which was partially offset by €0.8m by related parties of the Group as mentioned above.

In FY22, the Issuer forecasts cash outflows from operating activities of €91k that include the repayment of accumulated bond interest and other administrative expenses net of interest collected during the period. Net cash outflow from investing activities is expected to amount to €9.5m whilst net inflow from financing activities is expected to be €9.7m, both due to the Bond issue. As for FY23, the Issuer expects net cash outflow from operating activities to remain similar to FY22 levels, at €95k. Net cash inflow from investing activities is expected to come in at €1m whilst no financing activities are expected to occur, with a forecasted closing cash and cash equivalents balance of €3.7m in FY23.

2.4 Group's Income Statement

For the years ended 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Revenue	25,884	23,506	11,519	18,217	28,852
Cost of sales	(4,393)	(3,556)	(2,674)	(3,698)	(7,316)
Gross profit	**21,491**	**19,950**	**8,845**	**14,519**	**21,536**
Other operating income	542	3,223	4,739	1,345	-
Administrative expenses	(19,650)	(21,090)	(12,500)	(12,306)	(15,489)
Other gains[1]	301	2,338	1,791	103	25,108
Share of profits of associates[1]	3,145	3,121	1,409	6	136
EBITDA	**5,829**	**7,542**	**4,284**	**3,667**	**31,291**
Depreciation & amortization	(1,197)	(1,099)	(842)	(859)	(1,489)
Depreciation under IFRS 16	(3,815)	(3,752)	(3,086)	(1,969)	(1,959)
EBIT	**817**	**2,691**	**356**	**839**	**27,843**
Expected credit losses reversal/(charge)	703	(53)	(10)	-	-
Interest & other related income	701	794	463	770	745
Interest & other related expenses	(4,171)	(3,916)	(3,107)	(3,469)	(3,994)
Profit/(loss) before tax	**(1,950)**	**(484)**	**(2,298)**	**(1,860)**	**24,594**
Income tax (charge)/credit	(253)	(1,264)	77	(72)	(4,929)
Profit/(loss) for the year	**(2,203)**	**(1,748)**	**(2,221)**	**(1,932)**	**19,665**
Other comprehensive income					
Translation of foreign operations	109	(1,048)	(413)	-	-
Share of other comprehensive income of associates	-	-	512	365	2,969
Movement in fair value of land & buildings and yacht	1,445	(1,034)	1,962	-	-
Total other comprehensive income/(loss)	**1,554**	**(2,082)**	**2,061**	**365**	**2,969**
Total comprehensive income/(loss)	**(649)**	**(3,830)**	**(160)**	**(1,567)**	**22,634**

[1] EBITDA includes other gains and share of profits in associates as the directors believe that this EBITDA provides a fairer reflection of the Group's recurring and core activities, and which figure should not exclude the development of important and significant projects executed in partnership with other partners.

2.4 Group's Income Statement – *continued*

Ratio analysis[1]

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

[1] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance.

2.4 Group's Income Statement - *continued*

The longer-term effects of COVID-19 on the global economy especially the impact on the tourism sector due to the prolonged travel and quarantine restrictions, the disruption of global supply chains, the impact of the increase in the cost of living, and the cyclicality of the real estate industry made 2021 another challenging year.

The Group's revenue for the year amounted to €11.5m, substantially lower than the year earlier (FY20: €23.5m). The cyclicality of the real estate activity had a significant impact on the results for FY21 as minimal revenues generated from the real estate segment to €0.3m (FY20: €12.3m). With the completion and sale of the Bavaria Towers, the Group is currently in the development stage of another major office investment of 40,000sqm in the city of Poznań, Poland - the Andersia Silver Project. In addition, it is developing three residential projects, one in Algarve, Portugal, one in Tuscany, Italy, and one in Rezevici, Montenegro. The revenues from this segment are expected to increase in the coming years as these projects move closer to completion and placed on the market, repeating the trends of 2019 and 2020 with the sale of the Bavaria Towers.

In the hotel accommodation and catering segment, 2021 continued to be a year faced with restrictive measures imposed by governments on travel, the introduction of obligatory vaccination certificates, quarantine measures, and others. As pandemic numbers fluctuated, countries differed in the measures applied as they sought to achieve the desired effective herd immunity. Despite the continued operational challenges brought about by lower occupancy levels, the Hotel Group[1] managed to continue to improve results and prove itself resilient by significantly limiting the cash outflows, through further cost controls, a continued restructuring process, and in addition tapping into several support schemes offered by various governments, especially in Poland and Germany.

