



# VON DER HEYDEN GROUP FINANCE plc

**Reference: VDHGF 57-2021**

## COMPANY ANNOUNCEMENT

The following is a Company Announcement by Von der Heyden Group Finance p.l.c. [C 77266] (the 'Company') of 14 East, Level 8, Sliema Road, Gzira, GZR 1639, Malta pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority. [CMR 5.16.20 & 5.74]

### **QUOTE**

*The Company hereby announces that the Board of Directors of the Company has unanimously resolved to approve the half-yearly report of the Company ending 30 June 2021. The said report is attached herewith and also available for viewing on the Company's website at: <https://vonderheydengroup.com/wp-content/uploads/2021/08/VDHGF-Interim-Financial-Statements-FS-as-at-30-06-2021-Signed.pdf>*

### **UNQUOTE**

**Dr. Karen Coppini**  
Company Secretary

25 August 2021



VON DER HEYDEN GROUP FINANCE plc

**INTERIM REPORT**

**AND**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

(unaudited)

For the six months ended 30 June 2021

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## **GENERAL INFORMATION**

### **Registration**

Von der Heyden Group Finance p.l.c. is registered in Malta as a public limited liability company under the Companies Act (Cap. 386, Laws of Malta). The Company's registration number is C 77266.

### **Board of Directors**

Mr. Robert Hendrik Rottinghuis  
Mr. Antonio Fenech  
Mr. Joseph M. Muscat  
Mr. Jozef B. Borowski  
Mr. Robert C. Aquilina

### **Company Secretary**

Dr. Karen Coppini

### **Registered Office**

14 East, Level 8  
Sliema Road  
Gzira, GZR 1639  
Malta

### **Bankers**

Lombard Bank Malta p.l.c.  
67, Republic Street  
Valletta VLT 1117  
Malta

Hamburg Commercial Bank AG  
Gerhart-Hauptmann-Platz 50  
20095 Hamburg  
Germany

HSBC Bank Malta p.l.c.  
116, Archbishop Street  
Valletta, VLT1444  
Malta

### **Auditors**

Ernst & Young Malta Limited  
Regional Business Centre  
Achille Ferris Street  
Msida, MSD 1751  
Malta

## **INTERIM DIRECTORS' REPORT**

The directors of the Company hereby present the interim report and the interim condensed financial statements for the six-month period ended 30 June 2021.

### **Principal Activity**

The Company has been set up and established to act as a finance company through which the Von der Heyden Group, which principally specializes in the business of developing high quality office buildings and other property developments, as well as owning and managing hotel and residential properties in several European countries including Malta, will continue to finance its future projects.

### **Principal Risks and Uncertainties**

The Company is mainly dependent on the business prospects of the Von der Heyden Group, and consequently, the operating results of the Group have a direct effect on the Company's financial position and performance, including the ability of the Company to meet its payment obligations under the issued bonds.

The Company's assets consist principally of the loans advanced to the related companies and the accrued interest thereon. Therefore, the ability of these companies to affect payments to the Company under such loans will depend on their respective cash flows and earnings.

### **Review of the business**

The Company, as issuer of the bonds, does not have any substantial assets apart from the loans receivable from related companies and is essentially a special purpose vehicle set up to act as a financing company. The Company therefore serves as a vehicle through which the Von der Heyden Group will continue to fund both its ongoing and future projects thus enabling it to seize new opportunities arising in the market. The Company operates exclusively in and from Malta.

As at 30 June 2021, the Company has on-lent and made available from its net bond proceeds an amount of €19,814,495 (as at 31 December 2020: €15,064,495) to various related parties of the Von der Heyden Group. The Company generated interest income of €655,709 (period ended 30 June 2020: €707,843) and an interest expense of €545,479 (period ended 30 June 2020: €545,479). After amortisation of bond issue costs, the resulting net interest earned for the period under review of €89,415 (period ended 30 June 2020: €141,549) serves to cover operating expenses as well as a margin for the Company's financing activities.

