



VON DER HEYDEN GROUP

ANNUAL REPORT & FINANCIAL STATEMENTS

31 December 2024

TIMAN

INVESTMENTS HOLDINGS LTD



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VON DER HEYDEN GROUP

about us



Founded in Germany in 1989 by Sven von der Heyden, the Von der Heyden Group began as a high-quality niche player in the European real estate market. Over the past three decades, the Group has expanded its presence with investments, developments, and strategic representations in nearly 20 cities across Europe.

AN INVESTMENT OF FIRM CHOICE

With a proven track record spanning more than 35 years, the Von der Heyden Group has built a dynamic, pan-European portfolio that has earned the trust of leading financial institutions, international funds, global corporations, embassies, government bodies, and major cities.

As a privately held investment firm, we are deeply committed to delivering strong returns through the next generation of A-class commercial and residential developments, a multi-award-winning hospitality portfolio, and strategic alternative investments. Our reputation is built on vision, performance, and long-term value creation.

SHAPING CITIES AND ADDING VALUE

Our investment strategy reflects our core philosophy: creating exceptional synergies between real estate and hospitality. This integrated approach enables us to generate long-term value for our shareholders, elevate the experience of our tenants and guests, and contribute meaningfully to the growth of local economies.

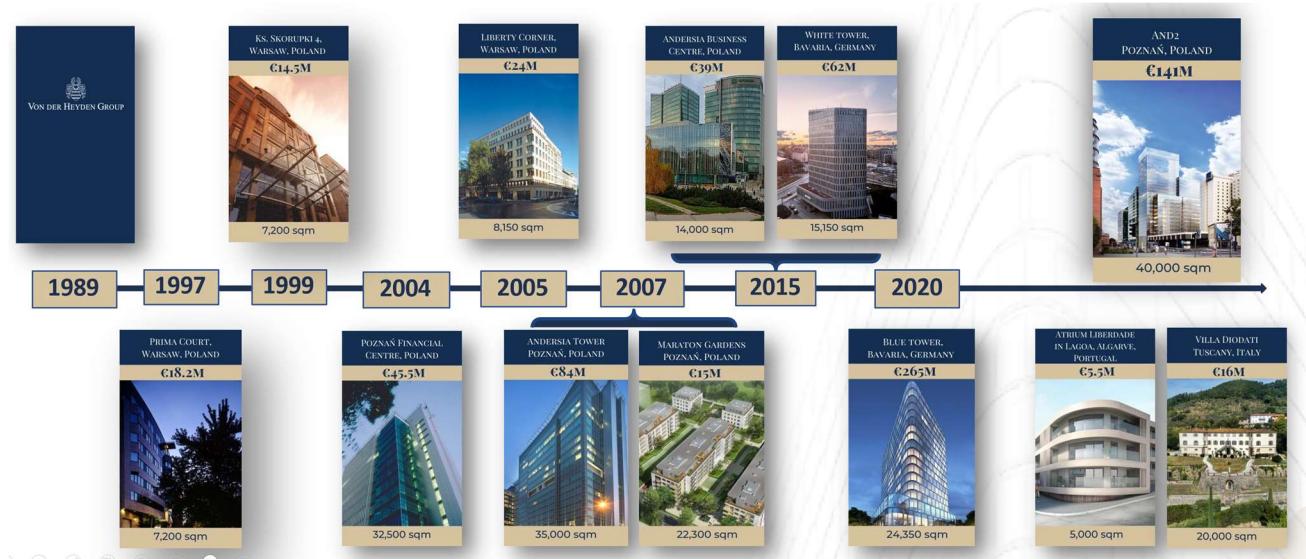
With deep local presence and international reach, we have the ability to adapt and capitalise on diverse market conditions. Our reputation for strategic timing on exit and our role as a first mover in emerging markets continue to drive our global recognition.

As a privately held company, our flexibility has been instrumental in sustaining consistent growth, even through challenging economic cycles. Today, the Group's operations are structured around three lines of business real estate development, hospitality and catering.

The Von der Heyden Group is proud to employ a dedicated team of around 170 professionals, supported by a network of subsidiaries and representative offices across Europe. Our presence spans Poland (Warsaw, Poznań, Lublin, Gdańsk), Germany (Ingelheim), Spain (Madrid, Menorca), Italy (Tuscany), Portugal (Carvoeiro), and Malta (Senglea, Birgu, Sliema, St. Julian's, Gzira).

REAL ESTATE DEVELOPMENTS

With over three decades of experience, the Von der Heyden Group specialises in the development of Class A office buildings and the transformation of landmark and heritage properties into premium residential and hospitality assets. Many of these projects have gone on to win prestigious awards, reflecting our commitment to quality, design, and long-term value.



Our proven track record spans across Poland, Germany, Portugal, Spain, and the United States, where we continue to shape distinctive, high-performing developments in key markets.

The current ongoing projects of the Group include:

- the elevated landmark AND² project (formerly Andersia Silver) – a 26-storey A-class office tower set to become a centrepiece of the Poznań financial district;
- the Villa Diodati renovation project – a 16th-century villa located on the Tuscany hills overlooking Lucca, Italy; and
- the Atrium Liberdade Residences project in Algarve, Portugal consisting of the construction of the 33 apartments.

HOSPITALITY AND CATERING

IBB HOTEL COLLECTION

The IBB Hotel Collection offers an experience as distinctive as the locations in which it operates. Each hotel in the collection blends exceptional comfort with outstanding amenities, while showcasing a unique identity that reflects the local character and charm. Across all properties, guests are assured of consistent quality, warm hospitality, and memorable stays delivered by our world-class team.

The collection also includes the Group's luxury boutique brand, Cugó Gran, a refined hotel concept created to inspire. Each Cugó Gran property delivers extraordinary experiences through exceptional service, elegant design, and a deep connection to history and place.

The IBB Hotel Collection currently operates four 4-star hotels, one in Germany, two in Poland, and the latest addition, IBB Palazzo Bettina, in Malta.



CUGÓ GRAN COLLECTION



Cugó Gran is defined by its bold vision, a dynamic hospitality brand dedicated to curating distinctive luxury experiences. Our mission is to create exceptional, one-of-a-kind properties that deliver both outstanding guest experiences and attractive returns for our investors.

With a strategic focus on growth, we continuously identify and evaluate opportunities to expand our portfolio through the acquisition or repositioning of properties with strong investment potential. Whether developing new hotels or transforming existing ones, we apply a selective approach, choosing only those opportunities that align with the Cugó Gran standard of excellence. The flagship of the Cugó Gran brand is a luxury boutique hotel housed within a 16th-century fortification overlooking Malta's Grand Harbour, offering a truly timeless and exclusive escape. The Group plans to open in 2025 the second Cugó Gran property an 18-room top luxury hotel in Vittoriosa Malta.

HAMMETT'S COLLECTION



Hammett's Collection is a group of innovative dining concepts co-founded by multi-award-winning chef and restaurateur Chris Hammett and entrepreneur Sven von der Heyden. Each establishment is built on a shared philosophy of creating vibrant social dining experiences inspired by global cuisines.

Known for its plates-to-share menus and distinctive culinary journeys, the Collection includes Hammett's Gastro Bar (Asian fusion), Hammett's Mestizo in Malta and Hammett's Monastik (Northern European cuisine with a local twist).

The Collection's award-winning reputation is driven by its exceptional culinary teams, high standards of service, and immersive atmosphere in prime, thoughtfully designed locations. It is planned to open 2 new restaurants during 2025 and 2026.

As the gastronomic arm of the Von der Heyden Group, Hammett's Collection complements the Group's broader portfolio in hospitality, real estate, and luxury travel, offering a seamless lifestyle experience across Europe.

PRIVATE EQUITY INVESTMENTS

URBAN OIL



Urban Oil is a fast-growing, low-cost fuel station network based in mainland Spain. Operated through the Urbelia Business S.L., the company was established in December 2017 as a joint venture between TIMAN Investments Holdings Limited and Urban Oil Wash SL, our Spanish partner.

Urbelia Business S.L. currently operates five fully functional, 24/7 fuel stations, each equipped with car wash facilities:

- Urban Oil Bailén (2018),
- Urban Oil Ciudad Real (2019),
- Urban Oil Jumilla (2023),
- Urban Oil Torredelcampo (2024) and
- Urban Oil Arco de la Frontera (2025)

Positioned at the intersection of affordability and innovation, Urbelia Oil has entered into a national agreement with IBERDROLA, Spain's leading electricity provider, to install two electric vehicle charging points at each new site, supporting the country's green mobility transition while maintaining a strong focus on quality, low-cost fuel services.

With two additional leases already secured for new stations in 2025 and strong operational performance to date, Urbelia aims to expand its network to 20 stations by 2027.

This joint venture reflects the Von der Heyden Group's strategic vision of partnering with industry experts to build high-performing, diversified business ventures across Europe.

VON DER HEYDEN YACHTING



Von der Heyden Yachting delivers premium yacht charter, sales, and management services across the Mediterranean and Caribbean. With a carefully curated fleet, we create bespoke experiences that combine luxury, comfort, and adventure on the open sea.

Our charter division specialises in tailor-made itineraries featuring world-class service, fine cuisine, and unforgettable destinations. Through a trusted network spanning over 20 European cities, our sales team connects clients with exceptional pre-owned yachts, sourced to match individual needs.

We also offer comprehensive yacht management, covering everything from maintenance and technical support to registration, insurance, and charter optimisation. Whether for leisure or investment, Von der Heyden Yachting provides a seamless, elevated experience guided by discretion, expertise, and personal attention.

GENERAL INFORMATION

REGISTRATION

TIMAN Investments Holdings Limited is currently registered as a limited liability company in Malta under the Companies Act (Cap. 386, Laws of Malta) with registration number C 63335. Initially incorporated under the laws of the Netherlands on 10 June 1999 as TIMAN Investments Holdings B.V. with registration number 34117520 until it was redomiciled and registered in Malta on 31 December 2013.

DIRECTORS

Mr Sven von der Heyden
Mr Javier Errejon Sainz de la Maza
Mr Antonio Fenech

COMPANY SECRETARY

Dr Nicholas Formosa

REGISTERED OFFICE

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Gzira GZR1639
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AUDITORS

Ernst & Young Malta Limited
Regional Business Centre
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Malta

CHAIRMAN'S STATEMENT



Sven von der Heyden

Founder and Chairman
Von der Heyden Group

execution of the project. Agreement between all parties has now been reached allowing for works to start ramping once these arrangements have been concluded. The interest in leasing space continues to rise steadily. We reasonably expect that at least 80% of the building will be leased upon completion. The project remains on track for delivery to tenants in Q3 2026 and will mark the culmination of our 28-year public-private partnership with the City of Poznań, an enduring legacy of collaboration, vision, and high-quality urban development.

Our real estate pipeline remains robust. We are actively exploring investments that align with our values and provide opportunities for unique developments in both hospitality and stand-alone ventures. We continue to see potential in key leisure and lifestyle markets, particularly in Italy, Spain, Malta, Costa Rica, and the Southern Caribbean. These destinations not only support our ambitions for international growth but also align with our focus on high-end experiential hospitality. We are evaluating projects in these locations to prepare for our new investment phase after AND2.

In an ever-evolving global landscape, 2024 has continued to challenge the way businesses operate and grow, amidst ongoing geopolitical tensions, market volatility, and inflationary pressures, largely stemming from prolonged conflicts in Eastern Europe and the Middle East and most recent political developments in the US. Our commitment to diversification, excellence, and sustainable growth has once again proven fundamental to the resilience and adaptability of the Von der Heyden Group.

While real estate development and investment remain our core pillars, we are looking to invest in alternative asset classes that can provide both diversification, stable returns and recurrent cash flows to compensate for the cyclical volatility of the real estate development segment. Our clear aim is to reduce the Von der Heyden Group's reliance on large real estate successes and increase profitability through operational, cash flow-positive businesses and investments.

The most significant challenge from 2024 to 2025 was closing the debt financing arrangements for our flagship €112 million development project in Poznań, Poland: the 40,000 sqm, 26-storey AND2 tower (formerly Andersia Silver). Now the highest building in the city, its façade is completed with mechanical, engineering, and fit-out works underway. The prolongation of discussions due to changes in the banking consortium supporting the project brought about undesired delays in the

The Group has successfully repositioned itself in the hospitality sector through the strategic divestment of the remaining three-star hotels in Germany, fully exiting from the 3-star segment. This move enables our team to concentrate on expanding the hospitality division into the 4-star plus IBB Hotel Collection brand and the luxury boutique hotel offering under the Cugó Gran brand. This strategic focus aims to deliver elevated guest experiences and enhance overall hotel performance.

The IBB Hotel Collection, now comprising 5 hotels across Germany, Poland, and Malta, has been undergoing structural enhancements to uphold the highest standards. Our luxury brand, Cugó Gran Collection, continues to set the tone, led by our flagship Cugó Gran Macina in Malta, which is scheduled to become a property owned by a related company to the Group within the next couple of weeks. The operating results of the hotels in the current portfolio align with the profit expectations and benchmarks set by the Hotel Group. The restructuring of the Hotel Group is projected to complete in 2026, with two new hotel operations added, one in 2025 and another in 2026. Whilst already in the first quarter of 2025, the Hotels are achieving improved operational results, the expansion is expected to bring the Hotel Group overall in operating profit territory, as the costs associated with the management structure required to achieve this growth are also recouped. We are pleased to have expanded our hotel portfolio in Malta with the opening of the boutique IBB Hotel Palazzo Bettina in the heart of the Three Cities, whose performance has already exceeded our expectations. Meanwhile, plans are underway for the new high-end Cugó Gran property along the Cottonera waterfront, the Cugó Gran Vittoriosa, planned for completion in September 2025. The project has experienced significant delays due to a more complex permitting and construction process over the past two years.

In Italy, the restoration of Villa Diodati near Lucca has reached a near-to-finished level and has been now launched for sale by two internationally renowned real estate agencies. This exceptional property showcases our continued investment in heritage, luxury, and craftsmanship. We continue to actively explore opportunities in Tuscany, while remaining committed to acquiring properties at opportunistic prices that offer strong potential for future capital gains.

Previous successes, such as the sale of Cugó Gran Menorca, the improved operating results of IBB Hotel Gdańsk, which had a record year in 2024, and the very pleasing performance of Cugó Gran Macina, affirm our belief in the long-term value of restoring landmark properties. Looking ahead, we are focused on expanding the Cugó Gran brand to sought-after international destinations with high demand for luxury accommodations.

Our Hammett's Collection joint venture in Malta is set to open two more restaurants over the next 18 months. The Group previously operated a restaurant in Menorca, Spain under the Hammett's Collection brand, after its two-year stint as managing a restaurant in a highly seasonal location proved to be challenging. The property where the restaurant previously operated is owned by the Group and has now taken the decision to sell the property.

Our joint venture investment in self-service petrol stations through Urbelia Business S.L. in Spain has exceeded our expectations, now operating five petrol stations with two further locations under contract, each featuring electric fast-charging capabilities and car-wash stations. Plans are in place to expand this network to 10 outlets by the end of 2027 and reach 20 secured stations by the end of 2027, further aligning with our commitment to innovation and business lines that have strong profitability and generate recurrent cashflows and make the Von der Heyden Group less dependent on one-off capital gains with property developments.

The recent global shift back toward fuel-driven mobility, alongside the EU's rollback of ambitious sustainability targets, not to mention similar trends in the US, provides a strong foundation for Urbelia's expansion. At the same time, we continue to closely monitor developments in alternative propulsion technologies, such as hydrogen-oxygen systems and advances in battery technology in accordance with our climate-related goals.

Environmental, Social, and Governance (ESG) principles are integral to our philosophy, not just as compliance metrics, but as a foundation for value creation. In 2024, our ESG efforts have continued to gain traction. Our AND2 project is on course for Gold LEED Certification, and Villa Diodati has been finished to the highest standards of efficiency and eco-friendly living. Additionally, we have successfully implemented internal ESG reporting protocols alongside a dedicated data analytics platform. These steps form part of our commitment to reducing our environmental footprint and contribute positively to society. Our third Sustainability Report (TIH 2024 ESG Report) will be published shortly, providing transparency and accountability to our stakeholders.

OUTLOOK

In 2025, the Group aims to enhance operational efficiency while reducing costs and overheads in a careful and sensible manner. At the same time, we will increase operational income from our hotel group and petrol station businesses. With the conclusion of financing negotiations and the release of this financing, the AND2 Tower nears completion and with the office segment outside of Malta showing finally early signs of recovery, coupled with improved results from our hotel operations and the rising profits from Urbelia, we strive for further improvements in 2025 and beyond.

I want to express my sincere appreciation to our investors, bondholders, both current and former, and our licensed financial intermediaries, whose trust and support have been invaluable. I also extend heartfelt thanks to our Board of Directors for their guidance, our management for their unwavering dedication, and our employees for their resilience and commitment throughout another transformative year.

We entered 2025 with a clear sense of purpose, focused on quality, innovation, and sustainable growth. With the strong foundation we have built, I remain confident in the Von der Heyden Group's ability to thrive in the years ahead.



Sven von der Heyden
Founder and Chairman
Von der Heyden Group

DIRECTORS' REPORT

The directors submit their annual report and the financial statements for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

TIMAN Investments Holdings Limited and its subsidiaries (collectively the "Group") are involved in real estate development and investments, hospitality and catering and other investments across Europe including Germany, Italy, Malta, Poland, Portugal, and Spain.

TIMAN Investments Holdings Limited (the "Company") is the parent company of the Group, and its principal activity is the holding of interests in other companies, subsidiaries, and associates as well as investing in various investment products for capital growth and income generation. The Company also provides financing to group and associate companies as well as to related companies.

RESULTS AND DIVIDENDS

The statements of comprehensive income of the Group and of the Company are set out on pages 23 - 24. During the year ended 31 December 2024, the Company declared a net dividend of €0.3077 per share or a total of €1,000,000 to the ordinary shareholders. No dividend was declared by the Group and the Company for the year ended 31 December 2023.