The Group continued to limit the impact of the pandemic on the results of the hotel accommodation and catering segments, by improving the overall profitability of the Hotel Group despite the Group's inability to fully recover the losses in revenue from the pre-COVID-19 levels of 2019. In 2020, the IBB Hotel Group set out an ambitious restructuring process by repositioning its offering further into the 4-star plus and the 5-star segments while exiting the 3-star segment that has proven significantly vulnerable in times of a downturn. In 2020 the Group ceased operations of IBB Hotel in Passau City Centre, Germany, and Hotel Salamanca, Spain. The Group in December 2021 negotiated the exit from the lease of the Andersia Tower and consequently completed the handover of the property and Andersia Tower Hotel Management's hotel operations in March 2022.

Due to different optimisation measures, the Group managed to improve its revenue from the hotel accommodation segment by 11% over FY20 to €7.3m (FY20: €6.5m), also surpassing the forecasts for the year of €6.7m by 8%. The catering segment also saw significant improvements, with an increase of 25% in sales to € 2.2m (FY20: €1.8m).

The revenue from the petrol station operations in Spain increased by 63% to €2.8m (FY20: € 1.7m). However, this activity is no longer consolidated, due to the change in accounting classification of this activity from subsidiary to associate in Q2'21, following the decision of the respective shareholding partner to exercise the option to acquire pre-allocated shares. The Group's shareholding has now been reduced to 50%. Therefore, only the revenues of Q1'21 amounting to €0.5m were reflected in the consolidated revenues for FY21 as revenues and costs in the subsequent quarters were reflected in the share in profits of associates.

Other operating income increased by 47% to €4.7m (FY20: €3.2m) and included an increase of €2m in government support schemes in Germany and Poland due to the COVID-19 pandemic and income from lease concessions and rebates of €1.2m (FY20: €0.9m).

[1] The Hotel Group comprises the following subsidiaries: IBB Hotel Collection Holdings S.L., IBB Hotel Management Europe Ltd, IBB Polska Sp. z. o.o., IBB Management 2007 S.L.. IBB Espana 2004 S.L., Andersia Tower Hotel Management Sp. z. o.o., Lublin Grand Hotel Sp. z. o.o., Lublin Grand Hotel Management Sp. z. o.o., Dlugi Targ Sp. z. o.o., DLugi Targ Hotel Management Sp. z. o.o., IBB Blue Hotel Betriebs GmbH, Hotel Sol del Este S.L., Donaupassage Hotel Passau Betriebs GmbH, IBB Hotels Deutschland Betriebs GmbH, and Senglea Hotel Operations Limited.

2.4 Group's Income Statement - *continued*

The cost of sales saw a further reduction of 25% (FY20: 19%) to €2.7m (FY20: €3.6m). The reduction in costs was in line with the improvements projected by management and reported in the FAS published last year. The further reduction in costs was due to the efforts made by management and staff to improve profitability, especially in the accommodation and catering segments.

The Group saw a 40.7% reduction in administrative costs to €12.5m (FY20: €21.1m). Staff costs, net of directors' fees and remuneration, saw a reduction of 10% to €5.1m (FY20: €5.6m). The reduction in staff costs of €0.6m was of a structural nature as a result of the restructuring efforts carried out in 2020 in the hotel accommodation and catering segment and carried forward into the future through the continued identification of efficiencies. Most of the cost reduction, €0.4m in staff costs, were wages and salaries while €0.2m was related to less incurred social security cost expenses in FY21 than a year earlier. The directors' remuneration for FY21 did not include any promote fees and hence the reduction.

The reduction of €1.5m in legal and professional fees to €1.2m (FY20: €2.7m) was incurred in relation to the real estate development projects. Marketing costs were also lower, from €0.2m in FY20 to €0.1m, which are in line with the COVID-related impacts that hit the industries in which the Group operates.

During FY21, the Group reduced its interest and related expenses to €3.1m (FY20: €3.9m) due to lower expenses in loans from associates and related parties as well as lower interest expenses on finance lease liabilities. Despite the ongoing challenges, the Group managed to improve its EBITDA Margin to 37.2% (FY20: 32.1%) with an EBITDA of €4.3m (FY20: €7.5m), despite the decrease in overall revenue for the year due to the cyclical nature of the real estate industry. The improved EBITDA Margin in FY21 was mainly due to the lower administrative expenses and higher other operating income.

Share in profit from associates reduced from €3.1m to €1.4m in FY21, most of which is due to the lower activity of Bogenhausener Tor Immobilien Sarl (BTI) as part of its material realisation of its project in FY20.