During the period under review the Company received €250,000 in loan repayments from related parties. On the other hand, to ensure that the Company continues to generate an adequate return on its cash resources, the Board has in March 2021 approved a €5,000,000 loan facility to the group parent company, for the purpose of placing these funds in shorter term investment projects. A further loan facility of €2,500,000 has been granted for the same purpose to the group parent company on the 10 August 2021. The loans provide for 7.5% annual rate of interest and are repayable on 31 December 2023. The loans will ensure that in an economic environment where the scope for generating interest income on surplus funds is very restricted, the Company will sustain a positive net interest margin and an operating profit in the current financial year and beyond. On 30 June 2021, the Group and the Company undertook a restructuring exercise whereby the Company's loans receivable due from hospitality operating companies were reassigned to the Holding company of the Hospitality section of the Group. Furthermore, the maturity profile of this receivable was extended to 31 December 2023 in order to support the hospitality companies' cashflow in the period when their performance is being adversely impacted by the disruption in trading brought about by the Covid-19 pandemic.

## **INTERIM DIRECTORS' REPORT - continued**

The directors have assessed the appropriateness of the going concern basis by reviewing cash forecasts prepared by management, taking into account significant events and transactions that have occurred or are expected to occur subsequent to year end - and including the effects of Covid-19. The directors are satisfied that the Group has sufficient liquidity to meet all its obligations when and as these fall due in the foreseeable future, and it is therefore appropriate to continue adopting the going concern assumption in the preparation of these financial statements.

### **Financial risk management**

The Company's activities expose it to a variety of financial risks, including credit risk and liquidity risk as summarized below.

#### *Credit risk*

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of loans advanced to related companies and the accrued interest thereon, and cash at bank. The recoverability of the loans advanced to related companies and the accrued interest thereon is dependent on the performance of these companies and their ability to affect payments to the Company under such loans. After considering the performance and the outlook of the business of such companies, the directors believe that the credit risk on such loans is limited. The credit risk relating to cash at bank is considered to be low in view of management's policy of placing it with quality financial institutions.

#### *Liquidity risk*

The Company is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise the bonds payable in issue and the trade and other payables. Prudent liquidity risk is managed by maintaining significant levels of liquid funds, and identifying and monitoring changes in funding to ensure the available amount of funding to meet the Company's obligations as and when they fall due.

### **Related party transactions**

During the six months period ended 30 June 2021, there have been no material related party transactions which have not been concluded under normal market conditions.

### **Statement Pursuant to Listing Rule 5.75.3 Issued by the Listing Authority**

We confirm that, to the best of our knowledge and that of the management of the Company, the interim condensed financial statements give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the six-month period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34).

Furthermore, the Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

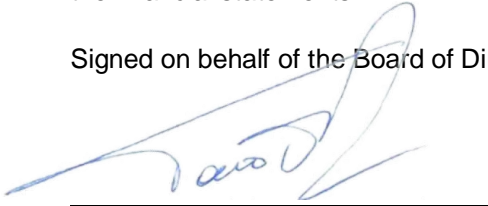
The interim condensed financial statements attached to this report have been reviewed in terms of ISRE2410 'Review of interim financial information' performed by the independent auditor of the Company. The comparative amounts reflect the position of the Company as included in the audited financial statements for the year ended 31 December 2020 and the unaudited and unreviewed results for the period ended 30 June 2020 as applicable.

## **INTERIM DIRECTORS' REPORT - continued**

### **Events after the reporting period**

There have been no events after the reporting period that would require adjustments to or disclosure in the financial statements.

Signed on behalf of the Board of Directors by:



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**Antonio Fenech**  
Director  
25 August 2021



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**Robert Hendrik Rottinghuis**  
Director

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

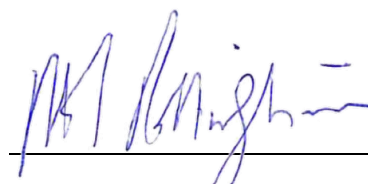
	Notes	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Loans receivable	6	19,814,495	13,339,495
<b>Current assets</b>			
Loans and other receivables	7	1,045,744	2,414,865
Cash and cash equivalents	8	4,734,745	10,367,314
		5,780,489	12,782,179
<b>TOTAL ASSETS</b>		<b>25,594,984</b>	<b>26,121,674</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		250,000	250,000
Retained earnings		86,346	72,804
<b>Total Equity</b>		<b>336,346</b>	<b>322,804</b>
<b>Non-Current liabilities</b>			
Borrowings	9	24,895,925	24,875,109
<b>Current liabilities</b>			
Trade and other payables		362,713	923,761
<b>TOTAL LIABILITIES</b>		<b>25,258,638</b>	<b>25,798,870</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,594,984</b>	<b>26,121,674</b>

The notes on pages 11 to 15 are an integral part of these interim financial statements.