REVIEW OF THE BUSINESS

The Group results for 2024 were affected by several challenges due to delays in completing two major projects, AND2 Tower in Poznan due to the prolonged negotiations with the financing consortium and Villa Diodati the 16-century villa in Tuscany that faced contractor delays. Also, the results for the year were impacted by the Hotel Restructuring program which in line with the Group strategy, fully exited from the three-star segment in 2024.

EBITDA for the year was €1.4 million, down from €4.6 million in 2023. The decrease of €3.2 million was mainly due to delays in real estate projects, specifically the construction of AND2 Tower in Poznań and the restoration Villa Diodati in Lucca, limiting investment and fair value gains.

While the Group experienced an overall turnover and cost reduction due to the discontinuation of three German 3-star hotels, the exiting from these three hotels will allow the Group to align with its strategy to focus on the 4-star plus and the luxury segment. The Group's positive EBITDA was driven by the retention of the more profitable hotel operations.

Further, in 2024, the Group successfully sold a block of credits related to an operating hotel in Tuscany that it acquired at a discounted price of €6.0 million. In 2024, an offer was received from an Italian bank to acquire the credits for €7.5 million as part of the refinancing process of the asset's owner. The Group disposed of its interest, resulting in a gain of €1.5 million over the life of the asset, with €1.01 million recognized in 2021 and the remainder in 2024.

In 2022, IBB Hotel Collection announced its strategic decision to exit the 3-star hotel segment and concentrate on acquiring and operating assets that align with its objective of establishing a portfolio of 4-star plus and luxury boutique hotels. Consistent with this strategy, the Group successfully divested from the remaining three hotel properties in Germany during the year. These properties were all operating as three-star hotels, thereby expediting the Group's transition towards focusing on four-star plus luxury offerings, where higher margin returns can be achieved. As a result of the exit from these three three-star hotel properties, *Revenues* for the year fell by 9% or €1.4 million to €15.3 million (2023: €16.7 million) with notable fluctuations in the Accommodation and Catering activities.

Revenue from continuing activities decreased by €3.2 million to €13.5 million (2023: €16.7 million), mainly due to a €2.5 million decrease in *Hotel Accommodation* revenue, with minor offsets from other segments.

	2024 €'000	2023 €'000
Accommodation	9,146	11,651
Catering	2,394	2,939
Leasing	751	824
Other	1,168	1,289
Continuing activities	13,459	16,703
Terminated hotel leases	1,821	-
	15,280	16,703

Discontinued activities in 2024 include IBB Hotel Berlin, IBB Hotel Paderborn and IBB Hotel Passau Sud.

Operating loss for the year was €1.6 million, slightly worse than that of the previous year's €1.4 million loss. Despite the lower revenues by €1.4 million compared to the previous year as a result of exiting some hotel properties, *operating loss* only worsened by about €0.2 million mainly on account of the cost control measures and savings from exiting high-cost hotel properties.

Other gains for the year amounted to €3.0 million (2023: €6.0 million). This reduction was mainly due to lower fair value gains of €1.1 million compared to €3.1 million last year, and lower foreign exchange gains, which dropped to €1.3 million from €2.2 million.

Dividend and other investments losses saw minor fluctuations. The *Share in profits of associates* increased to €187,661 (2023: €56,414) on the back of the increased operation profits of the growing Urban Oil petrol stations operation in Spain.

Depreciation and amortisation for the year amounted to €2.4 million (2023: €2.8 million). The reduction is primarily attributed to the lower depreciation of right-of-use assets associated with the three hotel properties vacated in the 3-star category by the Group during the year. After accounting for *depreciation and amortisation* as well as the *impairment of financial assets*, the Group reports a negative EBIT €1.1 million (2023: positive €1.8 million)

Interest and other related income for the year amounts to €0.9 million, an increase by half a million from last year's €0.4 million. The increase is mainly due to the interest realised on block of credits which the Group acquired through an Italian Special Purpose Vehicle and had a carrying value of €7.0 million in 2023 and successfully sold for €7.5 million in May 2024.

Interest and other related expense for the year amounted to €2.8 million, a €1.5 million reduction from last year's €4.3 million mainly due to the capitalised portion of the interest expense capitalised as borrowing cost of the ongoing real estate development projects of the Group.

Considering the effects discussed above, the Group reports a *Loss for the year* of €3.1 million compared to the €3.0 million last year, given the approximately €0.9 million lower tax charge for the year resulting on account of the lower deferred tax provision on fair value gains recorded in the year.

In the Financial Analysis Summary for 2024, the projected loss for the year was of €1.4 million, €1.7 million lower than the final year result. This higher loss cascaded from a lower EBITDA for the year of €1.4 million from the €5.6 million forecasted. The decrease of €4.2 million was due to an operating loss of €1.6 million from a projected profit of €0.2 million due to lower operational profits from activities discontinued during the year where the negotiations happened after the projections were published, and a €2.2 million less gains due to the delays in real estate projects, specifically the construction of AND2 Tower in Poznań and the restoration Villa Diodati in Lucca.

Within *Other comprehensive income*, the Group recorded a *Share in other comprehensive income of associate* of €0.9 million (2023: €0.2 million). The increase in value relates to the growth being experienced in the existing Urban Oil fuel station operations in Spain and the new site which were secured before the year-end and opened in April 2025.

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

Finally, due to the Group having operations abroad, and with the major development project situated in Poland where the local currency is in Polish zloty, the Group is exposed to fluctuations in foreign currency when translating foreign operations to the Group reporting currency which is the Euro. During the year, the average and closing exchange rates between the Polish zloty and the Euro have stabilised thereby, coupled with the net foreign exchange gain reported in profit or loss of €1.3 million (2023: €2.2 million), resulting to lower effects of *Translation of foreign operations* in the year to about €0.2 million compared to the €1.1 million of the previous year when the exchange rate fluctuated notably.

Despite the higher *Loss for the year*, the *Total comprehensive loss* of the Group for the year stands at €2.2 million (2023: €2.2 million loss). The forecasted total comprehensive loss of the Group in the Financial Analysis Summary for 2024 was of €1.5 million, which is €0.7 million lower than the actual result for the year. The €1.7 million increase in *Loss for the year* compared to the 2024 forecast was offset by a €0.9 million higher *Share in other comprehensive income of associate* from the Urban Oil's fuel station operations in Spain

The Group's balance sheet shows total assets of €154.2 million, a slight 1.1% reduction from last year's €155.9 million, due to the fluctuations as described hereunder.

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

AND2, the Group's flagship project, is a 40,000m² A-class office tower located in the financial centre of Poznan, Poland. As of 31 December 2024, the shell and core works have been successfully completed, while mechanical, engineering, and fit-out works are in progress. This project is expected to become a significant architectural landmark in the city, having an anticipated exit value exceeding €140 million upon completion. After having already secured a senior lending facility for €55 million, and subsequent securing of a mezzanine facility of €17 million, changes in the senior lending facilities consortium and prolonged multi-party renegotiations slowed down the project. The Group could not draw down on the financing to execute the final phase which was expected around November 2024 as this was still pending the conclusion of the senior lenders facility, and the execution of the triparty agreement with the mezzanine financier, and the buildings construction contractor. The mechanical and engineering works are expected to recommence as soon as the final agreement is signed and with these works expected to be completed by Q3 2026.

Another significant real estate development project included under *Investment property* is the refurbishment of the 16th-century villa in Lucca, Italy, known as Villa Diodati. The property's estimated value upon completion is €15.5 million. As of 31 December 2024, the property is valued at €13.2 million based on an 85% completion rate, which is an increase from the previous year's valuation of €10.9 million based on a 70% completion rate. The property comprises a 1,100 sqm main villa and six apartments, each of approximately 400 sqm, featuring an indoor swimming pool, spa, and other amenities on completion. The property also includes a spacious garden over 12,800 sqm of land. Due to unplanned interventions required for the building's foundations, substantive works on the restoration and replacement of the roof together with other delays caused by the main contractor, along with ensuing litigation, the project slowed down in the second half of 2024. The Group is pursuing a claim for delays and damages of around €1.0 million, while the contractor has a counter claim of €0.25 million for outstanding payments on works carried out.

Other properties of the Group, totalling €1.6 million (2023: €1.6 million) within the *Investment properties* category, including the building in the centre of Olbia in Sardinia, Italy, a plot of land in Mahon, Menorca, Spain, a number of plots of land in Węgorzewo, Poland, and a prime plot of land in the centre of Warsaw, Poland with potential for a mid-rise apartment complex.

Property, plant, and equipment make up 19% (2023: 20%) of the Group's total assets, valued at €29.6 million as of 31 December 2024 (2023: €31.5 million). The major class, Land and buildings, is valued at €28.3 million (2023: €30.0 million). This includes hotel properties in Gdańsk and Lublin, Poland, under the IBB Hotel Collection brand, and a mixed-use property in Mahon, Menorca, Spain, where the Group operates a restaurant. Decrease in total *Property, plant, and equipment* from the previous year's is mainly attributable to the depreciation charge for the year of €0.9 million and revaluation loss recorded in other comprehensive income of €0.2 million.

Right-of-use assets include leases for properties where the Group manages accommodation and catering under IBB Hotel Collection and Cugó Gran Collection brands, as well as office space leases for administrative activities. On 31 December 2024, *Right-of-use assets* decreased by €3.2 million to €15.8 million from €19.0 million the previous year, due to €1.4 million depreciation and €1.8 million derecognition from terminated property leases of three-star hotels, aligning with the Group's strategy to shift to exit the category.

Investment in associates in 2024 increased to €2.2 million from €1.2 million in 2023. This growth is attributed to the expansion in the number of petrol station operations in Spain, continued positive results, and the securing of new sites for further expansion.

The Group's *Financial assets* as of 31 December 2024 amounts to €19.9 million (2023: €29.5 million) and include the following:

- Cash and cash equivalents: €5.9 million (2023: €6.5 million)
- Loans and other receivables: €8.0 million (2023: €15.8 million)
- Trade and other receivables: €5.5 million (2023: €6.0 million)
- Other financial assets: €0.5 million (2023: €1.2 million)

Overall, the *Financial assets* of the Group decreased by €9.6 million of which, €4.5 million was utilised for the acquisition and cancellation of the remaining Ordinary B shares of the Company. In addition, the Group, through the parent company, declared a €1.0 million net dividend to the ultimate parent company. The Group closed some financial investment positions to meet liquidity needs, reducing *Other financial assets* from €1.2 million last year to €0.5 million at year-end. The Group also recorded €0.2 million in expected credit losses on financial assets. The remaining changes in *Financial assets* are due to amounts used in operations and settling debt obligations.

The reduction in *Loans and other receivables* in 2024 of €7.8 million out of the €8.0 million (2023: €15.8 million) was mainly attributed to the sale of the block of credits that during 2024 that had a carrying value of €7.0 million for €7.5 million.

The Financial Analysis Summary estimated *total assets* for the year at €166.9 million, €13.0 million higher than the actual total of €153.8 million. *Investment properties* were expected to increase by €94.9 million however due to the delays in the AND2 and Villa Diodati projects, only reached €85.2 million, a shortfall of €9.7 million. Other differences included a €1.2 million reduction in *property, plant, and equipment* mainly due to the lower depreciation charge for the year and net fair value decrease in the year, and a €1.7 million reduction in *right-of-use assets* both because of the exit from two more hotels property leases while only 1 was projected.

The Group's *Financial liabilities* stood at €117.5 million as of 31 December 2024, representing an increase of €0.8 million from the previous year's figure of €116.3 million. The *Financial liabilities*, encompassing both current and non-current amounts, comprise *Borrowings* of €53.5 million (2023: €51.3 million), *Debt securities in issue* of €41.1 million (2023: €39.4 million), *Lease liabilities* of €18.0 million (2023: €21.2 million) and *Trade and other payables* of €5.3 million (2023: €4.4 million).

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

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

The Group's *Equity position* closed at €29.4 million (2023: €32.7 million). The decrease is mainly due to the dividend declared in the year of €1.0 million plus the *Total comprehensive loss* during the year of €2.0 million.

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Refer to Note 28 in these financial statements.

FUTURE DEVELOPMENTS

The global economy is navigating a complex landscape in 2025, marked by divergent growth patterns and lingering uncertainties. While the IMF projected that in 2025 and 2026 global growth should stabilize at 3.3% with inflationary pressures easing, the US administration recent tariffs announcements risk reshaping global trade dynamics, with widespread implications for economies worldwide. While the US administration seeks to reduce America's reliance on imports and address trade deficits, they have heightened the risk of triggering retaliatory measures from affected nations, potentially escalating into a trade war.

For businesses, especially small ones, the tariffs increase costs and disrupt supply chains, making adaptation challenging. Consumers may face higher prices, while global markets experience volatility, as seen in the recent turbulent capital markers activity. This might slow economic growth and create high inflationary pressures.

Geopolitical risks, such as the ongoing conflicts in Ukraine and the Middle East, significantly impact the global economic outlook by creating uncertainty and disrupting key markets. These tensions and wars have led to elevated energy and commodity prices and disruptions in global trade. These conflicts also dampen investor confidence, reduce consumer spending, and hinder economic growth, making recovery from past crises even more challenging.

Within this background, the global economy presents both challenges and opportunities for innovation, resilience, and sustainable growth. The Group continues to adapt to this shifting landscape and invest in activities that generate sustainable growth.

The Polish economy that is crucial to the Group's activities remains resilient, as reflected in the strong interest by prospective tenants in the AND² project. This 40,000 sqm A-Class Office tower in Poznan has already secured 25% in prelease agreements, with over 14,000 square meters in active negotiations. The Tower now stands fully erect at 26 floors, with shell, core construction, and façade works completed. Mechanical, engineering, and fit-out works are underway, with full completion expected by Q3 2026. Upon completion and leasing, the tower is projected to have an investment value of over €140 million.

Villa Diodati is a 16th-century villa located on the Tuscany hills overlooking Lucca, Italy. Despite delays due to foundation issues and contractor setbacks, the project has reached a near-to-finished level and has been now launched for sale on the internationally market. The investment value upon completion is expected to be around €15.5 million. The Group is looking to complete and sell the asset by Q2 2026 depending on securing a buyer and finish such buyers interior works.

The Atrium Liberdade Residences project in Algarve, Portugal is also now well underway. Atrium Liberdade is an upcoming urban living project that promises a contemporary and sophisticated lifestyle. Currently under construction, this development focuses on providing modern, open-plan living spaces that are strategically designed with a south-facing orientation, ensuring an abundance of natural sunlight. The project is financed by a local bank and constructed by a Portuguese contractor, utilising high-quality materials and equipment sourced locally. Additionally, the project qualifies as urban redevelopment (ARU), contributing to the value of the local community. The project consists of the construction of the 33 apartments with full completion expected end of 2025. All the apartment sales have been secured. The construction costs of the apartments are estimated at €5.5 million, and total sales proceeds reaching €6.6 million. The Group holds 25% interest in this 5,000sqm residential development project.

The Group intends to sell two other properties purchased in 2022: one in Menorca's Mahon harbour, and another on Olbia's main pedestrian street in Sardinia, Italy, totalling €3.2 million. The Group has terminated its two-year operation of the restaurant in Menorca due to challenges of managing a seasonal location outside of Malta, especially with Hammett's Collection expecting to open two new restaurants in Malta within the next 18 months.

The Olbia property has a restaurant permit on the first floor and office space on the second floor was acquired through a liquidation procedure. Both investment properties are listed for sale and expected to be sold this year.

On the hotel accommodation segment with the exit from the 3-star operations completed, the Hotel Group will now focus on expanding its 4-star plus and 5-star luxury brands. The Group is set to open an 18-room top luxury hotel on the Vittoriosa waterfront in Malta in Q2 2025, enhancing the Cugó Gran offering. This new property will benefit from operational synergies of having three hotels around the Cottonera waterfront: Cugó Gran Vittoriosa, Cugó Gran Macina Grand Harbour and the four-plus star IBB Palazzo Bettina Hotel. Additionally, the Group's related company Von der Heyden Malta Properties Limited will in 2025 acquire the remaining 80-year lease of the Cugó Gran Macina property. The Group targets to add another Hotel in 2026. In 2025, the Group also exited from IBB Hotel Eichstatt in Germany. Despite being classified as a four-star establishment, its location in a peripheral town persistently resulted in low occupancy figures and unsatisfactory results.

The Group continues in its strategy to expand the IBB Hotel Collection and the Cugó Gran Collection offering, through by securing properties particularly in Italy, Spain and other promising locations either through acquisitions or long-term management agreements.

On the operational side, the hotel retained in the portfolio are showing continued improved results. The Group will continue with the restructuring programme targeting at making the management structure leaner while enhancing profitability.

In line with the Group strategy to invest in alternative investments to diversify the investment portfolio of the Group towards more recurrent cash flows investments, the Group has started to implement its strategy for growing its low-cost petrol stations operation with washing centres in Spain. After opening the fifth fuel station in April 2025, the strategy is to have 20 secured stations by 2027. Two more stations have been secured for 2025 and the joint venture plans to secure three additional sites before the year end to have 10 operational stations by 2026. To finance the expansion, the Group aims to acquire a majority stake in this venture, seeing this activity as an important asset diversification that will generate significant cash flows.

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

GOING CONCERN

In the year ended 31 December 2024, the Group recorded a €3.1 million loss, slightly higher than last year's €3.0 million loss for the year. Whilst the restructuring of the operations in the Accommodation and Catering sector are well underway, having exited from the 3-star segment, the operating results of the hotels within the remaining portfolio continue to improve.

The real estate development segment faced several challenges due to delays in completing two major projects, AND2 and Villa Diodati. Despite these challenges the real estate segment delivered a net fair value gain of €1.1 million in 2024 (after provision of deferred tax). Works on the Villa Diodati project in Tuscany, Italy has continued to advance towards targeted completion. As of 31 December 2024, the property is valued at €13.2 million based on an 85% completion rate, which is an increase from the previous year's valuation of €10.9 million based on a 70% completion rate.

The 26-story AND2 Tower in Poznan, Poland, has completed its shell and core construction. In 2023, the Group's appointed valuer assessed the property at €61 million, reflecting its carrying value. Ongoing development costs, foreign exchange gains and favourable economic conditions led to a higher valuation of €70.4 million as of 31 December 2024.