In FY21, the Group reported €1.8m in other gains. This was from the increase in fair value of investment properties, re-measurement of right of use of assets and liabilities in line with IFRS 16, amortisation of deferred value gain. These gains are in turn netted from the loss from impairment of the investment in Blulabel Ltd.

Within other comprehensive income, the net fair value gains of land and buildings for FY21 amounted to €2.0m (FY20: €1.0m loss), and these are related to the increase in value of assets in the hotel portfolio and the commercial yacht. Fair value gains on investment property amounted to €0.5m (FY20: €3.2m) and related mainly to the development underway on the Andersia Silver Project.

The Group results for FY21 showed a significant improvement in total comprehensive loss of €3.6m through the containment of staff costs, reduction in financing costs, and the fair value gains. This is a significant achievement considering the challenging economic climate in which the Group was operating.

The FY22 revenue forecast for the Group is projecting an increase of 58.2% over the previous year, reaching €18.2m (FY21: €11.5m). Revenue from the accommodation and catering segment is expected to make up 68.4% of revenue in FY22 and 72.4% in FY23. Real estate sales are expected to start generating substantial revenues in FY22 and FY23 at €3.6m and €7.1m respectively mainly on the back of the sales of residential units in Montenegro project.

As was the case in the previous year, the Group revenue expectations are based on the management team's ongoing assessments of each hotel operation based on market information available from travel agencies and destination management companies. The Group also benchmarks its expected volumes in line with competitor analysis. This is done through webinars and through the use of software such as 'OTA insight' to get objective insight into occupancy and market developments worldwide.

2.4 Group's Income Statement - *continued*

OTHER OPERATING INCOME

In FY21, the Group benefited from government assistance packages aimed at mitigating the impact of the COVID-19 pandemic. Assistance ranged from financial support due to state-imposed lockdowns which resulted in various hotels managed by the Group being closed for a period of time, together with financial aid to protect the jobs of employees in countries where the Group operates in. In FY22, the forecasted figures include €1.0m from government grants and 0.4m as external operating income. For FY23 minimal other operating income is expected.

STAFF COSTS

Staff costs are being forecasted to reach a total of €6.8m in FY22, reaching a 4.51% increase over the previous year. This is because the drop in salaries in the Polish subsidiary ATHM upon discontinuation of operations was more than offset by an increase in the salaries and other related costs of the German companies and in some of the Polish companies. In German hotels, the minimum wage had to increase to €12/hour in order to attract new employees and prevent current ones from leaving. In Poland on the other hand the country increased its minimum wage from PLN2,800 in FY21 to PLN3,010 in FY22. In FY22, in line with the increased sales demand, more employees were added on to meet this extra demand. Also, by the end of March of FY22, all employees of German hotels, some of whom were still on reduced hours at the beginning of the year, had gradually returned to full-time work. In FY23 staff costs are expected to increase further to €7.9m.

COST OF SALES & OPERATING EXPENSES

Cost of sales forecasted for FY22 is €1.0m higher than that reported for FY21. In FY23 cost of sales is also expected to increase sharply to €7.3m. The main reason for these increases is the inclusion of cost of real estate sales which were not part of previous financials. Cost of catering is expected to be lower in FY22 and FY23 when compared to FY21.

The administrative expenses have been forecasted to increase in line with the increased activity in the hotel and catering segment coupled with the increase in staff costs.

2.4 Group's Income Statement - *continued*

OTHER GAINS/LOSSES

In FY21, the Group reported €1.8m in other gains. This resulted from increase in fair value of investment properties, re-measurement of right of use of assets and liabilities in line with IFRS 16, amortisation of deferred value gain. These gains are in turn netted from the loss from impairment of the investment in Blulabel Ltd.

In FY22 the Group is forecasting minimal other gains of €0.1m mainly from a change in fair value of investments. In FY23 on the other hand the Group expects to register a large increase in other gain due to a positive €25.0m change in fair value of investment property. The main contribution to this increase in the near completion of the Andersia Silver Project in the city of Poznań, Poland. The 39,705sqm A-class office tower with over 26 floors above ground and 3 underground parking floors is projected to have an investment value of over €135 million.

INTEREST INCOME AND INTEREST EXPENSE

Interest income in FY22 is expected to increase to €0.8m (FY21: €0.5m) mainly since the Group expects to invest its cash postion in short term funds. In FY23 the Group is expecting interest income to remain at this level for the same reason.

Interest expense for FY22 is also expected to increase to €3.5m (FY21: €3.1m) mainly due to higher bond issue costs. In FY23 interest expense is expected to amount to €3.0m.

