



VON DER HEYDEN GROUP

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Von der Heyden Group reports its audited and consolidated Financial Statements for the period ended 31st December 2019 with a record turnover of EUR 25,883,596.

TIMAN Investments Holdings Limited (The Company/Group), the Von der Heyden Group Finance Plc's guarantor, presented consolidated and audited annual accounts for the financial year ended 31st December 2019, reaching a record turnover of EUR 25,883,596, registering an 8.5% increase from 2018. The Company holds for capital growth and income generation, investments in 35 subsidiaries and associated companies around Europe, realising growth in revenues in all its four operating markets at the end of 2019.

The Group reported a net shareholders equity of EUR 44,260,068 (2018: EUR 44,908,977). During the year under review, the Group's gross profit was of EUR 21,490,877 (2018: EUR 19,194,575), with an operating loss of EUR 2,629,288 (2018: EUR 1,514,709). Such loss reflects the recurring overhead costs of the Group's structure, which historically is substantially exceeded by dividend income from subsidiaries and capital gains made with its investments.

During the year under review, EBITDA (calculated excluding share of profit from associate) amounted to EUR 3,387,218 (2018: a negative value of EUR 2,222,057), with the reclassification change of IFRS 16 the EBITDA measurement becomes more meaningful in measuring the Group's performance. After accounting for investment income and finance costs, the Group registered a pre-tax loss of EUR 1,949,469 (2018: EUR 12,994,300 profit).



TIMAN Investments Holdings Ltd. recorded a strong free cash flow position of EUR 6,318,201 as at 31st December 2019, an increase of 66.15% from 2018 which stood at EUR 3,802,604. The Group's financial performance has, for the second year been positively impacted by its associate Bogenhausener Tor Immobilien Sarl (BTI) having sold its second and last asset, the Blue Tower forming part of the Bavaria Towers office and hotel development in the city of Munich, Germany. The asset was sold in December 2019 to the leading asset manager on the German market Real IS consortium with the main shareholder Bayerische Versorgungskammer. The property was sold at a record yield of less than 3%, registering the highest rate of return on equity for the Group so far in its A-Class real estate portfolio. Though the main impact of the sale in the P&L was reflected already

in 2018 due to a revaluation to fair market value at that time, the sale of this asset generated a share of profits, which amounted in 2019 to another EUR 3.1m.

Due to a planned restructuring in operations in light of a more robust market positioning, the Group's hospitality chain IBB Hotel Collection did not reach the expected profit levels during 2019. The first two months of 2020 registered success in most budget targets across the 11 hotels in the Group. However, the unprecedented events caused by the worldwide COVID-19 pandemic have demanded further restructuring in its hotel portfolio by maintaining, strengthening, and prioritising hotels in markets that generate the most sustainable profitability.

The Von der Heyden Group also recorded a 37% increase in its total assets as at 31st December 2019 recorded at EUR 147,785,446 (2018: EUR 107,485,547). In line with the Von der Heyden Group's continued growth strategy and as a renowned first mover in emerging markets, it has set up an asset management



company with a team of highly skilled real estate professionals operating from its new office in Kyiv, Ukraine. The local real estate and asset management team will serve to launch attractive investment opportunities, working as the Group's Asset Management arm in Ukraine and starting its first regulated real estate investment fund by the end of 2020. The fund will focus on realising the full potential of Ukrainian commercial and residential real estate market opportunities in Kyiv and Lviv to its investors.

The Von der Heyden Group has also 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. Von der Heyden Group Real Estate provides a specialist perspective and bespoke brokerage service in the real estate market to buyers and property owners.



Furthermore, the Group has acquired a 25% stake in a residential co-development project in the Algarve, Portugal, and also plans to undertake its first investment in the Montenegro residential real estate market in 2020.

The gearing ratio of the Group at the end of the year stood at 65.78% as opposed to 54.68% in 2018. The increase is not attributable to higher indebtedness by the Group but rather as a result of IFRS16 coming into force requiring the recognition of leases as liabilities in the Balance Sheet. The gearing ratio without the IFRS16 consideration would have been 51.89%. Furthermore, given that the Group does not grant corporate guarantees for hotel operating or real estate investment and development subsidiaries, the gearing ratio on a non-consolidated stand-alone basis stands at a mere 18.36%.



Chairman of the Von der Heyden Group Sven von der Heyden said:

The recent sale of one of the Group's biggest real estate investments to date has led to a comfortable position of liquidity during such unprecedented times. This strength enables us to continue to focus on delivering a high return on the Group's real estate developments and investment opportunities while ensuring a sustainable growth strategy in the restructuring of our hospitality Group, IBB Hotel Collection. The Von der Heyden Group's capital growth is at the core of our strategy; as our asset management business expands beyond Ukraine, our mission is to continue to thrive

for more positive operational results for our stakeholders.

The **Group's CEO Bob Rottinghuis adds:** The current pandemic undoubtedly will have a long-lasting impact on (real estate) markets across the globe and the way people work going forward. It shows once more that the wellbeing of employees and their families as well as of business partners is critical at all times. Because of the flexibility of our staff, our business has continued in recent weeks without interruption, for which we are very grateful to them. Furthermore, timing is everything, both in buying and selling assets, as well as in starting new developments and business endeavours. The expansion of our activities and its resulting diversification, yet focus on our strengths, will further enhance our Group's stable growth path in the remainder of this already unforgettable decade.



About the Von der Heyden Group

The Von der Heyden Group was founded in Germany over 30 years ago in 1989 as a private investment and real estate firm and has completed investments in real estate markets with a market value of over EUR 600m. The Group currently employs almost 500 people and has subsidiaries and representative offices in Germany, Poland, Ukraine, Netherlands, Luxembourg, Malta, Spain, Italy and Portugal and has also recorded investments in the USA.

The Group is commonly known for its high-end finishes and quality, and at all times achieved record prices for its award-winning projects, when sold. Its international perspective with at the same time its local presence combined with its manoeuvrability as a private company has been key to the Group's steady growth, also in economic downturns.

The Von der Heyden Group has established itself as a niche boutique player developing high quality office buildings as well as owning and managing hotel, commercial and residential properties in Europe specifically in Germany, Poland, Ukraine, Malta, Spain and Portugal. With 30 years 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.