After having already secured a senior lending facility for €55 million in 2023, and subsequently securing a mezzanine facility of €16.8 million in 2024, changes in the senior lending facilities consortium required further multi-party renegotiations extending into 2025 slowing down the project as the Group could not draw down on the financing secured to execute the final phase of the project, including the mechanical and engineering works that were targeted to be completed by September 2025.

As of 31 December 2024, the core investment property portfolio and its property, plant, and equipment in the aggregate, account for 75% (2023: 67%) of the Group's total assets. The Group's total assets stood at €154.2 million (2023: €155.9 million), including a cash balance of €5.9 million (2023: €6.5 million). The total shareholders' equity position stood at €29.4 million (2023: €32.6 million).

LIQUIDITY

As of year-end, the Group reports total current liabilities of €40.9 million while total current assets are stated at €13.6 million, resulting to a net current liability position of €27.3 million. The Group's current liabilities include the AND2 contractor financing amounting to €28.2 million (note 23) and a bank loan of €3.8 million which was renewed in 2024 for five years (note 23) but is classified as current due to a minor covenant breach. These two liabilities make up €32.0 million of the total current liabilities and with the ongoing negotiations to refinance the contractor financing and the efforts underway to resolve a minor bank loan covenant breach, the directors do not foresee a demand for repayment of these two liabilities prior to management's actions.

The end-project financing for the AND2 is currently at its conclusion stage. After having already secured a senior lending facility for €55 million, due to subsequent securing of a mezzanine facility of €17 million and changes in the senior lending facilities consortium, including the more recent introduction of a major bank to the consortium, multi-party re-negotiations extended to this year addressing the settlement of the project finance provided by the turnkey contractor to date amounting to €28.2 million and providing the necessary financing to bring the project to a revised completion date of Q3 2026. The AND2 tower on 31 December 2024 was valued at €70.4 million (2023: €61.0 million).

With the negotiations concluded and the term sheet issued by the bank consortium on 29 April 2025, the execution of the tripartite loan agreement is expected in the coming months, leading to the fulfilment of the conditions precedent to release the €17 million mezzanine facility provided by a Polish financial institution, as well as the execution of the conditions leading to the release of the €55 million senior lenders' facility to be provided by the project's bankers. The mezzanine financing agreement has been signed.

The mezzanine facility and the senior bankers' facility will be principally deployed to settle the amounts due to the contractor up to the end of Phase 2 and to finance the subsequent mechanical and engineering works in the final Phase 3 expected to be completed in Q3 2026.

The senior lenders' facility is subject to a number of conditions preceding drawdown, including that of the attainment of the predetermined level of pre-leases of the gross lettable area, that are market standard for a commercial real estate development project of this scale. The Group is progressing well with extensive discussions with several prospective tenants which portends positively in meeting the pre-lease conditions for the first drawdown at the end of phase 2 of the AND2 project not later than March 2026.

The Group is also expected to raise a further €4.5 million private placement three-year note, to refinance the €1.5 million loan repayable later this year, support the Group's investment strategy in the Urbelia Petrol Station Operations refinancing and expansion, provide for the co-financing portion on the acquisition of the Cugó Gran Macina by a related company of the Group and other working capital requirements.

The above liquidity factors constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding, the directors confirm that based on the advanced discussions with the parties involved in the AND2 project, the signed loan agreement that will release the agreed €17 million mezzanine funding and the advanced negotiations for the additional private placement, the directors conclude that it is reasonable to expect that the Group will meet its ongoing obligations and can secure this additional financing imminently.

Moreover, the Group anticipates the realisation of certain additional assets including the Villa Diodati, a 16th-century villa in Lucca, Italy, that is now close to a saleable state of completion and is expected to be sold this year, the complex in Mahon that includes a restaurant and property in the main street of Olbia, Sardinia for the aggregate value of around €20 million.

The Lublin Hotel's €3.8 million banking facility, which was up for renewal in June 2024, has been extended for a further five years. This loan is being presented within current liabilities as repayable on demand as a result of the minor covenant breach to which the bank has issued a waiver subsequent to year-end.

CONCLUSION

Accordingly, after due consideration and extensive review of the Group's cashflow projections for the forthcoming twelve months, including the material uncertainties and mitigating factors mentioned above, as of the date of approving these accounts, the Directors consider that the Group will be able to secure adequate resources to continue operating for the foreseeable future and therefore the Group's financial statements have been prepared on a going concern basis.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Except for the event disclosed in note 31 in the financial statements, there are no other events after the reporting period that require mention in this report.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

The Group will be publishing its third annual ESG report, building on the foundation set in 2022 when the Group outlined its initial decarbonisation objectives. This year's report will see an adjustment in terms of the Group's long-term sustainability goals with the realignment from absolute targets to intensity targets. Absolute targets aim to reduce a company's overall impact, such as emissions. However, for a growing Group expanding its activities, intensity targets are more relevant. We aim to reduce our footprint per square meter by acquiring and operating high-end properties and retrofitting existing ones.

Additionally, the Group has redefined its base-year for measuring decarbonisation progress from 2021 to 2023. This adjustment was necessary because 2021 did not reflect a business-as-usual scenario, with many properties operating at minimal capacity due to government-imposed COVID-19 restrictions. As such, 2023 provides a more accurate and representative baseline for tracking future progress.

A key highlight of the 2024 report is a clear division of ESG disclosures, with separate sections for Environment, Social and Governance. This is a build on the Group's previous years' disclosures, which were mainly focused on climate-related topics and targets.

In 2024, the Group established an ESG Committee to guide its sustainability and ethical practices. The committee integrates ESG principles into operations, culture, and strategic planning, identifies opportunities for improvement, ensures compliance with regulations, and fosters initiatives for long-term stakeholder value. The Group also continued to implement internal reporting obligations aimed at deepening the understanding of its ESG profile. These efforts included monthly reporting by hotel management on critical sustainability indicators such as labour practices, waste and food waste management, and food safety.

Since the readjustment of its targets from absolute to intensity goals, the Group is committed to reducing its energy consumption per square meter and Scope 1 & 2 emissions per square by 40% by 2030.

Beyond environmental performance, the Group continued to pursue social impact initiatives. It maintained its support for vulnerable communities and biodiversity, including donations to local beehives, local charities for World Humanitarian Day, as well as raising funds for the victims of the Valencia Floods in November 2024. Additionally, two successful local clean-up initiatives were organised by hotel staff. In 2024, through the generous contributions of the IBB and Cugó Gran Hotel Collections' guests, we have planted 2,699 trees in Tanzania, absorbing 294.19 tonnes of CO₂, reforesting 18,002.33 sqm of land, and creating 27 workdays for local communities, further strengthening our commitment to sustainable travel.

The Group remains steadfast in its commitment to monitoring its environmental and social impact and to identifying opportunities to adapt to and mitigate climate-related risks in line with global sustainability goals.

DIRECTORS

During the year ended 31 December 2024, the directors were as listed on page 8. In accordance with the Company's Memorandum and Articles of Association, the present directors remain in office.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act (Cap. 386, Laws of Malta) requires the directors to prepare financial statements in accordance with generally accepted accounting principles as defined in and in accordance with the provisions of same Act for each financial period which give a true and fair view of the financial position of the Group and the Company as at the end of the financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accrual basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company, and to enable them to ensure that the consolidated and company financial statements comply with the Companies Act (Cap. 386, Laws of Malta) and the International Financial Reporting Standards as adopted by the European Union. This responsibility includes designing, implementing, and maintaining such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Ernst & Young Malta have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

APPROVAL

This directors' report was approved by the directors on 30 April 2025 and signed by them:



Mr Antonio Fenech
Executive Director



Mr Javier Errejon Sainz de la Maza
Managing Director



Mr Sven von der Heyden
Chairman



FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Notes	Group	2024	2023
			€	€
Revenue				
Other operating income	4		15,280,132	16,702,741
Operating costs	5		296,756	264,305
			(17,222,946)	(18,408,587)
Operating loss			(1,646,058)	(1,441,541)
Other gains	7		2,951,047	5,997,875
Dividend and other investment losses	8		(81,160)	(10,150)
Share in profit of associates	16		187,661	56,414
EBITDA¹			1,411,490	4,602,598
Depreciation and amortization	12, 13, 26		(2,369,288)	(2,756,994)
Impairment of financial assets			(188,406)	-
EBIT²			(1,146,204)	1,845,604
Interest and other related income	9		912,364	408,300
Interest and other related expenses	10		(2,803,400)	(4,319,032)
Loss for the year before tax			(3,037,240)	(2,065,128)
Taxation	11		(83,023)	(945,200)
Loss for the year			(3,120,263)	(3,010,328)
Other comprehensive income or loss				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Translation of foreign operations			178,606	1,085,486
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Share in other comprehensive income of associate			880,522	221,826
Movement in fair value of land and buildings			(179,371)	(502,274)
Other comprehensive income for the year			879,757	805,038
Total comprehensive loss			(2,240,506)	(2,205,290)
Loss for the year attributable to:				
Owners of the parent company			(3,915,913)	(2,073,675)
Non-controlling interests			795,650	(936,653)
			(3,120,263)	(3,010,328)
Other comprehensive income for the year attributable to:				
Owners of the parent company			978,974	301,310
Non-controlling interests			(99,217)	503,728
			879,757	805,038
Total comprehensive income (loss) attributable to:				
Owners of the parent company			(2,936,939)	(1,772,365)
Non-controlling interests			696,433	(432,925)
			(2,240,506)	(2,205,290)

¹ EBITDA: Earnings before interest, taxes, depreciation, and amortisation

² EBIT: Earnings before interest and taxes

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

Notes	Company	
	2024 €	2023 €
Operating costs	5 (912,312)	(958,970)
Operating loss	(912,312)	(958,970)
Other (losses)/gains	7 (4,915,843)	4,457,954
Dividend and other investment income	8 2,572	35,058
EBITDA	(5,825,583)	3,534,042
Impairment of financial assets	13 303,358	(1,733,196)
Depreciation and amortisation	13 (4,070)	(5,359)
EBIT	(5,526,295)	1,795,487
Interest and other related income	9 3,365,405	3,403,196
Interest and other related expenses	10 (2,320,904)	(2,444,730)
(Loss)/Profit for the year before tax	(4,481,794)	2,753,953
Taxation	11 643,473	-
(Loss)/Profit for the year	(3,838,321)	2,753,953
Other comprehensive income	-	-
Total comprehensive (loss)/income	(3,838,321)	2,753,953

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER

		Group	
		2024	2023
	Notes	€	€
ASSETS			
Non-current assets			
Intangible assets	12	262,700	186,541
Property, plant and equipment	13	29,607,202	31,533,939
Right of use assets	26	15,766,963	18,965,940
Investment properties	14	85,242,305	73,506,217
Investment in associates	15.2	2,237,513	1,169,331
Loans and other receivables	17	5,951,055	8,722,430
Other financial assets	18	452,093	1,155,727
Deferred tax assets	11	1,023,111	986,111
Total non-current assets		140,542,942	136,226,236
Current assets			
Inventories	19	159,587	119,719
Loans and other receivables	17	2,070,060	7,059,523
Trade and other receivables	20	5,536,015	5,977,035
Cash and cash equivalents	21	5,862,695	6,542,168
Total current assets		13,628,357	19,698,445
TOTAL ASSETS		154,171,299	155,924,681
EQUITY AND LIABILITIES			
EQUITY			
Share capital	22	3,249,924	3,804,641
Share premium	22	-	4,445,283
Treasury shares	22	-	(2,007,774)
Retained earnings	22	4,844,662	8,442,600
Other reserves	22	5,642,439	3,103,301
Currency translation reserve	22	(1,270,922)	(1,324,949)
Equity attributable to owners of the parent		12,466,103	16,463,102
Non-controlling interests		16,918,798	16,222,365
TOTAL EQUITY		29,384,901	32,685,467
LIABILITIES			
Non-current liabilities			
Borrowings	23	20,811,499	18,578,333
Debt securities in issue	24	39,404,907	39,206,149
Lease liabilities	26	16,821,703	19,970,891
Deferred tax liabilities	11	6,897,032	6,768,344
Total non-current liabilities		83,935,141	84,523,717
Current liabilities			
Borrowings	23	32,712,020	32,757,606
Lease liabilities	26	1,157,892	1,244,143
Debt securities in issue	24	1,713,775	231,958
Current tax liabilities		2,223	103,661
Trade and other payables	25	5,265,347	4,378,129
Total current liabilities		40,851,257	38,715,497
TOTAL LIABILITIES		124,786,398	123,239,214
TOTAL EQUITY AND LIABILITIES		154,171,299	155,924,681

STATEMENTS OF FINANCIAL POSITION

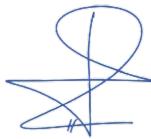
AS AT 31 DECEMBER

	Notes	Company 2024 €	2023 €
ASSETS			
Non-current assets			
Property, plant, and equipment	13	2,860	6,930
Investment in subsidiaries	15	15,363,920	18,756,355
Investment in associates	16	2,249,449	1,240,250
Loans and other receivables	17	37,247,266	45,255,114
Other financial assets	18	522,720	1,226,872
Deferred tax assets	11	643,473	-
Total non-current assets		56,029,688	66,485,521
Current assets			
Loans and other receivables	17	744,876	667,078
Trade and other receivables	20	10,790,066	8,962,482
Cash and cash equivalents	21	3,499,942	3,304,127
Total current assets		15,034,884	12,933,687
TOTAL ASSETS		71,064,572	79,419,208
EQUITY AND LIABILITIES			
EQUITY			
Share capital	22	3,249,924	3,804,641
Share premium	22	-	4,445,283
Treasury shares	22	-	(2,007,774)
Other reserves	22	-	(2,081,212)
Retained earnings	22	27,954,482	31,941,849
TOTAL EQUITY		31,204,406	36,102,787
LIABILITIES			
Non-current liabilities			
Borrowings	23	35,226,887	35,261,236
Total non-current liabilities		35,226,887	35,261,236
Current liabilities			
Borrowings	23	-	4,447,338
Debt securities in issue	24	1,481,250	-
Trade and other payables	25	3,152,630	3,607,847
Total current liabilities		4,633,880	8,055,185
TOTAL LIABILITIES		39,860,166	43,316,421
TOTAL EQUITY AND LIABILITIES		71,064,572	79,419,208

These financial statements on pages 23 to 79 were approved and authorized for issue by the directors on 30 April 2025 and signed by them:



Mr Antonio Fenech
Executive Director



Mr Javier Errejon Sainz de la Maza
Managing Director



Mr Sven von der Heyden
Chairman

STATEMENTS OF CHANGES IN EQUITY

Group	Share capital €	Share premium €	Treasury shares €	Currency translation reserve €	Other reserves €	Retained earnings €	Equity attributable to owners of the parent €	Non-Controlling Interests (NCI) €	Total Equity €
For the year ended 31 December 2023									
Balance at 1 January 2023	3,804,641	4,445,283	-	(1,728,599)	1,505,548	10,208,594	18,235,467	16,655,290	34,890,757
Loss for the year	-	-	-	-	-	(2,073,675)	(2,073,675)	(936,653)	(3,010,328)
Other comprehensive income	-	-	-	403,650	(102,340)	-	301,310	503,728	805,038
Total comprehensive income	-	-	-	403,650	(102,340)	(2,073,675)	(1,772,365)	(432,925)	(2,205,290)
Depreciation transfer for land and buildings	-	-	-	-	(307,681)	307,681	-	-	-
Acquisition of own shares	-	-	(2,007,774)	-	2,007,774	-	-	-	-
As at 31 December 2023	3,804,641	4,445,283	(2,007,774)	(1,324,949)	3,103,301	8,442,600	16,463,102	16,222,365	32,685,467
For the year ended 31 December 2024									
Balance at 1 January 2024	3,804,641	4,445,283	(2,007,774)	(1,324,949)	3,103,301	8,442,600	16,463,102	16,222,365	32,685,467
Loss for the year	-	-	-	-	-	(3,915,913)	(3,915,913)	795,650	(3,120,263)
Other comprehensive income	-	-	-	54,027	924,947	-	978,974	(99,217)	879,757
Total comprehensive income	-	-	-	54,027	924,947	(3,915,913)	(2,936,939)	696,433	(2,240,506)
Depreciation transfer for land and buildings	-	-	-	-	(360,917)	360,917	-	-	-
Revaluation reserve released to retained earnings on asset disposal	-	-	-	-	(106,104)	106,104	-	-	-
Dividends declared	-	-	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Repurchase of Ordinary B shares	-	-	(2,081,212)	-	2,081,212	-	-	-	-
Cancellation of Ordinary B shares	(554,717)	(4,445,283)	4,088,986	-	-	850,954	(60,060)	-	(60,060)
As at 31 December 2024	3,249,924	-	-	(1,270,922)	5,642,439	4,844,662	12,466,103	16,918,798	29,384,901

STATEMENTS OF CHANGES IN EQUITY

Company	Share capital €	Share premium €	Retained earnings €	Other reserves €	Treasury shares €	Total Equity €
For the year ended 31 December 2023						
Balance at 1 January 2023	3,804,641	4,445,283	29,187,896	(4,088,986)	-	33,348,834
Profit for the year	-	-	2,753,953	-	-	2,753,953
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	2,753,953	-	-	2,753,953
Acquisition of own shares (Note 22)	-	-	-	2,007,774	(2,007,774)	-
As at 31 December 2023	3,804,641	4,445,283	31,941,849	(2,081,212)	(2,007,774)	36,102,787
For the year ended 31 December 2024						
Balance at 1 January 2024	3,804,641	4,445,283	31,941,849	(2,081,212)	(2,007,774)	36,102,787
Loss for the year	-	-	(3,838,321)	-	-	(3,838,321)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	(3,838,321)	-	-	(3,838,321)
Dividends declared	-	-	(1,000,000)	-	-	(1,000,000)
Repurchase of Ordinary B shares (Note 22)	-	-	-	2,081,212	(2,081,212)	-
Cancellation of Ordinary B shares (Note 22)	(554,717)	(4,445,283)	850,954	-	4,088,986	(60,060)
As at 31 December 2024	3,249,924	-	27,954,482	-	-	31,204,406