OTHER COMPREHENSIVE INCOME

The main contributors to the forecasted other comprehensive income for FY22 are made up of expected fair values gains in land and buildings of the two Polish subsidiaries. In FY22 the Group expects a change in fair value of PPE to amount ot €0.4m whilst in FY23 the Group expects this to amount to €3.0m.

No movements in the currency translation reserve are being forecasted for FY22 or FY23.

2.5 Group's Statement of Financial Position

As at 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Assets					
Non-current assets					
Intangible assets	179	132	66	60	53
Property, plant & equip.	38,633	27,012	27,309	41,063	52,292
Right of use assets	41,167	36,782	31,404	29,436	27,477
Investment properties	17,681	23,989	32,601	53,308	116,878
Investment in associates	24,674	3,601	2,981	486	533
Loans & other receivables	10,642	7,483	6,655	7,120	6,545
Other financial assets	220	1,082	1,924	2,020	2,121
Deferred tax assets	672	1,007	1,004	1,006	962
Total non-current assets	**133,868**	**101,088**	**103,944**	**134,498**	**206,861**
Current assets					
Inventories	145	139	90	3,873	5,802
Loans & other receivables	-	-	7,059	2,110	2,150
Trade & other receivables	7,260	5,774	5,298	4,565	9,011
Current tax receivable	194	49	2	-	-
Cash and cash equivalents	6,318	27,906	17,125	14,654	11,387
Total current assets	**13,917**	**33,868**	**29,574**	**25,201**	**28,350**
Total assets	**147,785**	**134,956**	**133,519**	**159,700**	**235,211**
Equity and liabilities					
Equity					
Share capital	3,805	3,805	3,805	3,805	3,805
Share premium	4,445	4,445	4,445	4,445	4,445
Other reserves	6,442	3,363	4,877	5,242	8,210
Translation reserve	(661)	(1,350)	(1,616)	(1,616)	(1,616)
Retained earnings	14,915	16,339	14,272	12,347	20,376
Non-controlling interest	15,314	14,383	15,125	15,119	26,757
Total equity	**44,260**	**40,985**	**40,908**	**39,342**	**61,977**
Non-current liabilities					
Debt securities in issue	24,832	24,225	24,171	33,943	33,978
Borrowings	16,218	14,126	17,766	45,357	81,939
Finance lease liabilities	38,595	35,173	30,506	28,896	27,240
Deferred tax liabilities	3,791	4,392	5,002	5,088	10,695
Total non-current liabilities	**83,436**	**77,916**	**77,445**	**113,284**	**153,852**
Current liabilities					
Finance lease liabilities	3,284	5,059	2,771	2,739	2,673
Borrowings	10,683	5,911	6,836	913	12,133
Trade & other payables	6,069	4,443	5,503	3,348	4,417
Current tax payable	53	642	55	74	159
Total current liabilities	**20,089**	**16,055**	**15,165**	**7,074**	**19,382**
Total liabilities	**103,525**	**93,971**	**92,610**	**120,358**	**173,234**
Total equity and liabilities	**147,785**	**134,956**	**133,518**	**159,700**	**235,211**

2.5 Group's Statement of Financial Position - *continued*

In FY21, the Group's total assets amounted to €133.5m, a 1.1% decrease from €135m the prior year. The main year-on-year movements were seen in investment properties with an increase of €8.6m, in right of use assets with a decrease of €5.4m, in loans and receivables with an increase of €6.2m, and in cash and cash equivalents with a decrease of €10.8m. However, their effect was largely netted off against one another.

Investment properties amounted to €32.6m (FY20: €24.0m) mostly relating to additions of new properties (€8.6m), more specifically the ongoing works at Andersia Silver at €5.9m, to the land of the Montenegro project at €0.1m, and the Lucca Villa Diodati at €2.3m, as well as to a lesser extent to changes in their fair value (€0.5m). The investment properties of the Group refer to development stage projects and are held at fair value, revalued on a regular basis by professionally qualified architects or surveyors.

Right-of-use assets decreased to €31.4m from €36.8m mostly due to the €3.1m depreciation charge and a €2.0m remeasurement of right of use assets as the result of the Group exiting from the lease of hotel property in Poland.

Loans and receivables (non-current) decreased to €6.7m in FY21 from €7.5m a year prior mostly due to €0.5m received from the ultimate parent company. Current assets in FY21 remained relatively stable when compared to the FY20 levels. Loans and other recievables increased by 7.0m whilst cash and cash equivalents decreased by 10.8m. These two movements explain most of the difference in current assets of 4.3m year on year.

The Group's shareholders' equity remained largely unchanged at €40.9m in FY21 compared to a value of €41.0m in FY20. The €2.1m reduction in retained earnings was offset by the €1.5m increase in other reserves, most significantly in the revaluation reserve caused by the revaluation of land and buildings, as well as movements in the currency translation reserve and non-controlling interest.