The financial statements on pages 7 to 15 have been authorized for issue by the Board of Directors on 25 August 2021 and were signed on its behalf by:



**Antonio Fenech**  
Director



**Robert Hendrik Rottinghuis**  
Director



**INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

		6 months to 30 Jun 2021 (unaudited)	6 months to 30 Jun 2020 (unaudited and unreviewed)
	Notes	€	€
Finance income	11	655,709	707,843
Finance costs	9	(566,294)	(566,294)
Net interest earned		89,415	141,549
Administration expenses	11	(75,873)	(127,712)
Profit before tax		13,542	13,837
Taxation		-	39,233
Profit for the financial period		13,542	53,070
Other comprehensive income for the financial period		-	-
Total comprehensive income for the financial period		13,542	53,070
Earnings per share	10	0.05	0.21

The notes on pages 11 to 15 are an integral part of these financial statements.

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital €	Retained Earnings €	Total Equity €
<b>(unaudited and unreviewed)</b>			
<i>Financial period ended 30 June 2020</i>			
Balance as at 1 January 2020	<b>250,000</b>	<b>19,517</b>	<b>269,517</b>
Total comprehensive income for the period			
<i>Profit for the financial period</i>	<b>-</b>	<b>53,070</b>	<b>53,070</b>
Balance as at 30 June 2020	<b>250,000</b>	<b>72,587</b>	<b>322,587</b>
<b>(unaudited)</b>			
<i>Financial period ended 30 June 2021</i>			
Balance as at 1 January 2021	<b>250,000</b>	<b>72,804</b>	<b>322,804</b>
Total comprehensive income for the period			
<i>Profit for the financial period</i>	<b>-</b>	<b>13,542</b>	<b>13,542</b>
Balance as at 30 June 2021	<b>250,000</b>	<b>86,346</b>	<b>336,346</b>

The notes on pages 11 to 15 are an integral part of these financial statements.

## INTERIM CONDENSED STATEMENT OF CASH FLOWS

		6 months to 30 Jun 2021 (unaudited)	6 months to 30 Jun 2020 (unaudited and unreviewed)
	Note	€	€
<b>Cash flow from operating activities</b>			
Profit before tax		13,542	13,837
<b>Adjustments for:</b>			
Amortisation of bond issue costs	9	20,815	20,815
<b>Operating profit before working capital movements</b>		<b>34,357</b>	34,652
(Increase) / Decrease in loans and other receivables		(355,879)	1,049,547
Decrease in trade and other payables		(561,047)	(580,810)
<b>Net cash flows (used in) / from operating activities</b>		<b>(882,569)</b>	503,389
<b>Cash flows from investing activities</b>			
Loans to related parties		(5,000,000)	-
Loan repayments from related parties		250,000	4,179,000
<b>Net cash flows (used in) / from investing activities</b>		<b>(4,750,000)</b>	4,179,000
<b>Net movement in cash and cash equivalents</b>		<b>(5,632,569)</b>	4,682,389
<b>Cash and cash equivalents at beginning of period</b>		<b>10,367,314</b>	2,554,969
<b>Cash and cash equivalents at end of period</b>		<b>4,734,745</b>	7,237,358

The notes on pages 11 to 15 are an integral part of these financial statements.

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

### **1. General information**

Von Der Heyden Group Finance p.l.c. ("the Company") was incorporated on September 15th, 2016 as a public limited liability company, registered in terms of the Companies Act (Cap. 386) with company registration number C 77266. It is domiciled in Malta, having its registered office at 14 East, Level 8, Sliema Road, Gzira, GZR 1639, Malta. The ultimate parent company is Von der Heyden Group Holding B.V. a company registered in Curacao, with its registered address at Landhuis Groot Kwartier, Groot Kwartierweg 12, Curacao.

### **2. Basis of preparation**

The financial information of the Company as at 30 June 2021 and for the six-month period then ended reflects the financial position and performance of Von Der Heyden Group Finance p.l.c. The comparative amounts reflect the position of the Company as included in the audited financial statements for the year ended 31 December 2020 and the unaudited and unreviewed results for the period ended 30 June 2020 as applicable.