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Cash flows (used in) / from operating activities				
(Loss) / Profit before tax	(3,037,240)	(2,065,128)	(4,481,794)	2,753,953
<i>Adjustments for:</i>				
- Depreciation and amortization (Notes 12, 13 and 26)	2,369,288	2,756,994	4,070	5,359
- Gain on derecognition of Right of Use Asset and Lease Liability	(277,506)	-	-	-
- Loss on sale of Yacht	89,551	-	-	-
- Loss on disposal of Other Financial Asset	81,908	-	-	-
- Impairment of investment in associates and subsidiaries (Note 7)	-	13,750	-	132,482
- Impairment of financial assets	188,406	-	770,317	1,733,196
- Gain on termination and remeasurement of leases under IFRS 16 (Note 7)	-	(358,181)	-	-
- Gain on disposal of investment property (Note 7)	-	(487,924)	-	-
- Movement in fair values of investment properties (Note 7)	(1,083,587)	(3,101,550)	-	-
- Movement in fair values of investment in subsidiaries and associates (Note 7)	-	-	4,937,208	(4,669,886)
- Movement in fair value of FVTPL investments (Note 7)	112,592	98,282	(22,044)	61,764
- Loss on disposal of other financial assets (Note 8)	-	-	81,908	100,802
- Share in profits of associates (Note 16)	(187,661)	(56,414)	-	-
- Gain on release of provisions	-	-	-	-
- Loss / (Gain) on disposal of FVTPL investments	-	39,962	-	-
- Dividend income (Note 8)	-	(29,812)	-	-
- Foreign exchange gains	(1,287,115)	(2,122,716)	-	-
- Interest and other related income (Note 9)	(912,364)	(408,300)	(3,365,405)	(3,403,196)
- Interest and other related expenses (Note 10)	2,803,400	4,319,032	2,320,904	2,444,730
Operating (loss) / profit before working capital movements				
Movement in inventories	(1,140,328)	(1,402,005)	245,164	(840,796)
Movement in trade and other receivables	(39,868)	(54,920)	-	-
Movement in trade and other payables	1,073,224	856,685	(1,021,328)	474,065
Cash generated (used in) / from operations	489,433	532,704	(455,818)	133,184
Income taxes paid	382,461	(67,536)	(1,231,982)	(233,547)
Net cash flows (used in) / from operating activities	(67,135)	(33,756)	-	-
	315,326	(101,292)	(1,231,982)	(233,547)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Net cash flows (used in) / from operating activities	315,326	(101,292)	(1,231,982)	(233,547)
Cash flow used in investing activities				
Payments to acquire:				
- Property, plant and equipment (Note 13)	(55,849)	(1,067,278)	-	-
- Investment properties (Note 14)	(3,429,394)	(26,684,791)	-	-
- Intangible assets (Note 12)	(95,150)	(148,502)	-	-
- Financial assets (Note 18)	-	(181,312)	-	(154,932)
- Associates (Note 16)	-	(13,750)	-	(38,750)
Proceeds from disposals of:				
- Property, plant and equipment (Note 13)	1,072,109	200,000	-	-
- Investment properties (Note 14)	-	2,065,000	-	-
- Financial assets (Note 18)	546,652	1,253,623	644,288	2,429,595
- Subsidiaries and/or associates	-	-	-	113,668
Dividends received from FVTPL investments (Note 8)	-	29,812	-	786,641
Net movement in loans to:				
- Ultimate parent company	(17,500)	(600,658)	-	-
- Group companies	-	-	4,769,274	(2,195,020)
- Associates and other related parties	(265,549)	(856,165)	56,250	-
- Third parties	7,444,419	-	-	-
Net movement in amounts due from:				
- Associates and other related parties	-	755,754	-	-
Interest received	89,007	66,860	1,418,761	92,952
Net cash flows (used in) / from investing activities	5,288,745	(25,181,407)	6,888,573	1,034,154

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Net cash flows (used in) / from operating activities	315,326	(101,292)	(1,231,982)	(233,547)
Net cash flows used in / from investing activities	5,288,745	(25,181,407)	6,888,573	1,034,154
Cash flow used in financing activities				
Repurchase of own shares (Note 22)	(4,507,398)	(2,007,774)	(4,507,398)	(2,007,774)
Proceeds from sale of bonds held in Treasury	86,100	-	-	-
Proceeds from new issuance of bonds/notes	-	4,837,288	-	-
Private notes issue	1,470,000	-	1,470,000	
Repayment of debt securities in issue	-	(63,630)	-	-
Proceeds from disposal of other financial assets	-	1,179,089	-	-
Proceeds from contractor financing	-	18,568,625	-	-
Net proceeds from borrowings from banks	200,000	2,300,000	-	-
Repayment of borrowings from banks	(456,463)	(668,963)	-	-
Payments of principal portion of lease liabilities	(1,191,404)	(1,340,132)	-	-
Net movement in borrowings from:				
- Group companies	-	-	(165,500)	(524,090)
- Associates and other related parties	800,000	326,500	-	(139,177)
- Third parties	-	-	-	-
Interest paid	(3,094,647)	(3,412,220)	(2,257,878)	(509,695)
Net cash flows from / (used in) financing activities	(6,693,812)	19,718,783	(5,460,776)	(3,180,736)
Effect of changes in foreign exchange	410,268	(546,327)	-	-
Net movement in cash and cash equivalents	(679,473)	(6,110,243)	195,815	(2,380,129)
Cash and cash equivalents at the beginning of the year	6,542,168	12,652,411	3,304,127	5,684,256
Cash and cash equivalents at the end of the year	5,862,695	6,542,168	3,499,942	3,304,127

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

TIMAN Investments Holdings Limited (hereinafter referred to as "Company" or "TIH") is a limited liability company registered and domiciled in Malta. Its registered office is 14 East, Level 8, Sliema Road, Gzira GZR1639, Malta and its registration number is C 63335.

The Company and its subsidiaries (collectively referred to as "Group") are involved in real estate investments, property management, development and leasing, hospitality and tourism operations, and hotel management across Europe including Germany, Malta and Poland. Information on the Group's subsidiaries is provided within Note 2.4 below.

TIMAN Investments Holdings Limited is the parent company of the Group, and its principal activity is the holding of interests in other companies, subsidiaries, and associates as well as investing in various investment products for capital growth and income generation. The Company also provides financing to subsidiaries, associate companies and related parties.

Von Der Heyden Group Holdings B.V. (hereinafter referred to as "Ultimate Parent", or "VDHGH"), a company registered in Curaçao with registered address at Landhuis Groot Kwartier, Groot Kwartierweg 12 Curaçao, is the immediate and ultimate parent of the Company which effectively holds 100% of the voting capital of the Company as at 31 December 2024 (2023: 85.42%). Of the remaining 14.58% voting capital of the Company as of 31 December 2023, 10% of which was owned by Trusthigh Holdings Limited (hereinafter referred to as "Trusthigh"), a company registered in Ireland, and the 4.58% was owned by the Company (Note 23). The ultimate controlling party of the Group is Mr Sven von der Heyden, a resident of Malta as at the end of the reporting period.

2. MATERIAL ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and the requirements of the Companies Act (Cap. 386) of the laws of Malta.

These financial statements have been prepared on a historical cost basis, except for investment properties, certain properties (classified as property, plant and equipment), and debt and equity financial assets that have been measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods or services at the point of transaction.

These financial statements are presented in EUR (€) which is also the Company's functional currency.

2.2. GOING CONCERN

In the year ended 31 December 2024, the Group recorded a €3.1 million loss, slightly higher than last year's €3.0 million loss for the year. Whilst the restructuring of the operations in the Accommodation and Catering sector are well underway, having exited from the 3-star segment, the operating results of the hotels within the remaining portfolio continue to improve.

The real estate development segment faced several challenges due to delays in completing two major projects, AND2 and Villa Diodati. Despite these challenges the real estate segment delivered a net fair value gain of €1.1 million in 2024 (after provision of deferred tax). Works on the Villa Diodati project in Tuscany, Italy has continued to advance towards targeted completion. As of 31 December 2024, the property is valued at €13.2 million based on an 85% completion rate, which is an increase from the previous year's valuation of €10.9 million based on a 70% completion rate.

The 26-story AND2 Tower in Poznan, Poland, has completed its shell and core construction. In 2023, the Group's appointed valuer assessed the property at €61 million, reflecting its carrying value. Ongoing development costs, foreign exchange gains and favourable economic conditions led to a higher valuation of €70.4 million as of 31 December 2024.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.2. GOING CONCERN - *continued*

After having already secured a senior lending facility for €55 million in 2023, and subsequently securing a mezzanine facility of €17 million in 2024, changes in the senior lending facilities consortium required further multi-party renegotiations extending into 2025 slowing down the project as the Group could not draw down on the financing secured to execute the final phase of the project, including the mechanical and engineering works that were targeted to be completed by September 2025.

As of 31 December 2024, the core investment property portfolio and its property, plant, and equipment in the aggregate, account for 75% (2023: 67%) of the Group's total assets. The Group's total assets stood at €154.2 million (2023: €155.9 million), including a cash balance of €5.9 million (2023: €6.5 million). The total shareholders' equity position stood at €29.4 million (2023: €32.6 million).

LIQUIDITY

As of year-end, the Group reports total current liabilities of €40.9 million while total current assets are stated at €13.6 million, resulting to a net current liability position of €27.3 million. The Group's current liabilities include the AND2 contractor financing amounting to €28.2 million (note 23) and a bank loan of €3.8 million which was renewed in 2024 for five years (note 23) but is classified as current due to a minor covenant breach. These two liabilities make up €32.0 million of the total current liabilities and with the ongoing negotiations to refinance the contractor financing and the efforts underway to resolve a minor bank loan covenant breach, the directors do not foresee a demand for repayment of these two liabilities prior to management's actions.

The end-project financing for the AND2 is currently at its conclusion stage. After having already secured a senior lending facility for €55 million, due to subsequent securing of a mezzanine facility of €17 million and changes in the senior lending facilities consortium, including the more recent introduction of a major bank to the consortium, multi-party re-negotiations extended to this year addressing the settlement of the project finance provided by the turnkey contractor to date amounting to €28.2 million and providing the necessary financing to bring the project to a revised completion date of Q3 2026. The AND2 tower on 31 December 2024 was valued at €70.4 million (2023: €61.0 million).

With the negotiations concluded and the term sheet issued by the bank consortium on 29 April 2025, the execution of the tripartite loan agreement is expected in the coming months, leading to the fulfilment of the conditions precedent to release the €17.0 million mezzanine facility provided by a Polish financial institution, as well as the execution of the conditions leading to the release of the €55 million senior lenders' facility to be provided by the project's bankers. The mezzanine financing agreement has been signed.

The mezzanine facility and the senior bankers' facility will be principally deployed to settle the amounts due to the contractor up to the end of Phase 2 and to finance the subsequent mechanical and engineering works in the final Phase 3 expected to be completed in Q3 2026.

The senior lenders' facility is subject to a number of conditions preceding drawdown, including that of the attainment of the predetermined level of pre-leases of the gross lettable area, that are market standard for a commercial real estate development project of this scale. The Group is progressing well with extensive discussions with several prospective tenants which portends positively in meeting the pre-lease conditions for the first drawdown at the end of phase 2 of the AND2 project not later than March 2026.

The Group is also expected to raise a further €4.5 million private placement three-year note, to refinance the €1.5 million loan repayable later this year, support the Group's investment strategy in the Urbelia Petrol Station Operations refinancing and expansion, provide for the co-financing portion on the acquisition of the Cugó Gran Macina by a related company of the Group and other working capital requirements.

The above liquidity factors constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding, the directors confirm that based on the advanced discussions with the parties involved in the AND2 project, the signed loan agreement that will release the agreed €17 million mezzanine funding and the advanced negotiations for the additional private placement, the directors conclude that it is reasonable to expect that the Group will meet its ongoing obligations and can secure this additional financing imminently.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.2. GOING CONCERN - *continued*

Moreover, the Group anticipates the realisation of certain additional assets including the Villa Diodati, a 16th-century villa in Lucca, Italy, that is now close to a saleable state of completion and is expected to be sold this year, the complex in Mahon that includes a restaurant and property in the main street of Olbia, Sardinia for the aggregate value of around €20 million.

The Lublin Hotel's €3.8 million banking facility, which was up for renewal in June 2024, has been extended for a further five years. This loan is being presented within current liabilities as repayable on demand as a result of the minor covenant breach. This loan is being presented within current liabilities as repayable on demand as a result of the minor covenant breach to which the bank has issued a waiver subsequent to year-end.

CONCLUSION

Accordingly, after due consideration and extensive review of the Group's cashflow projections for the forthcoming twelve months, including the material uncertainties and mitigating factors mentioned above, as of the date of approving these accounts, the Directors consider that the Group will be able to secure adequate resources to continue operating for the foreseeable future and therefore the Group's financial statements have been prepared on a going concern basis.

2.3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments to standards effective and applied in the current year

The following amendments to published and adopted standards took effect in the current year:

- Amendments to IAS 1: *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (effective for financial years beginning on or after 1 January 2024)
- Amendments to IFRS 16 Leases: *Lease Liability in a Sale and Leaseback* (effective for financial years beginning on or after 1 January 2024)
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures: Supplier Finance Arrangements* (effective for financial years beginning on or after 1 January 2024)

These amendments did not have an impact on these financial statements.

New standards, interpretations, and amendments to standards adopted by the European Union but not yet effective in the current year

The following amendments to adopted standards were published and adopted in the European Union but are not yet effective in the current year:

- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (effective for financial years beginning on or after 1 January 2025)

These amendments are not expected to have an impact on these financial statements on their initial application.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS - *continued*

New standards, interpretations and amendments to adopted standards that are not yet effective nor adopted by the European Union

The following new standards and amendments to adopted standards have been published by the International Accounting Standards Board (IASB) but are not yet effective in the current year and have not yet been adopted in the European Union:

- Amendments to the *Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 and IFRS 7) (effective for financial years beginning on or after 1 January 2026)
- Amendments to IFRS 9 and IFRS 7 (Contracts Referencing Nature-dependent Electricity) (issued on 18 December 2024) (effective for financial years beginning on or after 1 January 2026)
- Annual Improvements Volume 11 (effective for financial years beginning on or after 1 January 2026)
- *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7* (effective for financial years beginning on or after 1 January 2026)
- IFRS 18 *Presentation and Disclosure in Financial Statements* (effective for financial years beginning on or after 1 January 2027)
- IFRS 19 *Subsidiaries without Public Accountability: Disclosures* (effective for financial years beginning on or after 1 January 2027)

With the exception of IFRS 18, none of the other mentioned amendments and standards are expected to have an impact on the financial position or performance of the Group. Management is yet to finalised its impact assessment on the Group.

2.4. BASIS OF CONSOLIDATION

These consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are 'investee entities' over which the Group has control. Control is achieved when the Group:

- has power over the investee entity;
- is exposed, or has rights, to variable returns from its involvement with the investee entity; and
- has the ability to use its power over the investee entity to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests (NCI), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value (Note 30).

2. MATERIAL ACCOUNTING POLICIES – continued

2.4. BASIS OF CONSOLIDATION – continued

Information about the composition of the Group

These consolidated financial statements are comprised of the following:

Name	Principal activities	City	Domicile	Shareholding (%)	
				2024	2023
Directly held by the Company					
Von der Heyden Group Finance PLC	Financing	Gzira	Malta	99.99	99.99
IBB Hotel Collection Holding Limited.	Investment holding	Gzira	Malta	99.59	99.59
Asset Management Company Von der Heyden Group LLC	Dormant company	Kiev	Ukraine	100.00	100.00
Von der Heyden Group Services Limited	Service company	Gzira	Malta	100.00	100.00
Von der Heyden Yachting Limited	Yacht leasing	Gzira	Malta	100.00	100.00
Gzira 14 East Limited	Property leasing	Gzira	Malta	100.00	100.00
IBB Hotel Verwaltungsgesellschaft mbH	Dormant company	Berlin	Germany	100.00	100.00
First Polish Real Estate B.V.	Investment holding	Amsterdam	Netherlands	53.45	53.45
Andersia Tower Hotel Management Sp. z o.o.	Dormant company	Poznan	Poland	24.53	24.53
Lublin Grand Hotel Sp. z o.o.	Property holding	Lublin	Poland	75.00	75.00
Nowy Swiat 5 Sp. z o.o.	Property holding	Warsaw	Poland	100.00	100.00
Von der Heyden & Partners Sp. z o.o.	Property holding	Warsaw	Poland	100.00	100.00
Von der Heyden Development Sp. z o.o.	Management services	Warsaw	Poland	100.00	100.00
Timan Investments España S.L.	Property holding	Menorca	Spain	100.00	100.00
Villa Diodati S.R.L.	Property holding	Pisa	Italy	100.00	100.00
Cugo Gran Hamburg GmbH	Dormant company	Hamburg	Germany	100.00	100.00
Held by the Group					
IBB Management 2007 S.L.	Hotel management	Mallorca	Spain	99.59	99.59
Hotel Sol del Este S.L.	Dormant company	Menorca	Spain	99.59	99.59
IBB España 2004 S.L.	Hotel management	Menorca	Spain	99.59	99.59
Kalagastur S.L.	Dormant company	Menorca	Spain	99.59	99.59
Donaupassage Hotel Betriebs GmbH	Hotel management	Passau	Germany	99.59	99.59
IBB Hotels Deutschland Betriebs GmbH	Hotel management	Ingelheim	Germany	99.59	99.59
IBB Blue Hotel Betriebs GmbH	Hotel management	Berlin	Germany	99.59	99.59
Palazzo Bettina Operations Limited	Hotel management	Gzira	Malta	99.59	99.59
IBB Hotel Management Europe Limited	Hotel management	Gzira	Malta	99.59	99.59
Senglea Hotel Operations Limited	Hotel operations	Gzira	Malta	99.59	99.59
Andersia Tower Hotel Management Sp. Z o.o.	Dormant company	Poznan	Poland	49.08	49.08
Dlugi Targ Hotel Management Sp. Z o.o.	Hotel management	Lublin	Poland	50.00	50.00
Lublin Grand Hotel Management Sp. Z o.o.	Hotel management	Lublin	Poland	74.63	74.63
IBB Polska Sp. Z o.o.	Hotel management	Lublin	Poland	99.59	99.59
Andersia Property Sp. Z o.o.	Property management	Poznan	Poland	66.67	66.67
Dlugi Targ Sp. Z o.o.	Property holding	Lublin	Poland	66.67	66.67
SPV WWI Sp. Z o.o.	Dormant company	Warsaw	Poland	100.00	100.00
Andersia Retail Sp. Z o.o.	Property developer	Poznan	Poland	66.67	66.67
Viajes Menorca S.L.	Travel agency	Menorca	Spain	88.93	88.93
SPV Project 2101 S.R.L.	Special purpose vehicle	Milan	Italy	N/a	N/a
Cugo Gran Vittoriosa Operations Ltd.	Hotel Management	Vittoriosa	Malta	100.00	N/a

The remaining proportion of equity interest not held by the Company and /or the Group are the proportion held by non-controlling interests.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.5. BUSINESS COMBINATION AND GOODWILL

Business combinations, except for combinations involving common control companies, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held versus the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6. BUSINESS COMBINATION UNDER COMMON CONTROL

A business combination under common control is a transaction when the Group acquires a company, or brings into the Group for consolidation, for which the latter is already under common control by the same ultimate controlling party of the Group. The Group adopts a predecessor approach to account for business combinations under common control whereby the assets and liabilities of the acquiree are taken in the consolidated financial statements at their carrying amounts rather than at fair value and the difference between the consideration paid and the net assets/liabilities of the acquiree are recognised directly in equity. Goodwill is only recognised if it pertains to existing goodwill.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.7. FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in Euro (€), which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

On consolidation, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate). The principal exchange rates against the Group currency used in preparing the financial statements are:

	Assets and liabilities		Income, expenses and cash flows	
	2024	2023	2024	2023
PLN	4.2750	4.3395	4.3058	4.5420

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment other than land and buildings and yacht are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Certain land and buildings are stated at revalued cost less accumulated depreciation in case of buildings and yacht.