The Group's total liabilities decreased slightly, by €1.4m, to €92.6m in FY21 (FY20: €94.0m). This was predominantly due to the €6.9m lower lease liabilities largely offset by the €4.6m higher borrowings. In tandem with the reduction of right of use assets, lease liabilities were also reduced mainly due to €4.2m of lease payments and €2.5m remeasurement of lease liabilities. The Group's borrowings, more specifically long-term bank borrowings and short-term loans from third parties, increased offsetting the lower lease liabilities.

The long-term borrowings, which in the 2021 FAS were projected to close at €26.3m, were substantially lower, at €17.8m. The majority of the difference can be explained by the fact that last year the Polish subsidiary Andersia Retail Sp. z o.o. had estimated that by year-end the status of completion of the Andersia Silver project would be at a more advanced stage, thus projecting long-term borrowings thereon at €8.0m higher than actual figures.

2.5 Group's Statement of Financial Position – *continued*

Ratio analysis[1]

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

From FY20 to FY21, the fluctuations in gearing ratios are mainly due to the deployment of cash to new investment opportunities as discussed in the cash flows statement in section 2.6 below, while the total indebtedness remained relatively unchanged as reflected in above. In FY22 the Group expects it's gearing ratios to increase across the board due the Bond issue. Current and quick ratios are expected to be better mainly due to lower current liabilities. In FY23 the Group expects gearing levels to remain similar to FY22 levels. Interest coverage ratios, on the other hand, are expected to be much better due to the increased EBITDA.

[1] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance.

2.5 Group's Statement of Financial Position - *continued*

NON-CURRENT ASSETS

The Group's non-current assets are forecasted at €134.5m by the end of FY22, an increase of €30.5m year on year. The movements can mostly be attributed to the increase in the carrying value of investment properties.

The Group's investment properties are forecasted to close at €53.3m as at end of 2022, that is, €20.7m higher than FY21. These mainly relate to the €24.3m projected additions. In FY23 additions are expected to amount to €38.7m in addition to a revaluation of €25.0m pushing the total value of investment property to €116.9m.

The Group's property, plant and equipment at FY22 end are forecasted at €41.1m. This mainly includes the hotel properties owned by the Group in Lublin, Poland and in Gdansk, Poland which the Group operates as IBB Grand Lublin Hotel and IBB Hotel Dlugi Targ, respectively. The hotel property in Lublin has an estimated value of €9.4m whilst the property in Gdansk has an estimated value of €15.5m. In FY23 PPE is expected to amount to €52.3m. The increase is expected to come mainly due to additions of €8.8m.

The Group's right of use assets at FY22 end are forecasted at €29.4m, a decrease of €2.0m from FY21. The decrease is mainly attributable to the depreciation charge for the year. The Group's right of use assets mainly arises from the lease arrangements of the six hotel properties operated by the Group and the head office in Malta. Of the six hotels, five are in Germany under the IBB Hotel brand and the other is in Cugo Gran Macina brand in Malta. In FY23 the value of right of use assets is expected to decline a further €2.0m adain due to depreciation.

Other assets are expected to fluctuate in line with the Group's normal course of business, with other financial assets planned to increase marginally in FY22 and FY23 as a result of the expected investment by the Group's parent in different funds within the portfolio.

WORKING CAPITAL

Based on the forecasted FY22 statements, the Group's working capital is forecasted to be at €18.2m, which is an increase of €3.7m when compared to FY21. This is mainly due to the €3.8m higher inventory levels and lower trade payables of the Group. In FY23 current assets are expected to increase by around €4.0m. The increase in current liabilities is expected to outpace this increase in current assets and result in a lower working capital of €9.0m.

EQUITY

Total equity at the end of financial year 2022 is expected to amount to €39.3m, that is, €1.6m decrease from FY2021 equity of €40.9m. In FY23 total equity is expected to further increase to €62.0m mainly due to the profit of 19.7m expected in the year which will increase retained earnings. Non-controlling interests are also expected to increase substantially in FY23.