These interim condensed financial statements are being published pursuant to Listing Rule 5.74 issued by the Listing Authority and the Prevention of Financial Markets Abuse Act, 2005. The interim condensed financial statements attached to this report have been reviewed in terms of ISRE2410 'Review of interim financial information' performed by the independent auditor of the Company. The interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards adopted for use in the European Union for reported interim condensed financial information (IAS 34, Interim Financial Reporting) and in terms of the Listing Rules 5.81 to 5.84.

The interim condensed financial statements have been prepared in accordance with the same accounting policies, presentation and methods of computation adopted in the Company's most recent annual financial statements for the year ended 31 December 2020.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2020, which form the basis for these interim condensed financial statements. These interim condensed financial statements are intended to provide an update on the latest complete set of annual financial statements, and accordingly they focus on any new activities, events and circumstances.

### **3. Application of new or revised International Financial Reporting Standards**

*Standards, interpretations and amendments to published standards effective during the reporting period*

During the financial period under review, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the accounting period beginning on 1 January 2021. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the accounting policies.

*Standards, interpretations and amendment to published standards that are not yet effective*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these interim condensed financial statements, that are mandatory for the accounting periods beginning after 1 January 2021. The Company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the directors are of the opinion that there are no requirements that will have a possible significant impact on the financial statements in the period of initial application.

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - continued**

### **4. Critical accounting estimates and judgements**

In preparing these interim condensed financial statements, the directors have made judgements, estimates and assumptions that affect reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. The significant judgements made in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### **5. Going concern**

On 8 March 2017 the Company issued 25,000 4.4% redeemable bonds of €1,000 each to the public. The proceeds received therefrom were advanced to related companies at an annual interest rate of 7.5% except for €4,000,000 to the ultimate parent company, which is subject to an annual interest rate of 4.4%.

The ability of Von der Heyden Group Finance p.l.c. to meet its obligations, both in terms of servicing its debts and ultimately repaying the bondholders on the redemption date, is thus dependent on the ability of the Company to collect amounts due from the Group and related companies.

As disclosed in notes 7 and 9, the parent company, Timan Investments Holdings Limited, has provided a corporate guarantee in favour of the bondholders and in favour of the Company to effect the due and punctual performance of all payment obligations undertaken by Von der Heyden Group Finance p.l.c. under the bonds and all payment obligations by the related party borrowers to the Company, if they fail to do so.

The directors have assessed the appropriateness of the going concern basis by reviewing cash forecasts prepared by management, taking into account significant events and transactions that have occurred or are expected to occur subsequent to period end - and including the effects of Covid-19. The directors are satisfied that the Group has sufficient liquidity to meet all its obligations when and as these fall due in the foreseeable future, and it is therefore appropriate to continue adopting the going concern assumption in the preparation of these financial statements.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - continued

### 6. Loans receivable

	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
Loans receivable from parent undertaking	8,993,750	3,993,750
Loans receivable from ultimate parent company	4,000,000	4,000,000
Loans receivable from group undertakings	6,070,745	4,345,745
Loans receivable from other related parties	750,000	1,000,000
	<b>19,814,495</b>	<b>13,339,495</b>

These represent loans advanced to related companies from the net proceeds of the bond issue. They are subject to an interest rate of 7.5% except for €4,000,000 which is subject to interest at an annual rate of 4.4%. The loans are repayable as follows:

	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
Between 1 and 2 years	-	75,000
Between 3 and 5 years, but not later than 1 March 2024	19,814,495	13,264,495
	<b>19,814,495</b>	<b>13,339,495</b>

On 30 June 2021, the Company undertook a restructuring exercise whereby the loans receivable due from the Group's hospitality operating companies amounting to €2,196,000 were reassigned to the Group's Hospitality Holding company. As part of this re-assignment, the maturity of €1,800,000 of these loans was also extended to 31 December 2023.

### 7. Loans and other receivables

	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
Loans receivable from group undertakings	-	1,725,000
Accrued interest on loans receivable	1,074,839	728,157
Other receivables	14,154	4,957
	<b>1,088,993</b>	<b>2,458,114</b>
Less: Loss allowance under IFRS 9	<b>(43,249)</b>	<b>(43,249)</b>
	<b>1,045,744</b>	<b>2,414,865</b>

No current loans are owed by other group undertakings as at 30 June 2021 (as at 31 December 2020: €1,725,000 carrying an annual interest rate of 7.5%). As disclosed in Note 6, the restructuring exercise undertaken by the Company has led to the maturity of €1,725,000 outstanding as at 31 December 2020 being extended to 31 December 2023.