Depreciation is provided on all items of property, plant and equipment, except freehold land and assets under construction, at the rates calculated to write-off the cost less residual value over their expected useful life as follows:

	%
Building	1 – 2
Machinery and equipment	7 – 25
Commercial yacht	7

Land and buildings are revalued by a professionally qualified architect/surveyor on the basis of market values. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

2.9. INVESTMENT PROPERTY

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee

2.10. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

In the company financial statements, investment in subsidiaries and associates are carried at fair value at each reporting date with gains and losses in changes in fair value are taken to profit or loss.

A subsidiary is an investee company over which the Company has control. Refer to 2.4 for more information about subsidiaries. An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investment in subsidiaries and associates are initially recognised in the separate financial statements at cost, being the fair value of the consideration given, including acquisition charges associated with the investment.

Subsequent to initial recognition, the investments in subsidiaries and associates in the separate financial statements of the Company are measured at fair value in accordance with IFRS 9. Gains and losses in changes in fair value are taken to profit or loss.

In the consolidated financial statements of the Group, subsequent to initial recognition, investment in associates are accounted for using the equity method. Under the equity method, the carrying amount of the investment in associate is adjusted for the share in net income or loss of the associate, dividends received, and other equity movements of the associate. Where the Group's share of losses in an associate equal or exceeds its interest in the associate, including any unsecured receivable, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. The use of the equity method ceases from the date that significant influence ceases.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.11. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

FINANCIAL ASSETS

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at fair value through profit or loss (FVTPL)

All financial assets that are neither classified as financial assets at amortised cost nor financial assets at fair value through OCI as described in the accounting policies below are classified as financial assets at fair value through profit or loss. Investments in debt instruments that also meet the criteria to be classified as at amortised cost or at fair value through OCI below can also be classified under this category upon irrevocable designation by the directors if doing so eliminates or significantly reduces an accounting mismatch. Subsequent to initial recognition, changes in the fair values of financial assets under this category are recognised in profit or loss.

Financial assets at amortised cost

Investments in debt instruments that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and that the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are classified as financial assets at amortised cost.

Investments in debt instruments under this category are initially recognised at fair value and subsequently measured at amortised using the effective interest method and are subject to impairment. Interest income is recognised in profit or loss and is calculated by applying the effective interest rate to the gross carrying amount of the debt instrument that is not credit impaired, or to the amortised cost if credit impaired. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and recognised in other gains only to the extent that it arises from a change in factor, such as time.

The Group's financial assets under this classification include trade receivables, loans to related parties, amounts owed by related parties.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

In respect of purchased or originated credit impaired (POCI) assets, the ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses. POCI assets are financial assets that are credit impaired on initial recognition and are recorded at fair value on original recognition with interest income subsequently being recognised on a credit-adjusted EIR.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.11. FINANCIAL INSTRUMENTS - *continued*

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVTOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at FVTOCI comprise solely of quoted bonds that are graded in the top investment category and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

FINANCIAL LIABILITIES

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial liabilities at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12. CASH AND CASH EQUIVALENTS

Cash in hand and at banks and short-term deposits with an original maturity of less than three months are carried at cost.

Cash and cash equivalents are defined as cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and deposits at banks.

2.13. SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares are recognised as a deduction from equity.

Share premium represents the net consideration received in excess of the nominal value of the shares upon issuance.

2.14. PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the financial reporting date and are discounted to present value when the effect is material. Provisions are reviewed at each financial reporting date and adjusted to reflect the current best estimate.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.15. REVENUE

The Group recognises revenue from the following major sources:

- accommodation and catering
- administration and consulting
- property leasing

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties including governmental agencies (e.g. sales taxes and fees). The Group recognises revenue when it transfers control of a product or service to a customer.

Accommodation and catering revenues

Accommodation revenue corresponds to all the revenues from guests at our owned and leased hotels. The services rendered such as room rentals, food and beverage sales and other ancillary services are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. Room rentals are recognised over time when rooms are occupied, while food and beverage sales and ancillary services are recognised at a point in time when goods and services have been delivered or rendered. Invoicing is done upon check-out and payment of the transaction price is immediate.

Catering revenue pertains to the catering services and food and beverage sales related to catering. The transaction price comprises a fixed amount agreed with the respective customer. Revenue is recognised at a point in time that the services are provided to the customer. Any upfront payments are deferred as contract liabilities.

Administration and consulting

Revenue from administration and consulting is recognised over time on a monthly basis based on the actual number of months rendered as a proportion to the duration of the agreed term or when the services are rendered.

Property leases

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property.

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Amounts received from tenants to terminate leases are recognised in the statement of profit or loss when the right to receive them arises.

Practical expedients and exemptions

Financing component

The Group does not expect to have material contracts where the period between satisfaction of the performance obligations and payment by the customer exceeds one year. Consequently, the Group does not adjust any of its transaction prices for the time value of money.

Disclosure of variable consideration

The Group does not disclose the amount of variable consideration that the Group is expected to recognise in future periods in the following circumstances:

- if the revenue is recognised based on the amount invoiced or services performed; or
- if the consideration is allocated entirely to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation, and terms of the consideration relate specifically to a specific outcome from transferring the service.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.16. LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Depreciation charged varies from 4 to 30 years.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.17. IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of the Group's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.18. TAXATION

The tax charge/(credit) in the profit and loss for the year normally comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.19. RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

2.20. FAIR VALUE MEASUREMENT

The Group measures financial instruments, and non-financial assets such as land & buildings and investment properties, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

2. MATERIAL ACCOUNTING POLICIES – *continued*

2.20. FAIR VALUE MEASUREMENT - *continued*

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. SIGNIFICANT JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES

In preparing the financial statements, the directors are required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and, if a change is needed, it is accounted for in the year the changes become known.

Except for the below, in the opinion of the Directors, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as significant in terms of the requirements of IAS 1 *Presentation of financial statements*.

3.1. FAIR VALUE MEASUREMENTS AND VALUATION PROCESSES

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors of the Company has tasked the Group Managing Director and the Group Financial Controller to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The Group Managing Director and the Group Financial Controller work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group Managing Director and the Group Financial Controller reports their findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities and the board of directors verifies.

External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets. Involvement of external valuers is determined annually by the board of directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The board of directors decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

3. SIGNIFICANT JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES - continued

At each reporting date, the Board of Directors analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Board of Directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in their respective notes.

The Group uses the services of professional valuers to revalue the land and buildings and investment property.

The professional valuers take into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The highest and best use of a non-financial asset takes into account the use of the asset that is physically possible, legally permissible and financially feasible, as follows:

- A use that is physically possible, takes into account the physical characteristics of the asset that market participants would take into account when pricing the asset (e.g. the location or size of a property).
- A use that is legally permissible takes into account any legal restrictions on the use of the asset that market participants would take into account when pricing the asset (e.g. the zoning regulations applicable to a property).
- A use that is financially feasible takes into account whether a use of the asset that is physically possible and legally permissible generates adequate income or cash flows (taking into account the costs of converting the asset to that use) to produce an investment return that market participants would require from an investment in that asset put to that use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. As described in Note 30, the Group uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of land and building and investment property. Note 30 provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

3.2. FAIR VALUE OF INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES – SEPARATE FINANCIAL STATEMENTS

As described in Note 15, the Group uses valuation techniques that include inputs that are not always based on observable market data in order to estimate the fair value of investment in subsidiaries and associates. Note 15 provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations. The Directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the investment in subsidiaries and associates in accordance with EU-IFRS.

3.3. INVESTMENT IN ASSOCIATES

Investments in associates are carried at equity method for the Group and at fair value for the Company. For one of its associates, the Company has agreements in place to hold a percentage of the shares as trustee on behalf of other principals. The associate has been accounted for using the effective shareholding which is reflective of the returns to which the Group and the Company are entitled as a principal. Whilst the Group may have power over this share, as the shares are held in a trustee capacity, the Group has no right to variable returns on such.

3. SIGNIFICANT JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES - *continued*

3.4. DETERMINING THE LEASE TERM ON CONTRACTS

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the options available as part of the lease term for its property leases. The Group typically exercises its option to renew for these leases in view of the investment made in the operations in each location.

3.5. CONSOLIDATION OF SPECIAL PURPOSE VEHICLE

In 2021, the Group launched an asset securitisation vehicle created under the Italian Securitisation Law (Italian Law 130/1999) and regulated by the Bank of Italy. The Group does not hold any ownership interests in the vehicle. However, based on the terms of agreements under which the vehicle was established, the Group is entitled to variable returns from its involvement in the vehicle and that the Group has rights that give it the ability to direct this vehicle's activities substantially and affect those variable returns. Consequently, the Group has control over this vehicle and therefore is being consolidated in these financial statements of the Group. The vehicle was set-up as a securitisation vehicle with the purpose of acquiring credits and eventually securitise them. During the year, the vehicle sold the notes to a third-party financial institution for €7.5 million. As of 31 December 2024, the special purpose vehicle does not have other assets except for residual bank balances to settle maintenance fees until the liquidation process is completed.

4. REVENUE

	Group	
	2024 €	2023 €
Revenue by geographical region:		
Poland	4,564,247	4,341,519
Spain	1,157,640	1,149,283
Germany	6,687,246	9,070,090
Malta	2,870,999	2,141,849
	15,280,132	16,702,741
Revenue by activity:		
Accommodation	10,741,693	11,650,560
Catering	2,584,410	2,939,192
Leasing	750,408	823,718
Other	1,203,621	1,289,271
	15,280,132	16,702,741

5. EXPENSES BY NATURE

Loss before tax is stated after charging:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Cost of sales	1,503,917	1,860,756	-	-
Staff costs (Note 6)	6,958,038	7,687,299	346,840	362,446
Legal, professional and other related fees	1,146,356	1,096,455	254,324	280,086
Auditor fees	311,000	310,471	60,000	48,144
Marketing costs	176,975	149,678	419	1,039
Lease and related expenses (Note 26)	532,785	494,089	65,133	52,953
General and administrative expenses	515,504	751,293	69,120	3,347
Commissions	980,499	1,063,788	-	-
Cleaning and upkeep	1,796,859	1,921,613	3,067	520
Utilities, water and electricity	1,251,611	1,252,500	-	-
Other operating expenses	2,049,402	1,820,645	113,409	210,435
	17,222,946	18,408,587	912,312	958,970

6. STAFF COSTS

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Salaries and wages	5,067,351	5,628,626	195,185	212,290
Social security costs	907,958	1,018,771	9,403	7,805
Directors' fees and remuneration (Note 27)	5,975,309	6,647,397	204,588	220,095
	982,729	1,039,902	142,252	142,351
	6,958,038	7,687,299	346,840	362,446
Average number of employees	169	173	8	7

7. OTHER GAINS / (LOSSES)

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Net foreign exchange differences	1,287,115	2,162,252	(679)	(17,686)
Movement in fair value of investment properties (Note 14)	1,083,587	3,101,550	-	-
Gain on early termination of leases (Note 26)	807,506	358,181	-	-
Movement in fair value of financial assets at fair value through profit and loss (Note 28)	(112,592)	(98,282)	22,044	(61,764)
Loss on disposal of property, plant and equipment	(89,551)	-	-	-
Gain on disposal of investment property (Note 14) (i)	-	487,924	-	-
Movement in fair value of investments in subsidiaries and associates (Notes 15 and 15.2)	-	-	(4,937,208)	4,669,886
Impairment of investment in associate (Note 15.2)	-	(13,750)	-	(13,750)
Impairment of investment in subsidiaries (Note 15)	-	-	-	(118,732)
Other	(25,018)	-	-	-
	2,951,047	5,997,875	(4,915,843)	4,457,954

(i) In 2023, the Group sold one of its investment properties and a resulting gain amounting to €487,924 was recognised.

8. DIVIDEND AND OTHER INVESTMENT INCOME OR LOSS

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Dividend income	748	29,812	746	29,812
Interest income on other financial assets	-	59,525	83,734	106,048
Loss on disposal of other financial assets	(81,908)	(99,487)	(81,908)	(100,802)
	(81,160)	(10,150)	2,572	35,058

9. INTEREST AND OTHER RELATED INCOME

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Interest on:				
Bank balances	9	121	55	23
Loan to associates and related parties	168,424	182,076	129,560	162,544
Loan to group companies	-	-	2,982,463	3,012,234
Loan to third parties	402,785	1,278	2,308	1,278
Loan to ultimate beneficial owner	-	86	-	-
Loan to ultimate parent company	251,019	224,229	251,019	227,117
Other interest and other related income	90,127	510	-	-
	912,364	408,300	3,365,405	3,403,196

10. INTEREST AND OTHER RELATED EXPENSES

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Interest on:				
Bank loans and charges	687,675	626,039	309	419
Debt securities in issue	2,254,045	1,879,025	11,250	-
Finance lease liabilities (Note 26)	889,687	1,088,827	-	-
Loan from associates and related parties	460,251	445,299	51,777	41,618
Loan from group companies	-	-	2,257,568	2,153,801
Loan from third parties	2,759,886	25,489	-	-
Loan from ultimate beneficial owner	-	670	-	-
Other interest-bearing payables	35,490	4,791	-	-
Equity instruments classified as financial liability	-	248,892	-	248,892
	7,087,034	4,319,032	2,320,904	2,444,730
Capitalised borrowing costs	(4,283,634)	-	-	-
	2,803,400	4,319,032	2,320,904	2,444,730

11. TAXATION

11.1. INCOME TAX EXPENSE

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Current tax expense				
Corporate income tax expense	(62,125)	135,870	-	-
Corporate income tax adjustments in respect of prior periods	22,272	(30,636)	-	-
	(39,853)	105,234	-	-
Deferred tax expense				
Charged to profit or loss	(43,170)	839,966	643,473	-
Income tax expense	(83,023)	945,200	643,473	-

11. TAXATION - continued

11.2. TAX RECONCILIATION

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
(Loss)/Profit before tax	(3,037,240)	(2,065,128)	(4,481,794)	2,753,953
Theoretical credit at the parent company's domestic tax rate of 35%	(1,063,034)	(722,795)	(1,568,628)	963,884
<i>Tax effects of:</i>				
- Non-taxable income	(147,733)	(2,080,082)	-	-
- Non-deductible expenses	1,046,913	1,239,879	1,632,577	(856,351)
- Unabsorbed tax losses not recognised	(286,502)	1,401,061	-	(88,221)
- Revaluation of assets	379,255	1,085,543	-	-
- Other differences	3,370	(21)	110	(19,312)
- Income tax related to prior period	(22,272)	(30,636)	-	-
- Recognition of deferred tax asset not previously recognised	-	-	(707,533)	-
- Effect of difference in tax rate in the operating subsidiaries' jurisdictions	173,026	52,251	-	-
	83,023	945,200	643,473	-
Effective income tax rate	2.73%	45.8%	14.36%	0%

11.3. DEFERRED TAX ASSETS / (LIABILITIES)

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Deferred tax assets				
Tax loss carried forward and other temporary differences	848,424	814,481	643,473	-
Unrealised loss on exchange	174,687	171,630	-	-
	1,023,111	986,111	643,473	-
Deferred tax liabilities				
Revaluation of hotel building in Gdansk, Poland to fair value	(1,279,741)	(1,515,275)	-	-
Revaluation of hotel building in Lublin, Poland to fair value	(523,814)	(476,072)	-	-
Revaluation of mixed-use property in Menorca, Spain	(165,886)	(110,401)	-	-
Revaluation of investment properties	(4,258,218)	(4,125,788)	-	-
Revaluation of yacht	-	(114,833)	-	-
Other temporary differences	(669,372)	(425,975)	-	-
	(6,897,032)	(6,768,344)	-	-
Net deferred tax (liabilities)/assets	(5,873,920)	(5,782,233)	643,473	-

The directors have assessed the recognition of the deferred tax assets and they are confident that the deferred taxation recognized in the financial statements will be realized in the foreseeable future through trading operations. As at 31 December 2024, the Group has an unrecognized deferred tax asset of €4,406,677 (2023: €4,680,484) arising mainly on trading losses which have not been recognised due to uncertainty over their recoverability. Trading losses held by the Group are available indefinitely for offsetting against future taxable profits of the group companies in which the losses arose.