2.6 Group's Cash Flow Statement

For the years ended 31 December

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Net cash flows generated from/(used in) operating activities	560	(4,248)	(687)	(2,505)	676
Net cash flows generated from/(used in) investing activities	9,682	34,309	(10,968)	(26,296)	(46,063)
Net cash flows generated from/(used in) financing activities	(7,529)	(9,348)	794	26,330	42,120
Effect of changes in foreign exchange	(198)	875	80	-	-
Net movement in cash and cash equivalents	**2,515**	**21,588**	**(10,781)**	**(2,471)**	**(3,267)**
Cash and cash equivalents at start of year	3,803	6,318	27,906	17,125	14,654
Cash and cash equivalents at end of year	**6,318**	**27,906**	**17,125**	**14,654**	**11,387**

Ratio analysis[1]

	2019A	2020A	2021A	2022F	2023F
	€000	€000	€000	€000	€000
Free cash flow (Net cash from operations - Capex)	**1,456**	**(8,498)**	**(7,804)**	**(28,263)**	**(42,925)**

The Group recorded a favourable cash position of €17.1m as of 31 December 2021, albeit having decreased substantially, by 38.6%, from FY20 - when it stood at €27.9m, on account of the investment and financing activities undertaken during the year. More specifically, in FY21, the Group reported cash utilised in operating activities of €0.7m (FY20: cash utilised of €4.3m). Various factors have contributed to the year-on-year difference. Both trade receivables and payables contributed to the cash flow in a favourable manner: trade receivables have decreased while payables have increased, generating *circa* €0.9m cash for the Group. On the other hand, net cash from operations was still negative in FY21.

Investing activities resulted in an €11.0m cash outflow in the year under review (FY20: €34.3m).This was mainly on account of the further additions in investment properties during FY21, utilising €8.2m cash, and also due to net movement in loans to third parties, mainly in respect of the Italian SPV activity, as described in section 1.3, that resulted in net cash outflows of €4.7m. Compared with the projected cash outflows in the 2021 Financial Analysis Summary, which was at *circa* €7.3m, actual outflows were €3.7m higher, which is mainly due to the acquisition of loans through the Italian SPV of €6.0m, partially offset by loan collections that were not forecasted.

Additionally, the Group generated €0.8m from financing activities (FY20: €9.3m outflow), which resulted in an aggregate negative cash flow movement of €10.8m during FY21 (FY20: €21.6m). The substantial fluctuation is mainly the result of the significant increase in cash inflows from third parties as well as associates and related parties, compared to a significant cash outflow a year earlier.

[1] Ratio Analysis may not agree to prior FASs due to a change in the calculation methodology or due to rounding differences variance.

2.6 Group's Cash Flow Statement - *continued*

In the 2021 Financial Analysis Summary, the Group forecasted that additional drawdowns will be made for the construction of Andersia Silver Tower, which did not materialise and instead, the construction costs were paid from the cash balance, which also explains the lower than projected cash and cash equivalents in FY21.

For FY22, the Group is forecasting to close the year with a cash and cash equivalents balance of €14.7m, which is €2.4 lower than FY21. The resulting cash balance at the end of FY22 is based on the forecasted net cash outflow in operating activities of €2.5m, the net cash outflow related to investing activities amounting to €26.3m and offset by cash inflows from financing activities of €26.3m. The expected cash to be utilised and received in investing activities and financing activities respectively represent mainly the Bond issue. In FY23 the Group expects minimal cash flows from operating activities. On the other hand, cash outflows from investing activities are expected to amount to €46.0m whilst inflows from financing activities are forecasted to be €42.1m.

Overall, the liquidity position being forecasted by the Group for FY22 and FY23 will allow it to continue to finance its investments and enable it to seize new opportunities that may arise in the future.

Part 3

Key Market and Competitor Data

3.1 General Market Conditions

European economic update[1]

As the reality of a protracted Russian invasion of Ukraine sinks in, the assessment of its economic consequences for the global economy is turning grimmer. The shocks unleashed by the war are hitting the EU economy both directly and indirectly, setting it on a path of lower growth and higher inflation. The rapid increase in energy and food commodity prices is feeding global inflationary pressures, eroding the purchasing power of households and triggering a faster monetary policy response than previously assumed. Furthermore, the deceleration of growth in the US is adding to the negative economic impact of China's strict zero-COVID policy.

Whereas prices of some commodities are retreating from recent peaks, the EU economy remains vulnerable to developments in energy markets due to its high reliance on Russian fossil fuels. With gas prices nearing all-time highs energy inflation is on the rise. Food inflation is also surging, but pressures are broadening further as higher energy costs are passed-through to services and other goods. Lower income households are especially hit by the protracted rise in prices. Whereas businesses still eye an expansion of economic activity, they are less optimistic about the future, which will weigh on investment. Households are just as negative about the future as they were at the onset of the pandemic, which is set to drag on the recovery of private consumption.