The parent company, Timan Investments Holdings Limited, has provided a corporate guarantee in favour of the Company to effect the due and punctual performance of all the payment obligations undertaken by the related party borrowers under these loans and those disclosed in note 6 if the said borrowers fail to do so.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - continued

### 8. Cash and cash equivalents

Cash and cash equivalents include bank accounts of €117,760 pledged in favour of third parties and of €7,521 pledged as collateral against the Company's credit card facility.

### 9. Borrowings

	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
<b>Non-current</b>		
4.4% Bonds redeemable on 8 March 2024	<b>24,895,925</b>	24,875,109

During 2017 the Company issued an aggregate principal amount of €25 million bonds (2017-2024), having a nominal value of €1,000 each, bearing interest at the rate of 4.4% per annum. The bonds are unsecured pursuant and subject to the terms and conditions in the prospectus dated 30 January 2017. The quoted market price as at 30 June 2021 for the 4.4% Bonds 2017 - 2024 was 100.10 (as at 31 December 2020: 100.00).

The parent company, Timan Investments Holdings Limited, has provided a corporate guarantee in favour of the bondholders to effect the due and punctual performance of all payment obligations undertaken by Von der Heyden Group Finance p.l.c. under the bonds if the Company fails to do so.

The carrying amount of the bonds is net of direct issue costs which are being amortised over the life of the bonds.

	30 Jun 2021 (unaudited) €	31 Dec 2020 (audited) €
Proceeds	<b>25,000,000</b>	25,000,000
Less:		
Issue costs	<b>283,535</b>	283,535
Accumulated amortisation	<b>(179,460)</b>	(158,644)
	<b>104,075</b>	124,891
	<b>24,895,925</b>	24,875,109

Finance costs incurred during the period were as follows:

	6 months to 30 Jun 2021 (unaudited) €	6 months to 30 Jun 2020 (unaudited and unreviewed) €
Interest on bonds payable	<b>545,479</b>	545,479
Amortisation of bond issue costs	<b>20,815</b>	20,815
	<b>566,294</b>	566,294

## **NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS - continued**

### **10. Earnings per share**

Earnings per share is calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period.

	<b>6 months to 30 Jun 2021 (unaudited)</b>	<b>6 months to 30 Jun 2020 (unaudited and unreviewed)</b>
	<b>€</b>	<b>€</b>
Profit for the period	<b>13,542</b>	53,070
Weighted number of ordinary shares	<b>250,000</b>	250,000
Earnings per share	<b>0.05</b>	0.21

### **11. Related party transactions**

The Company's related parties include its ultimate parent company, parent company, fellow subsidiary companies and associates of which Timan Investments Holdings Limited is the parent company, key management and all other parties forming part of the Group.

Related party transactions are entered into on a commercial basis with entities which are related by way of common shareholders who are able to exercise significant influence over the Company's operations. The Company has effected advances to these entities as disclosed in notes 6 and 7 to the financial statements.

Finance income includes interest income from loans to related parties generated during the period of €655,709 (period ended 30 June 2020: €707,843). Administration expenses include directors' fees and remuneration incurred during the period of €20,000 (period ended 30 June 2020: €80,154).

### **12. Prior period reclassifications**

Interest received and interest paid have been reclassified in the comparative statement of cash flows within working capital movements to achieve better comparability with the current period and conformity with the financial statements as at 31 December 2020, reflecting the Company's cash flow from operating activities as a finance company.



## Report on Review of Interim Condensed Financial Information

### To the Directors of Von der Heyden Group Finance p.l.c.

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#### Introduction

We have reviewed the accompanying interim condensed financial statements of Von der Heyden Group Finance plc (the "Company"), which comprise the interim condensed statement of financial position as at 30 June 2021 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then-ended, and selected explanatory notes (the "interim condensed financial information"). The Directors are responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting, IAS 34, Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report has been prepared for and only for the Company in relation to the Listing Rules issued by the Listing Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### Other matter

Comparative financial information for the period ended 30 June 2020 included in the accompanying interim condensed financial information of the Company has not been reviewed or audited.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting.



*The partner in charge of the review resulting in this report is  
Shawn Falzon for and on behalf of*

Ernst & Young Malta Limited  
Certified Public Accountants  
25 August 2021