As at 31 December 2024, the Company had unutilized tax losses of €1,838,494 (2023: €2,014,754), which gave rise to a deferred tax asset of €643,473 (2023: €705,164). As at 31 December 2023 this deferred tax was not recognized due to doubts over its recoverability.

11. TAXATION - *continued*

11.4. RECONCILIATION OF OPENING AND CLOSING BALANCES OF NET DEFERRED TAX LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	€	€	€	€
At 1 January				
Tax expense/(credit) recognised in profit or loss	5,782,233	4,852,340	-	-
Tax expense recognised in OCI	121,953	979,178	643,473	-
At 31 December	(30,266)	(49,285)	-	-
	5,873,920	5,782,233	643,473	-

12. INTANGIBLE ASSETS

Intangible assets of the Group comprise Computer and other software.

	Group	
	2024	2023
	€	€
Cost		
At 1 January	576,745	416,751
Additions	95,150	159,994
Disposals	-	-
At 31 December	671,895	576,745
Accumulated amortisation		
At 1 January	(388,234)	(374,603)
Charge for the year	(19,303)	(13,631)
At 31 December	(407,537)	(388,234)
Effect of translation of foreign operations	(1,658)	(1,970)
Carrying amount at 31 December	262,700	186,541

The Company does not have intangible assets during the periods presented in these financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Group			
	Land and Buildings €	Machinery and equipment €	Commercial Yacht €	Total €
For the year ended 31 December 2024				
Cost/Revalued cost				
At 1 January 2024	28,946,954	4,095,334	1,378,093	34,420,381
Additions	-	54,570	-	54,570
Disposals	-	(53,502)	(1,155,953)	(1,209,455)
Revaluation	(205,006)	-	(220,937)	(425,943)
Transfers*	(712,885)	-	-	(712,885)
Effect of translation of foreign operations	156,382	2,741	-	159,123
Other movement	150,804	(22,165)	(1,203)	127,436
At 31 December 2024	28,336,249	4,076,978	-	32,413,227
Accumulated depreciation				
At 1 January 2024	-	(2,608,349)	(278,093)	(2,886,442)
Charge for the year	(712,885)	(197,676)	-	(910,561)
Released on disposal	-	-	278,093	278,093
Transfers*	712,885	-	-	712,885
At 31 December 2024	-	(2,806,025)	-	(2,806,025)
Carrying amount at 31 December 2024	28,336,249	1,270,953	-	29,607,202
For the year ended 31 December 2023				
Cost/Revalued cost				
At 1 January 2023	25,969,000	3,452,993	1,445,395	30,867,388
Additions	168,764	858,659	39,855	1,067,278
Disposals	-	(200,000)	-	(200,000)
Revaluation	(446,311)	-	(107,157)	(553,468)
Transfer from investment properties (Note 14)	2,467,185	-	-	2,467,185
Other transfers*	(615,362)	-	-	(615,362)
Effect of translation of foreign operations	1,403,678	47,970	-	1,451,648
Other movement	-	(64,288)	-	(64,288)
At 31 December 2023	28,946,954	4,095,334	1,378,093	34,420,381
Accumulated depreciation				
At 1 January 2023	-	(2,358,542)	(148,848)	(2,507,390)
Charge for the year	(615,362)	(249,807)	(129,245)	(994,414)
Transfers	615,362*	-	-	615,362*
At 31 December 2023	-	(2,608,349)	(278,093)	(2,886,442)
Carrying amount at 31 December 2023	28,946,954	1,486,985	1,100,000	31,533,939

*The transfers during the years ended 31 December 2024 relate to the accumulated depreciation as at the revaluation date that were eliminated against the gross carrying amount for the revalued assets.

The Group's land and buildings were revalued by independent professional qualified valuers. Note provides detailed information regarding the key assumptions used in performing such revaluation. The carrying amount of land and buildings, had they been measured at cost, would have amounted to €18,539,122 (2023: €18,741,027).

The transfer during the year ended 31 December 2023 relates to the accumulated depreciation as at the revaluation date that were eliminated against the gross carrying amount for the revalued asset.

13. PROPERTY, PLANT AND EQUIPMENT - continued

	Motor vehicle €	Company Computer equipment €	Other assets €	Total €
For the year ended 31 December 2024				
Cost				
At 1 January 2024	115,699	36,456	2,950	155,105
Additions	-	-	-	-
At 31 December 2024	115,699	36,456	2,950	155,105
Accumulated depreciation				
At 1 January 2024	(115,699)	(30,411)	(2,065)	(148,175)
Charge for the year	-	(3,775)	(295)	(4,070)
At 31 December 2024	(115,699)	(34,186)	(2,360)	(152,245)
Carrying amount at 31 December 2024	-	2,270	590	2,860
 For the year ended 31 December 2023				
Cost				
At 1 January 2023	115,699	36,456	2,950	155,105
Additions	-	-	-	-
At 31 December 2023	115,699	36,456	2,950	155,105
Accumulated depreciation				
At 1 January 2023	(115,699)	(25,347)	(1,770)	(142,816)
Charge for the year	-	(5,064)	(295)	(5,359)
At 31 December 2023	(115,699)	(30,411)	(2,065)	(148,175)
Carrying amount at 31 December 2023	-	6,045	885	6,930

14. INVESTMENT PROPERTIES

	Group	2024 €	2023 €
At 1 January	73,506,217	44,967,617	
Additions	9,879,426	26,684,791	
Fair value movement (Note 7)	1,083,587	3,101,550	
Disposals	-	(1,577,076)	
Transfer to property, plant and equipment (Note 13)	-	(2,467,185)	
Effect of translation of foreign operations	773,075	2,796,520	
At 31 December	85,242,305	73,506,217	

The Group's investment properties as at year-end were revalued by independent professional qualified valuers. Note 30 provides detailed information regarding the key assumptions used in performing such revaluation. The fair value movement is mainly due to the revaluation increment related to the fair value of the ongoing restoration and renovation of the villa in Lucca, Italy.

In 2023, the Group sold one of its investment properties and a resulting gain amounting to €487,924 was recognised. Furthermore, the Group reclassified a mixed-use property located in Mahon, Menorca, Spain previously classified as investment property to property, plant, and equipment. This reclassification was a result of the commencement of restaurant operations within the property, signifying a change in its intended use.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 €	2023 €
At fair value		
At 1 January	18,756,355	14,312,038
Additions	2,569,472	299,362
Disposals	-	(113,668)
Impairment	-	(118,732)
Fair value movement	(5,961,907)	4,377,355
At 31 December	15,363,920	18,756,355

Information about the investments of the Company at the end of the period are as disclosed in Note 2.4. The Company accounts for its investments in subsidiaries at fair value, details of which are disclosed in Note 30.

15.1. NET ASSETS AND RESULTS FOR THE YEAR OF THE SUBSIDIARIES DIRECTLY HELD BY THE COMPANY

Set out below is the information regarding the net assets as at 31 December and the results for the year then ended of the subsidiaries directly held by the Company, including indication as to whether they were audited for Group purposes.

	Net assets		Profit (loss) for the year	
	2024 €	2023 €	2024 €	2023 €
Von der Heyden Group Finance P.L.C. (audited)	644,764	(564,914)	80,569	(162,478)
IBB Hotel Collection Holding Limited (unaudited)	313,645	(20,611)	(292,967)	(315,213)
Von der Heyden Group Services Limited (audited)	(1,309,790)	(1,858,326)	548,537	(801,478)
Von der Heyden Yachting Limited (audited)	(843,807)	(750,098)	(93,709)	(438,031)
Gzira 14 East Limited (audited)	163,742	227,287	(63,547)	18,017
First Polish Real Estate B.V. (audited)	2,233,927	3,658,412	(1,424,485)	(1,173,872)
Andersia Tower Hotel Management Sp. z o.o. (unaudited)	(1,019,788)	(932,227)	(73,420)	(71,249)
Lublin Grand Hotel Sp. z o.o. (audited)	3,183,059	2,983,713	154,305	(807,808)
Nowy Swiat 5 Sp. z o.o. (audited)	(2,573,356)	(2,318,649)	(218,156)	31,181
Von der Heyden & Partners Sp. z o.o. (unaudited)	(698,852)	(632,896)	(56,320)	(67,772)
Von der Heyden Development Sp. z o.o. (audited)	545,955	992,532	(458,250)	(596,918)
Timan Investments España S.L. (audited)	(393,080)	(1,272,982)	(260,492)	(443,372)
Villa Diodati S.R.L. (audited)	47,012	(603,256)	(762,987)	(613,257)
Cugo Gran Hamburg GmbH (unaudited)	18,726	18,726	-	(6,274)
IBB Hotel Verwaltungsgesellschaft mbH (unaudited)	53,499	55,744	(2,245)	(3,398)
Hotspot Real Estate d.o.o. (audited)*	-	25,019	(25,019)	366,184
IBB Hotel Erfurt GmbH & Co KG (unaudited)*	-	-	-	-
Asset Management Company Von der Heyden Group LLC (unaudited)**	12,158	36,268	(19,408)	(22,345)

*Liquidated entities.

**In the process of finding a liquidator in Ukraine.

15.2. MATERIAL NON-CONTROLLING INTERESTS

Andersia Property Sp. z o.o., an entity where the Group has an effective interest of 42.5% but has control over the entity, has material non-controlling interest (NCI). The NCI of all other subsidiaries that are not 100% owned by the Group are assessed individually as not material (i.e., less than 10% of the consolidated total assets).

Summarised consolidated financial information of Andersia Property Sp. z o.o., (consolidated with Andersia Retail S.p. z o.o.) before intra-group eliminations with the Group, is presented below with amounts attributable to NCI.

	Andersia Property Sp. z o.o. (Consolidated)	
	2024	2023
Proportion of equity interest held by non-controlling interests	57.5%	57.5%
Accumulated balance	17,142,258	15,674,723
Profit/(loss) allocation	1,332,374	(369,169)
 Income Statement		
Revenue	106,466	270,146
Profit/(loss) for the year	2,317,173	(642,033)
Total comprehensive income	2,552,234	662,991
 Balance Sheet		
Non-current assets	73,708,560	65,714,089
Current assets	2,021,695	1,113,061
Non-current liabilities	(16,733,996)	(16,111,257)
Current liabilities	(29,183,637)	(23,455,505)
Net assets	(29,812,622)	(27,260,388)
 Cash Flows		
Operating net cash flows	(123,481)	(6,908)
Investing net cash flows	(950,000)	(7,629,402)
Financing net cash flows	900,000	7,910,000

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
At equity method/fair value				
At 1 January	1,169,331	896,491	1,240,250	694,892
Additions	-	13,750	-	13,750
Disposals	-	(4,000)	-	(4,000)
Share in profits of associates	187,661	56,414	-	-
Share in OCI of associates	880,522	221,825	-	-
Impairment charge (Note 7)	-	(13,750)	-	(13,750)
Change in fair value	-	-	1,024,699	292,531
Other movement	-	(1,399)	(15,500)	256,827
At 31 December	2,237,513	1,169,331	2,249,449	1,240,250

The Company accounts for its investments in associates at fair value, details of which are disclosed in Note 30. The net fair value movement in 2024 increased as a result of the proportional share in profits/(loss) from two of the associates.

16.1. DETAILS OF ASSOCIATES

Details of each of the Group's material associates at the end of the reporting period are as follows:

Name	Principal activities	Domicile	Equity interest (%)*	
			2024	2023
DGDV Capital Lda.	Investments	Portugal	25.00	25.00
IBB Hammets Operations Limited	Restaurant	Malta	50.00	50.00
KASA Investments GmbH	Investments	Germany	49.58	49.58
Urbelia Business S.L.	Fuel stations	Spain	50.00	50.00
Von der Heyden Group Real Estate Services S.R.L.**	Real estate services	Italy	50.00	50.00

* This is the legal shareholding, whilst the Group's carrying amount is measured at the effective shareholding.

** Liquidated entity.

16. INVESTMENT IN ASSOCIATES - continued

16.2. SUMMARISED FINANCIAL INFORMATION OF ASSOCIATE UNDERTAKINGS

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts in associates' financial statements prepared in accordance with EU-IFRS Standards adjusted by the Group for equity accounting purposes.

31 December 2024

Revenue				
Profit/(loss) for the year				
Other comprehensive income/(loss)				
Total comprehensive income/(loss)				
Share of profit for the year				
Share of other comprehensive income				
Unrecognised share of loss in the associates				
Non-current assets				
Current assets				
Non-current liabilities				
Current liabilities				
Equity				
Group's share in equity				
Goodwill				
Cumulative unrecognised share of losses in associates				
Impairment				
Other adjustments				
Carrying amount of the investment				

DGDV Capital Lda.	IBB Hammetts Operations Limited	KASA Investments GmbH	Urbelia Business S.L.
€	€	€	€
-	3,340,900	66,548	8,611,974
(28,885)	(184,511)	(69,110)	437,572
-	-	-	1,761,044
(28,885)	(184,511)	(69,110)	2,198,616
(7,221)	-	(34,265)	218,786
-	-	-	-
-	(92,256)	-	-
-	210,727	434,222	7,368,716
3,613,815	553,093	587,348	738,319
(665,565)	(346,000)	(11,590)	(4,023,376)
(2,066,896)	(1,204,787)	(648,708)	(407,547)
881,354	(786,967)	361,272	3,676,112
220,338	(393,484)	179,119	1,838,056
-	-	-	73,942
17,292	428,636	-	-
(17,292)	(35,152)	-	(73,942)
-	-	-	-
220,338	-	179,119	1,838,056

16. INVESTMENT IN ASSOCIATES - continued**16.2. SUMMARISED FINANCIAL INFORMATION OF ASSOCIATE UNDERTAKINGS - continued****31 December 2023**

	DGDV Capital Lda.	IBB Hammets Operations Limited	KASA Investments GmbH	Urbelia Business S.L.	Von der Heyden Group Real Estate Services S.R.L.*
	€	€	€	€	€
Revenue					
Profit/(loss) for the year	-	3,432,087	63,908	7,281,533	145,304
Other comprehensive income/(loss)	(21,595)	(102,283)	9,512	103,396	(10,301)
Total comprehensive income/(loss)	(21,595)	(102,283)	9,512	547,047	(10,301)
Share of profit for the year	-	-	4,716	51,698	-
Share of other comprehensive income	-	-	-	221,825	-
Unrecognised share of losses in the associate	(5,399)	(51,142)	-	-	(5,151)
Non-current assets	-	252,279	447,546	3,625,001	-
Current assets	2,277,880	681,479	782,132	272,389	98,945
Non-current liabilities	-	(346,000)	-	(2,230,214)	-
Current liabilities	(1,367,641)	(1,153,672)	(820,193)	(189,678)	(156,685)
Equity	910,239	(565,914)	409,485	1,477,498	(57,740)
Group's share in equity	227,559	(282,957)	203,023	738,749	(28,870)
Goodwill	-	-	-	73,942	-
Cumulative unrecognised share of losses in associates	17,291	291,382	-	-	33,870
Impairment	(17,291)	(8,425)	-	(73,942)	(5,000)
Other adjustments	-	-	-	-	-
Carrying amount of the investment	227,559	-	203,023	738,749	-

17. LOANS AND OTHER RECEIVABLES

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Non-current				
Amounts owed by ultimate parent company (i)	2,959,780	4,632,977	2,959,780	4,632,977
Amounts owed by group companies (i)	-	-	32,346,826	38,592,398
Amounts owed by associates and other related parties (ii)	2,107,093	3,227,717	1,914,304	1,997,180
Amounts owed by third parties (iii)	83,355	75,940	26,356	25,749
Amounts owed by the ultimate beneficial owner	6,810	6,810	-	6,810
Prepayments (v)	794,017	778,986	-	-
	5,951,055	8,722,430	37,247,266	45,255,114
Current				
Amounts owed by third parties (iv)	-	7,059,523	-	-
Amounts owed by group companies (i)	-	-	-	667,078
Amounts owed by ultimate parent company	725,697	-	725,697	-
Amounts owed by associates and other related parties (ii)	1,344,363	-	19,179	-
	2,070,060	7,059,523	744,876	667,078

- i. The amounts owed by ultimate parent and group companies are unsecured, subject to interest rates ranging between 5% and 10% per annum and have maturity dates ranging from 31 December 2025 to 1 September 2032. The amounts owed by group companies to the Company as at 31 December 2025 are shown net of provision for impairment of financial assets amounting to €4,659,143 (2023: €5,049,136) (see Note 28).
- ii. The amounts owed by associates and other related companies are unsecured, subject to interest rates ranging between 7.5% and 8.73% per annum and have maturity dates from 31 December 2025 and 1 September 2032.
- iii. The amounts owed by third parties are unsecured, subject to interest rates ranging between 4.5% and 5% per annum and have maturity dates ranging from 31 December 2026 to 9 January 2027.
- iv. This financial asset was acquired through the special purpose vehicle (Note 3.5) for a discounted price of €6 million. As of 31 December 2023, it was carried at its fair value, equal to the contractual inflows of the financial instrument. During the year, the vehicle sold the financial asset to a financial institution for a consideration of €7.5 million.
- v. The prepayments relate to loan origination fees of the Bank Consortium Loan Facility for the AND2 development project that are still under negotiations. This amount will be netted-off against the proceeds from the loan facility and will be amortised using the effective interest method over the term of the facility. As at date of approval of the Financial Statements, the Group is yet to finalise discussions for this facility.

18. OTHER FINANCIAL ASSETS

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Financial assets at fair value through profit or loss				
Balance at beginning of the year	1,155,727	2,366,281	1,226,872	3,563,299
Additions	49,055	181,313	-	154,932
Disposals	(640,097)	(1,293,585)	(726,196)	(2,429,595)
Fair value movement (Note 7)	(112,592)	(98,282)	22,044	(61,764)
Balance at end of the year	452,093	1,155,727	522,720	1,226,872

The Group's investments at fair value through profit and loss comprised solely of quoted debt and equity instruments that are listed on regulated markets. Fair values of these quoted instruments are determined by reference to published price quotations in an active market.