Overall, real GDP is forecast to grow by 2.7% in 2022 and 1.5% in 2023 in the EU and by 2.6% in 2022 and 1.4% in 2023 the euro area. The projected annual growth rate for this year is propped up by the momentum gathered with the recovery of last year and a stronger first quarter than previously estimated. Both bring acquired growth at the first quarter of this year to a solid 2.7% for the EU and 2.4% for the euro area. Economic activity is expected to have weakened in the second quarter, but should regain some traction during summer, thanks to a promising tourism season. In 2023, economic growth is expected to gather some momentum, on the back of a resilient labour market, moderating inflation, support from the Recovery and Resilience Facility and a still large amount of excess savings. However, on an annual basis there is a downward revision of almost one percentage point compared to the Spring Forecast.

Inflation in the euro area is projected to peak at a new record high of 8.4% in the third quarter of 2022. As the pressures from energy prices and supply constraints fade, inflation is expected to decline steadily thereafter and to fall below 3% by the end of 2023. The annual rates of 7.6% in 2022 (8.3% in the EU) and 4.0% in 2023 (4.6% in the EU) imply upward revisions by more than one percentage point from the Spring Forecast.

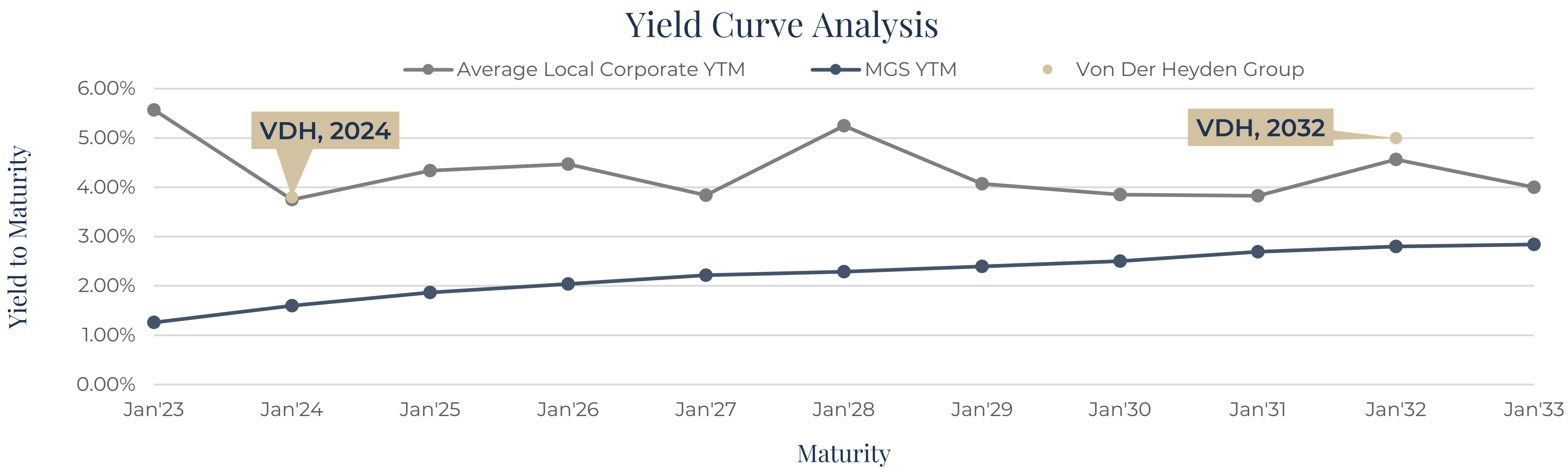
Risks to the forecast for economic activity and inflation are heavily dependent on the evolution of the war. Further increases of gas prices could strengthen the stagflationary forces currently at play. Second round effects could amplify these forces and lead to a sharper tightening of financial conditions that would not only weigh on growth, but also on financial stability. At the same time, recent downward tendencies of oil and other commodities' prices could intensify, bringing about a faster deceleration in inflation. Moreover, private consumption could prove more resilient to increasing prices if households were to use more of their savings. Finally, COVID-19 remains a risk factor.

[1] European Economic Forecast - Summer 2022

3.2 Comparative Analysis

Security	Nom Value €000's	Yield to Maturity (%)	Interest coverage (EBITDA**) (times)	Total Assets (€'millions)	Total Equity (€'millions)	Total Liabilities / Total Assets (%)	Net Debt / Net Debt and Total Equity (%)	Net Debt / EBITDA** (times)	Current Ratio (times)	Return on Common Equity (%)	Net Margin (%)	Revenue Growth (YoY) (%)
5.8% International Hotel Investments plc 2023	10,000	4.67%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
6% AX Investments Plc € 2024	40,000	3.58%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
4.4% Von der Heyden Group Finance plc Unsecured € 2024	25,000	3.79%	0.7x	133.5	40.9	69.4%	61.3%	59.9x	2.0x	-5.4%	-19.3%	-51.0%
6% International Hotel Investments plc € 2024	35,000	4.89%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
5% Tumas Investments plc Unsecured € 2024	25,000	4.02%	4.9x	232.1	139.2	40.0%	19.7%	2.6x	4.4x	2.8%	11.6%	-1.4%
5.75% International Hotel Investments plc Unsecured € 2025	45,000	4.63%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
4.5% Hili Properties plc Unsecured € 2025	37,000	3.85%	1.5x	208.7	110.9	46.9%	32.3%	10.6x	4.7x	3.7%	38.5%	6.5%
4% International Hotel Investments plc Secured € 2026	55,000	3.60%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
4% International Hotel Investments plc Unsecured € 2026	60,000	4.00%	1.0x	1,695.2	838.2	50.6%	41.2%	23.6x	1.5x	-3.8%	-23.5%	40.6%
3.25% AX Group plc Unsec Bds 2026 Series I	15,000	3.25%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
3.75% Mercury Projects Finance plc Secured € 2027	11,500	3.75%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
4.35% SD Finance plc Unsecured € 2027	65,000	4.03%	0.3x	328.5	131.5	60.0%	30.3%	43.7x	1.2x	-1.6%	-12.2%	-70.9%
3.75% Tumas Investments plc Unsecured € 2027	25,000	3.53%	4.9x	232.1	139.2	40.0%	19.7%	2.6x	4.4x	2.8%	11.6%	-1.4%
4% Stivala Group Finance plc Secured € 2027	45,000	3.99%	0.5x	363.0	235.4	35.1%	26.7%	33.8x	0.9x	5.3%	82.2%	28.2%
3.85% Hili Finance Company plc Unsecured € 2028	40,000	3.85%	4.6x	727.7	154.6	78.7%	71.8%	4.7x	1.1x	25.9%	5.7%	22.0%
3.65% Stivala Group Finance plc Secured € 2029	15,000	3.65%	0.5x	363.0	235.4	35.1%	26.7%	33.8x	0.9x	5.3%	82.2%	28.2%
3.8% Hili Finance Company plc Unsecured € 2029	80,000	4.12%	4.6x	727.7	154.6	78.7%	71.8%	4.7x	1.1x	25.9%	5.7%	22.0%
3.75% AX Group plc Unsec Bds 2029 Series II	10,000	3.75%	3.0x	369.8	237.1	37.0%	25.1%	6.8x	0.9x	0.8%	5.4%	23.3%
4.25% Mercury Projects Finance plc Secured € 2031	11,000	4.12%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
4.3% Mercury Project Finance plc Secured € 2032	50,000	4.11%	0.3x	113.0	34.6	69.4%	47.4%	99.5x	1.8x	-19.6%	-117.0%	-75.1%
5% Von der Heyden Group Finance plc Unsecured € 2032		5%	0.7x	133.5	40.9	69.4%	61.3%	59.9x	2.0x	-5.4%	-19.3%	-51.0%
	Average*	3.96%										

Source: Latest available audited financial statements
**Average figures do not capture the financial analysis of the Issuer*
***EBITDA includes property revaluations*



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 along with the expected yield on the prospective bond issue.

As of 26 August 2022, the average spread over the Malta Government Stocks (MGS) for corporates with a maturity range of 1-3 (2023-2025) years was 264 basis points. The 4.4% Von Der Heyden Group Finance p.l.c. Bonds 2024 were trading at a YTM of 379 basis points, meaning a spread of 220 basis points over the equivalent MGS. This means that this bond is trading at a discount of 44 basis points in comparison to similar corporate bonds in the same maturity bucket.

Meanwhile, the proposed Von Der Heyden Group Finance p.l.c bond is being priced with a 5% coupon issued at par, meaning a spread of 195 basis points over the equivalent MGSs. This means that the bond is trading at a premium of 53 basis points in comparison to similar corporate bonds in the same maturity bucket.

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.
Gross Profit Margin	Gross profit 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.

Glossary and definitions - *continued*

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.
Interest Coverage Level 1	Is calculated by dividing EBITDA by Cash Interest Paid.
Interest Coverage Level 2	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.
Gearing Ratio Level 1	Is calculated by dividing Net Debt over the sum of Net Debt and Total Equity.
Gearing Ratio Level 2	Is calculated by dividing Total Liabilities over Total Assets.
Gearing Ratio Level 3	Is calculated by dividing Net Debt over 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.

Glossary and definitions - *continued*

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.

ISSUER

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