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Other financial assets				
Balance at beginning of the year	-	145,078	-	-
Movement	-	(145,078)	-	-
	-	-	-	-

Other financial assets, held at cost, are non-consolidated immaterial subsidiaries not traded in active markets.

19. INVENTORIES

The Group's inventories as at 31 December 2024 and 2023 mainly pertain to food and beverage supplies and materials for room amenities and housekeeping at the Group's hotels.

The Company had no inventories as at 31 December 2024 (2023: Nil).

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Trade receivables from third parties (i)	724,351	1,313,129	4,818	5,349
Trade receivables from associates and related parties (ii)	236,326	86,870	-	-
Amounts owed by third parties (iii)	12,391	100,429	12,122	13,716
Amounts owed by group companies (iv)	-	-	9,870,588	8,319,177
Amounts owed by associate and other related parties (v)	469,059	483,949	345,333	273,835
Amounts owed by ultimate parent company (vi)	509,859	261,858	509,859	258,840
Amounts owed by ultimate beneficial owner (vii)	10,436	-	-	4,000
Amounts owed by a director (viii)	30,000	30,000	30,000	30,000
Advance payments to suppliers/deposits	786,571	786,186	-	-
Other receivables	359,597	379,922	-	-
Accrued income	155,874	54,631	6,460	35,221
Prepayments	280,672	382,722	10,886	22,344
VAT receivable	1,960,879	2,097,339	-	-
	5,536,015	5,977,035	10,790,066	8,962,482

i. Trade receivables of the Group are stated net of expected credit loss allowance of €130,380 (2023: €130,380). Trade receivables of the Company are stated net of expected credit loss allowance of €86,467 (2023: €86,467) (Note 28). Analysis of trade receivables past due is as follows:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
0 – 30 days	286,697	360,779	-	-
31 – 60 days	37,883	379,090	-	-
61 – 90 days	7,080	191,125	-	-
90+ days	231,232	469,005	4,818	5,349
	562,892	1,399,999	4,818	5,349

ii. The amounts owed by third parties are unsecured, subject to interest ranging between interest-free and 5.0%. These are repayable on demand. Expected credit loss allowance on these receivables in the Group and the Company's accounts as at 31 December 2024 amounted to €126,301 (2023: €126,301) and €132,301 (2023: €132,301), respectively (Note 28).

iii. The amounts owed by ultimate parent company, group and associate companies as well as other related parties are unsecured and subject to interest rate ranging between 5% to 10%. The amounts are repayable on demand. Expected credit loss allowance as at 31 December 2024 on these receivables in the Group amounted to €346,551 (2023: €346,551) and €609,412 (2023: €522,776) in the Company (Note 28).

iv. The amounts owed by ultimate beneficial owner are interest free, unsecured and repayable on demand.

v. The amounts owed by directors are unsecured, interest free and are repayable on demand.

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the consolidated statements of cash flows reconcile to the amounts shown in the consolidated statements of financial position as follows:

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Cash at bank	2,526,614	3,468,831	199,577	783,482
Cash on hand	66,081	420,123	365	101
Other cash and cash equivalents (i)	3,300,000	2,653,214	3,300,000	2,520,544
	5,892,695	6,542,168	3,499,942	3,304,127

i. The Group's and Company's other cash and cash equivalents represent amounts held with financial and investment institutions as well as term deposits with a maturities of three months or less from the reporting date.

As at 31 December 2024, €1,553 (2023: €428,713) of cash and cash equivalents were pledged as security in favour of the ultimate beneficial owner.

22. EQUITY AND RESERVES

22.1. SHARE CAPITAL

	2024 €	2023 €
Authorised		
20,000,000 Ordinary "A" shares of €1 each	20,000,000	20,000,000
30,000,000 Ordinary "B" shares of €1 each	30,000,000	30,000,000
	50,000,000	50,000,000
Issued and paid-up		
3,249,924 Ordinary "A" shares, fully paid-up	3,249,924	3,249,924
554,717 Ordinary "B" shares, fully paid-up	-	554,717
	3,249,924	3,804,641

The Ordinary "A" shares and Ordinary "B" shares ranked *pari-passu* before the latter was cancelled in 2024.

Pursuant to the Shareholders' Agreement executed on 30 July 2014 between the Company and Trusthigh, the Company has the right to, and Trusthigh has the right to require the Company to reacquire the entirety of the 554,717 Ordinary "B" shares, within four (4) weeks following the end of the option period for an exercise price comprising of a fixed price of €5,000,000, plus a variable amount representing 14.58% of the excess net asset value over a pre-determined base amount, as further defined within the aforementioned Shareholders' Agreement. Furthermore, Trusthigh has appointed Mr Sven von der Heyden and/or the Company as proxy in relation to any and all the voting rights attached to the Ordinary "B" shares held by Trusthigh.

On 16 October 2023, Trusthigh and the Company signed an addendum to the Shareholders' Agreement to set-out the manner on how the repurchase of shares will be done and to fix the exercise price. As per the revised Shareholders' Agreement, the exercise price has been fixed as the sum of the fixed portion of €5,000,000, a variable portion of €1,206,220 which was derived at 14.58% of the excess net asset value/shareholders' equity of the Company as of 31 December 2022 over the pre-determined base amount provided for in the original agreement, and a premium portion of €247,560.

The repurchase by the Company of the 554,717 Ordinary "B" shares from Trusthigh were to be done in three separate tranches but effectively executed in two. Transfer 1 has been executed in 2023 and a Treasury shares reserve have been recognised to reflect the own shares held by the Company. Transfers 2 and 3 were executed simultaneously in May 2024 for a total amount of €4,507,398. The Ordinary "B" shares were eventually cancelled during the year.

22.2. SHARE PREMIUM

The share premium, part of the Group's undistributable reserves, arise on the issue of shares of the Company's Ordinary "B" shares. The Ordinary "B" shares were cancelled during the year and consequently, the associated share premium was released against the Treasury shares reserve.

22.3. RETAINED EARNINGS

This represents the accumulated retained profits that are available for distribution to the shareholders of the Company.

22.4. TREASURY SHARES

Treasury shares are issued and own shares held by the Company. The carrying amount of treasury shares is based on the amount paid to repurchase the shares and is recorded and presented as a reduction of equity. As of 31 December 2023, the Company held 174,253 of its own Ordinary "B" shares and paid €2,007,774 to re-acquire these shares.

During the year, the Company acquired the remaining Ordinary "B" shares for €4,507,398 as disclosed in note 22.1. The Ordinary "B" shares were eventually cancelled during the year and the Treasury shares balance of €4,088,986 were released against the Share capital of €554,717, the associated Share premium of €4,445,283 and the remaining amount against Retained earnings.

22.5. OTHER RESERVES

The Group's other reserves is comprised of revaluation reserve of €3,853,636 (2023: €3,871,232), capital reserve of €235,023 (2023: €235,023), share in OCI of associates of € 1,697,378 (2023: €816,856), merger reserve of €261,402 (2023: €261,402) and contra-equity reserve of nil (2023: €2,081,212) for the equity instruments corresponding to the financial liability which was transferred to Treasury shares when the associated equity instruments were acquired by the Company from the shareholder (refer to Note 22.4).

The Group's revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

The Group's capital reserve mainly relates to distributable reserves of certain subsidiary companies.

22.6. CURRENCY TRANSLATION RESERVE

The Group's reserve comprises foreign currency differences arising from the translation of the results and financial position of the Group entities that have a functional currency different from the presentation currency.

23. BORROWINGS

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Non-current				
Bank borrowings (i)	11,332,843	11,156,422	-	-
Loans from group companies (ii)	-	-	33,289,834	33,375,959
Loans from other related parties (ii)	9,297,812	7,138,228	1,937,053	1,885,277
Other borrowings	180,844	283,683	-	-
	20,811,499	18,578,333	35,226,887	35,261,236
Current				
Bank borrowings (i)	3,894,539	4,327,423	-	-
Loans from group companies (ii)	-	-	-	-
Loans from other related parties (ii)	619,700	627,973	-	-
Contractor financing (iii)	28,197,781	23,354,872	-	-
Equity instrument classified as financial liability (iv)	-	4,447,338	-	4,447,338
	32,712,020	32,757,606	-	4,447,338

i. The bank borrowings are secured by special hypothecs on the properties up to the outstanding balance of the loan and related obligations under the loan facilities and bear variable interest rates ranging from 3.0% to 5.5% *per annum*. A €4.0 million loan is also secured by a pledge on the shares of two subsidiary undertakings. The non-current bank borrowings have a maturity date ranging from 14 April 2026 to 16 August 2038.

One of the subsidiaries of the Group has a financial covenant requirement to maintain a minimum Debt Service Cover Ratio (DSCR) of 1.3 (2023: 1.4). As of 31 December 2024, the ratio fell below this requirement due to the fact that the retail units on the property were vacant during the year and were not earning rental income, thus deteriorating the ratio. The loan is accordingly classified as current. Subsequent to year-end, the bank has issued a waiver for this breach. In 2023, the loan is classified as current in line with its maturity, while refinancing discussions are being finalised with the bank.

ii. The loans from parent company, group companies, associates and other related companies are unsecured and bear interest at rates ranging from 5% to 9% *per annum*. Loans mature on dates ranging from 31 July 2026 to 16 September 2032.

iii. Contractor financing relates to remuneration payable to the contractor in relation the development and construction of AND² Tower in Poznan, Poland pursuant to the Construction Agreement between the Contractor and the Group. This financing bears annual interest at 5.0% plus 3M-EURIBOR and repayable according to the progress of works. On 16 December 2023, an agreement was reached to defer repayment, and this shall be refinanced as disclosed in Note 2.2.

iv. The equity instruments classified as financial liability represents the carrying amount of the Ordinary "B" shares, excluding those already acquired by the Company, that carry a put option right as disclosed in note 22 and measured at amortised cost of the exercise price in accordance with the Shareholder Agreement. During the year, the second and third transfers were executed, hence the nil balance as of the 31 December 2024.

24. DEBT SECURITIES IN ISSUE

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Non-current				
Listed Bonds, €35M 5%, 2032	35,000,000	35,000,000	-	-
Private Notes, €5M 7.4%, 2026	5,000,000	5,000,000	-	-
Unamortised issue costs (i)	(595,093)	(707,751)	-	-
Bonds held by the Company (not cancelled)	-	(86,100)	-	-
	39,404,907	39,206,149	-	-
Current				
Private Notes, €1.5M 7%, 2025	1,500,000	-	1,500,000	-
Unamortised issue costs (i)	(27,500)	-	(27,500)	-
Accrued interest on bonds payable	177,527	168,777	8,750	-
Amounts held on behalf of bondholders (ii)	63,748	63,181	-	-
	1,713,775	231,958	1,481,250	-

- i. The carrying amount of the bonds and notes is net of issue costs of which are being amortised over the life of the bonds.
- ii. This relates to amounts due to bondholders held by the Group until the instructions for payment are received from the Malta Stock Exchange.

Listed Bonds, €35M 5%, 2032

On 16 December 2022, the Group, through its listed subsidiary Von der Heyden Group Finance P.L.C. ("VDHGF"), issued bonds with an aggregate principal amount of €35 million and a nominal value of €100 each ("Listed Bonds"). The Listed Bonds are unsecured, bear interest of 5% *per annum* and will mature on 16 December 2032 subject to the terms and conditions in the Prospectus dated 10 October 2022. The proceeds were used mainly to early redeem the €25 million 4.4% 2024 Bonds, to partly finance the ongoing construction of the AND² Tower project in Poznan, Poland, and for general corporate funding purposes. The Listed Bonds are traded on the Malta Stock Exchange with the trading symbol of VH32A and has an International Securities Identification Number (ISIN) of MT0001401216. At the close of the last trading day for the year 2024, the quoted price of the Listed Bonds was €101.5 (2023: €100). Interest paid on the Listed Bonds during 2024 amounted to €1,747,820 (2023: €1,738,799).

Private Notes, €5M 7.4%, 2026

On 22 September 2023, VDHGF issued notes with an aggregate principal amount of €5 million with a nominal value of €1,000 each ("VDHGF Private Notes"). The Private Notes are unsecured, bear interest of 7.4% *per annum* and will mature on 22 September 2026 subject to the terms and conditions in the Prospectus dated 22 August 2023. The proceeds were used mainly to re-finance part of the development and finishing costs of Villa Diodati in Lucca, Italy and for general corporate funding purposes. The Private Notes has ISIN MT0001401224. The VDHGF Private Notes rank *pari passu*, without any priority or preference among the noteholders and with the other outstanding unsecured debt of the issuer-subsidiary. Interest paid on this Private Note during 2024 amounted to €380,137.

The Company, TIMAN Investments Holdings Limited, has provided a corporate guarantee in favor of the holders of the Listed Bonds and VDHGF Private Notes to affect the due and punctual performance of all payment obligations undertaken by the issuer-subsidiary under the securities if it fails to do so. Also, the Company has provided a corporate guarantee in favor of VDHGF to affect the due and punctual performance of all the payment obligations undertaken by the related party borrowers under VDHGF's loans if the said borrowers fail to do so.

Private Notes, €1.5M 7%, 2025

On 25 November 2024, the Company issued notes aggregating to €1.5 million ("TIH Private Notes") through a private placement with a local financial intermediary for general corporate funding purposes, specifically to meet short term liquidity requirements in support of the Group's ongoing projects. The TIH Private Notes are unsecured, bear interest of 7.0% *per annum* and have a repayment date of 28 November 2025. The TIH Private Notes rank *pari passu*, without any priority or preference among the noteholders and with the other outstanding unsecured debt of the Company. Interest payment will be made together with the principal on maturity date.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Trade payables to third parties	2,486,088	1,859,151	22,831	86,714
Trade payables to associates	-	54,587	-	-
Trade payables to group companies	-	-	14,797	124,459
Trade payables to other related parties	324,891	366,538	-	-
Amounts owed to third parties	118,747	176,017	42,085	42,085
Amounts owed to group companies (i)	-	-	2,942,956	3,263,152
Amounts owed to associates and other related parties (i)	29,324	23,882	-	-
Amounts owed to ultimate beneficial owner (i)	-	28,253	9,419	28,253
Other taxes and social security contributions	499,633	309,454	18,152	6,626
Advance payments received from customers (ii)	218,706	58,499	-	-
Other payables	751,131	423,377	-	-
Accruals	787,741	949,406	101,789	56,558
VAT payable	49,086	128,965	-	-
	5,265,347	4,378,129	3,152,029	3,607,847

- i. The amounts owed to group companies, associates, other related companies and to ultimate beneficial owner are unsecured, interest free and repayable on demand.
- ii. Advance payment received from customers represent contract liabilities which will be recognised as revenue in proportion to the pattern of rights exercised by the customer.

26. LEASES

As at 31 December 2024, the Group had six (2023: eight) ongoing contracts for leases of properties for hotel operations and for office use where it is the lessee. The Company does not have financial commitments under non-cancellable leases of properties or other assets where it is the lessee.

The Group's leases were discounted at incremental borrowing rates between 2.96% and 6.84%. The weighted average rate applied is 4.46%.

26.1. RIGHT-OF-USE ASSETS

	Group	
	2024	2023
	€	€
At 1 January	18,965,940	29,712,577
Additions	-	1,497,156
Depreciation charge	(1,432,447)	(1,748,949)
Modification of lease	-	(4,186,722)
Termination of lease	(1,766,530)	(6,308,122)
At 31 December	15,766,963	18,965,940

26.2. LEASE LIABILITIES

	Group	
	2024	2023
	€	€
At 1 January	21,215,034	31,911,034
Additions	-	1,497,156
Interest accretion	889,732	1,088,827
Principal payments	(1,191,404)	(1,340,132)
Interest payments	(889,732)	(1,088,827)
Modification of lease	-	(4,186,722)
Termination of lease	(2,044,035)	(6,666,302)
At 31 December	17,979,595	21,215,034
Non-current	16,821,703	19,970,891
Current	1,157,892	1,244,143
	17,979,595	21,215,034

The maturity analysis of the undiscounted lease liabilities is disclosed in Note 28.

26.3. AMOUNTS RECOGNISED IN PROFIT OR LOSS

	Group	
	2024	2023
	€	€
Income		
Gain on early termination of leases (Note 7)	807,506	358,181
Expenses		
Depreciation of right-of-use (Note 26.1)	1,432,447	1,748,949
Interest expense on lease liabilities (Note 10)	889,687	1,088,827
Short-term and low-value leases and related expenses (Note 5)	532,785	494,089

26. LEASES - continued

26.4. OTHER DISCLOSURES RELATED TO LEASES

The Group had total cash outflows for leases amounting to €2,613,876 (2023: €2,923,048).

The Group has leases for hotel properties that contains variable lease payments based on the performance of the property. The variable lease payments are due only when the amount of a percentage of revenue exceeds the determined fixed lease payments. The fixed element under these leases amounted to €2,081,091 (2023: €2,428,959). A five percent increase in revenue from these hotel properties would not result in any impact on the total lease payments as the resulting calculation would be below the fixed portion.

Extension options considered by management are disclosed in note 3.4.

27. RELATED PARTY TRANSACTIONS

The Company's related parties include its parent company and the ultimate beneficial owner, the Company's subsidiaries and all other parties forming part of the Group of which the Company is the parent, and key management personnel. Transactions between the Company and its subsidiaries have been eliminated on consolidation. Details of transactions between the Company and its other related parties are disclosed below. Certain subsidiaries purchase and sell services to various related parties.

During the year then ended, the Group entered into the following transactions with non-consolidated related parties. Amounts due from and to related parties are disclosed in Notes 17, 20, 23 and 25 respectively. Amounts due or payable to related parties are classified within trade and other receivables and trade and other payables when determined by management to be of a current account nature. The guarantee provided by the Company to one of its subsidiaries is disclosed in Note 24.

	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Transactions with ultimate parent company				
Interest income (Note 9)	251,019	224,229	251,019	227,117
Transactions with ultimate beneficial owner				
Interest income (Note 9)	-	86	-	-
Interest expense (Note 10)	-	670	-	-
Transactions with group companies				
Interest income (Note 9)	-	-	2,982,463	3,012,234
Interest expense (Note 10)	-	-	2,257,568	2,153,801
Operating expenses	-	-	201,971	171,789
Transactions with other related parties				
Interest income (Note 9)	168,424	182,076	129,560	162,544
Interest expense (Note 10)	460,251	445,299	51,777	41,618
Key management compensation				
	Group		Company	
	2024 €	2023 €	2024 €	2023 €
Director's fees and remuneration (Note 6)	982,729	1,039,902	142,252	142,351

Amounts due from directors are disclosed in Note 20.

28. FINANCIAL INSTRUMENTS

At year-end, the Group's and the Company's financial assets comprise loans receivable, trade and other receivables, other financial assets and cash and cash equivalents. There were no off-balance sheet financial assets.

At year-end, the Group's and the Company's financial liabilities comprise borrowings and trade and other payables. Off-balance sheet financial liabilities such as financial commitments and contingent liabilities are as disclosed in Note 29.

Exposure to credit and liquidity risks arise in the normal course of the Group's and the Company's operations.

28.1. TIMING OF CASH FLOWS

The presentation of the financial assets and liabilities listed above under the current and non-current headings within the statements of financial position is intended to indicate the timing in which cash flows will arise.

28.2. CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital to ensure that they will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Group's and the Company's strategies are expected to remain unchanged in the foreseeable future. The capital structure of the Group and the Company consists of debt, which includes the borrowings as disclosed in Notes 23 and 24, and equity attributable to equity holders, comprising issued share capital, reserves and retained earnings as disclosed in Note 22 to these financial statements and in the statement of changes in equity.

28.3. CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets which potentially subject the Group and the Company to concentrations of credit risk consist principally of loans and borrowings, trade and other receivables, other financial assets and cash and cash equivalents.

Other financial assets and bank balances

The Group's and the Company's investments in debt securities are mainly listed on the regulated markets and are therefore considered to be of low credit risk investments.

The credit risk relating to bank balances is considered to be low in view of management's policy of placing it with quality and reputable financial institutions.

Trade and other receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. Outstanding customer receivables are regularly monitored and significantly dispersed in nature with no significant concentration of risk being in existence. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for customers with similar loss patterns (i.e. by geographical region or customer type).

28. FINANCIAL INSTRUMENTS - continued

Loans and other receivables

Impairment of loans and other receivables is made when significant deterioration of credit risk has been identified. Twelve-month expected credit losses are derived by reference to average industry ratings from reputable credit rating agencies.

The Group's maximum exposure to credit risk is represented by the carrying amount of each financial asset as disclosed in their respective notes. The maximum exposure for the Company is further increased in respect of the guarantee given to VDHGF.

The table below analyses the Group's allowance for expected credit losses and impairment on loans and trade and other receivables as at the reporting date:

31 December 2024

	Group		
	Gross amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	8,021,115	-	8,021,115
Trade and other receivables	5,536,015	(603,232)	4,932,783
	13,557,130	(603,232)	12,953,898
By impairment analysis			
12-month ECL (low credit risk)	10,765,953	(130,380)	10,635,573
Lifetime ECL	2,523,771	-	2,523,771
Credit-impaired	472,852	(472,852)	-
	13,762,576	(603,232)	13,159,344

31 December 2023

	Group		
	Gross amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	15,781,953	-	15,781,953
Trade and other receivables	6,580,267	(603,232)	5,977,035
	22,362,220	(603,232)	21,758,988
By impairment analysis			
12-month ECL (low credit risk)	11,332,507	(130,380)	11,202,127
Lifetime ECL	3,497,338	-	3,497,338
Credit-impaired	472,852	(472,852)	-
POCI (i)	7,059,523	-	7,059,523
	22,362,220	(603,232)	21,758,988

i. No ECL is being recognised on POCI financial assets in view of collateral held (Note 17).

28. FINANCIAL INSTRUMENTS - continued

The table below analyses the Company's allowance for expected credit losses and impairment on loans and trade and other receivables as at the reporting date:

31 December 2024

	Company		
	Gross carrying amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	42,651,285	(4,659,143)	37,992,142
Loans and other receivables (as Guarantor of a Group Company)	4,182,094	-	4,182,094
Trade and other receivables	11,618,246	(828,180)	10,790,066
	58,451,625	(5,487,323)	52,964,302
By impairment analysis			
12-month ECL (low credit risk)	52,903,452	(86,467)	52,816,985
Lifetime ECL (simplified approach)	147,317	-	147,317
Credit-impaired	5,400,856	(5,400,856)	-
	58,451,625	(5,487,323)	52,964,302

31 December 2023

	Company		
	Gross carrying amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	50,971,328	(5,049,136)	45,922,192
Loans and other receivables (as Guarantor of a Group Company)	3,877,761	-	3,877,761
Trade and other receivables	9,704,026	(741,544)	8,962,482
	64,553,115	(5,790,680)	58,762,435
By impairment analysis			
12-month ECL (low credit risk)	58,701,585	(86,467)	58,615,118
Lifetime ECL (simplified approach)	147,317	-	147,317
Credit-impaired	5,704,213	(5,704,213)	-
	64,553,115	(5,790,680)	58,762,435

28. FINANCIAL INSTRUMENTS - continued

28.4. LIQUIDITY RISK

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bond proceeds, bank loans, lease contracts and bank overdrafts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Excluding the contractor financing, approximately 11% of the Group's debt will mature in less than one year at 31 December 2024 (2023: 11%). As disclosed in Note 23 the contractor financing was excluded as this can be rolled-over to more than 12 months through refinancing from the construction loan facility which the Group is working on to finalise with the banks' consortium. The Group is also currently in advanced discussions with a local bank and to refinance the liability related to the repurchase of Ordinary 'B' shares. Consequently, the Group has access to a sufficient variety of sources of funding and the other debts maturing within 12 months can be rolled over with existing lenders.

The tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024

	Group					Total €
	On demand €	Less than 3 months €	3 to 12 months €	1 to 5 years €	More than 5 years €	
Interest-bearings loans (excluding items below)	836	47,987	28,996,748	21,977,948	2,500,000	53,523,519
Debt securities in issue	63,748	-	3,601,250	5,257,120	40,250,000	49,172,118
Lease liabilities	-	317,247	1,590,402	7,480,844	15,973,355	25,361,848
Trade and other payables	2,486,088	324,891	-	-	-	2,810,979
	2,550,672	690,125	34,188,400	34,715,912	58,723,355	130,868,464

31 December 2023

	Group					Total €
	On demand €	Less than 3 months €	3 to 12 months €	1 to 5 years €	More than 5 years €	
Interest-bearings loans (excluding items below)	84,490	123,493	31,392,919	19,153,166	391,249	51,145,261
Debt securities in issue	63,161	-	2,120,000	12,740,000	42,000,000	56,923,161
Lease liabilities	-	538,449	1,619,513	9,014,443	19,459,750	30,632,155
Trade and other payables	1,932,448	900,810	-	-	-	2,833,258
	2,080,099	1,562,752	35,132,432	40,907,609	61,850,999	141,533,835

28.5. EXCESSIVE RISK CONCENTRATION

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

28. FINANCIAL INSTRUMENTS - continued

28.6. FOREIGN CURRENCY RISK

The Group is exposed to foreign currency risk on payments of expenses that are denominated in a currency other than the Euro. The main currency giving rise to this risk is the Polish złoty (PLN), upon translation of the results of the subsidiaries into Euro (€).

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

The following table illustrates the sensitivities to a reasonably possible change in exchange rate between the PLN and the €, with all other variables held constant on the Group's total comprehensive income:

	Effect on the Group's total comprehensive income	
	2024 €'000	2023 €'000
Change in PLN versus EUR rate by +5%	2,965	2,570
Change in PLN versus EUR rate by -5%	(3,277)	(2,840)

28.7. INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The interest rates on the borrowings are disclosed in Note 23.

The following table illustrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, with all other variables held constant, on the Group's profit before tax.

	Effect on the Group's profit before tax	
	2024 €'000	2023 €'000
Change in basis points by +100	(121)	(143)
Change in basis points by -50	100	76

28.8. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

At 31 December 2024 and 2023, financial assets at fair value through profit and loss were based on level 1 inputs, whereas the other financial assets are measured at fair value based on level 3 inputs. The different levels in the fair value hierarchy are defined in Note 2.

Fair value information is not presented for financial assets and financial liabilities which are not measured at fair value if their carrying amount is a reasonable approximation of fair value. As at 31 December 2024 and 2023, the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current interest-bearing loans and borrowings approximated their fair values in view of the nature of the instruments or their short-term maturity. The fair value of non-current loans is not materially different from their carrying amounts particularly due to re-pricing. The fair values of non-current unsecured loans can be defined by reference to the quoted market price as disclosed in Note 24.

28. FINANCIAL INSTRUMENTS - continued

28.9. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group		
	Borrowings €	Debt securities in issue €	Lease liabilities €
Balance at 1 January 2023	31,348,330	33,084,636	31,911,034
Cash flows	18,518,388	6,016,377	(2,428,959)
Accrued interest	329,504	-	1,088,827
Additions	-	-	1,497,156
Modification of leases	-	-	(4,186,722)
Lease terminations	-	-	(6,666,302)
Conversion of other payables to borrowings	1,069,835	-	-
Foreign exchange movement	(179,010)	-	-
Amortisation of bond issue costs	-	74,825	-
Remeasurement of equity instrument classified as financial liability	248,892	-	-
Other movement	-	30,311	-
Balance at 31 December 2023	51,335,939	39,206,149	21,215,034
Balance at 1 January 2024	51,335,939	39,206,149	21,215,034
Cash flows	1,832,018	1,470,000	(2,081,136)
Accrued interest	460,251	8,750	889,732
Foreign exchange movement	(104,689)	-	-
Lease terminations	-	-	(2,044,035)
Amortisation of bond issue costs	-	115,158	-
Sale of bonds held in treasury	-	86,100	-
Balance at 31 December 2024	53,523,519	40,886,157	17,979,595
	Company		
	Borrowings €	Debt securities in issue €	
Balance at 1 January 2023	31,090,561	-	
Cash flows	(2,671,041)	-	
Accrued interest	41,618	-	
Additions	-	-	
Conversion of other payables to borrowings	1,069,835	-	
Assignment of loans	9,928,709	-	
Amortisation of bond issue costs	-	-	
Remeasurement of equity instrument classified as financial liability	248,892	-	
Balance at 31 December 2023	39,708,574		-
Balance at 1 January 2024	39,708,574	-	
Cash flows	(4,800,838)	-	
Accrued interest	51,773	8,750	
Additions	267,378	1,500,000	
Amortisation of bond issue costs	-	2,500	
Other movement	(60,060)	(30,000)	
Balance at 31 December 2024	35,226,887		1,481,250

29. COMMITMENTS AND CONTINGENT LIABILITIES

29.1. COMMITMENTS

The Group also has commitments in respect of subscriptions it has with private investment funds. Total remaining commitments in this regard amounted to €806,189 as at 31 December 2024.

29.2. CONTINGENT LIABILITIES

There were no ongoing disputes involving the Company or any of the Group's subsidiaries as at 31 December 2024 and 2023.

30. FAIR VALUE MEASUREMENT

30.1. LAND & BUILDINGS AND INVESTMENT PROPERTIES

The Group's land and buildings are classified as either property, plant and equipment or investment property depending on their intended use. Land and buildings are revalued by professionally qualified architects or surveyors on the basis of assessments of the fair value of the property in accordance with international valuations standards and professional practice (Notes 12 and 13).

In the years where a valuation is not obtained, management verifies all major inputs to the independent valuation report, assesses any property valuation movements when compared to the prior year valuation report and holds discussions with the independent valuer, as necessary.

For all properties, their current use equates to the highest and best use.

The investment properties held are still in their development stages, and thus no income is being derived from such.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group's property has been determined to fall within level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 2.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year.

Description of valuation techniques used and key inputs to valuation of lands and buildings and investment properties

The valuation was determined by a combination of the income approach (discounted projected cash flows) and the asset-based approach with reference to market prices based on database of valuations and sales of properties in the relevant area, as applicable.

Particulars	Valuation technique	Significant unobservable inputs	Range	Narrative sensitivity
Land and building	Asset-based	Price per square meter	€1,362/sqm to €4,329/sqm	The higher the price per sqm, the higher the fair value
	Income approach	Discount rate	7.00% - 7.0614%	The higher the discount rate, the lower the fair value
Investment property	Asset-based	Price per square meter	€3,500/sqm to €3,751/sqm	The higher the price per sqm, the higher the fair value
	Income approach	Discount rate	7.00%	The higher the discount rate, the lower the fair value

30. FAIR VALUE MEASUREMENT - *continued*

30.2. INVESTMENT IN ASSOCIATES

The Company accounts for its investments in associates at fair value (Note 15.2) using the asset-based approach by reference to the net asset value of the respective entities. The Company's investment in associates has been determined to fall within level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 2. The fair value in 2024 and 2023 increased as a result of the proportional share in profits/(loss) from three of the associates.

Valuations from professionally qualified architects or surveyors, on the basis of assessments in accordance with international valuations standards and professional practice, including market data at the valuation date, are reflected for the operations being valued (for valuation techniques on asset-based approach refer to Note 31.1).

30.3. INVESTMENT IN SUBSIDIARIES

The Company accounts for its investments in subsidiaries at fair value (Note 15). It uses different methods to value its investments, mainly the discounted projected cash flows approach in the case of operating companies and the asset-based approach in the case of companies holding properties.

The Company's investment in subsidiaries has been determined to fall within level 3 of the fair valuation hierarchy. The different levels in the fair value hierarchy are defined in Note 2.

	Company	
	2024	2023
	€	€
Discounted cash flows approach		
Asset-based approach		
	1,905,637	5,466,904
	13,458,283	13,850,102
	15,363,920	19,317,006

Discounted cash flows ("DCF") approach

Management performs an annual budgeting exercise updating each hotel's projected performance to reflect actual results and external market factors. A discount rate of 10%, and capitalisation rates of between 8% and 12%, have been used for the operations being valued. The higher the discount rate, the lower the fair value; the higher the capitalisation rate, the lower the fair value.

Asset-based approach

Valuations from professionally qualified architects or surveyors, on the basis of assessments in accordance with international valuations standards and professional practice, including market data at the valuation date, are reflected for the operations being valued (Note 30.1)

30. FAIR VALUE MEASUREMENT - *continued*

Details of investment in subsidiaries by valuation technique

	Valuation technique
Von der Heyden Group Finance P.L.C.	Asset-based
IBB Hotel Collection Holding S.L.	DCF
Asset Management Company Von der Heyden Group LLC	Asset-based
Von der Heyden Group Services Limited	Asset-based
Von der Heyden Yachting Limited	Asset-based
Gzira 14 East Limited	Asset-based
First Polish Real Estate B.V.	Asset-based
Andersia Tower Hotel Management Sp. z o.o.	Asset-based
Lublin Grand Hotel Sp. z o.o.	Asset-based
Nowy Swiat 5 Sp. z o.o.	Asset-based
Von der Heyden & Partners Sp. z o.o.	Asset-based
Von der Heyden Development Sp. z o.o.	DCF
Timan Investments España S.L.	Asset-based
Cugo Gran Hotel Hamburg	Asset-based
IBB Hotel Verwaltungsgesellschaft mbH	Asset-based
Villa Diodati S.R.L.	Asset-based

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

After the reporting period, the following non-adjusting events have transpired:

- The Group is in advanced stages of negotiations with certain banks, financial intermediaries, and government development funds to finance certain projects and transactions of the Group.
- On 1 March 2025, the Group ceased operating the IBB Hotel Eichstatt following an exit agreement with the property owner. As of 31 December 2024, the Group carried lease liabilities of €4,315,463 and right-of-use asset of €3,304,710 in these financial statements.
- Subsequent to the year-end, the Group has obtained a waiver of the minor breach of covenant as disclosed in note 23.
- The Company is in the process of applying with the Malta Business Registry for a change in registration from a limited liability company to a public limited liability company.



INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings Limited

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the separate and consolidated financial statements of Timan Investment Holdings Limited (the "Company" and together with its subsidiaries, the "Group"), set on pages 23 to 79, which comprise the separate and consolidated statements of financial position as at 31 December 2024, and the separate and consolidated statements of comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policies.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the separate and consolidated financial position of the Company as at 31 December 2024, and of its separate and consolidated financial performance and its separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act, Cap. 386 of the Laws of Malta (the "Companies Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board of Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap. 281 of the Laws of Malta*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to Going Concern

We draw attention to Note 2.2 of the financial statements which indicates that the current liabilities of the group exceed its current assets by EUR27.2 million predominantly due to contractor financing of AND2 and explains the Group's current liquidity position in relation to the stage of the ongoing multi-party negotiations relating to the end-project financing for the same project.

Note 2.2 also explains management plans to secure additional financing required, progress in meeting banking facility drawdown requirements and the realization of certain other peripheral assets.

These conditions, indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings Limited - continued

Report on the audit of the separate and consolidated financial statements - continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon other than our reporting on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or the Group, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings Limited - continued

Report on the audit of the separate and consolidated financial statements - continued

Auditor's responsibilities for the audit of the financial statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis to forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings Limited - continued

Report on other legal and regulatory requirements

Matters on which we are required to report by the Companies Act

We are required to express an opinion as to whether the directors' report has been prepared in accordance with the applicable legal requirements. In our opinion the directors' report has been prepared in accordance with the Companies Act.

In addition, in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Directors' report. We have nothing to report in this regard.

We also have responsibilities under the Companies Act to report to you if in our opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records;
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.



*The partner in charge of the audit resulting in this independent auditor's report is
Shawn Falzon for and on behalf of*

Ernst & Young Malta Limited
Certified Public Accountants

30 April 2025

