VON DER HEYDEN
FINANCE

Reference: VDHGF 80 – 2023

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 [CMR 5.16.20 & 5.74] issued by the Malta Financial Services Authority.

QUOTE

The Company hereby announces that during its Board Meeting held earlier today the Board of Directors of the Company has unanimously resolved to approve the unaudited Half-Yearly Report of the Company ending 30 June 2023.

The said Report is attached herewith and also available for viewing on the Company's website at: https://vonderheydengroup.com/vdhgf-interim-report-and-fs-30-06-2023/

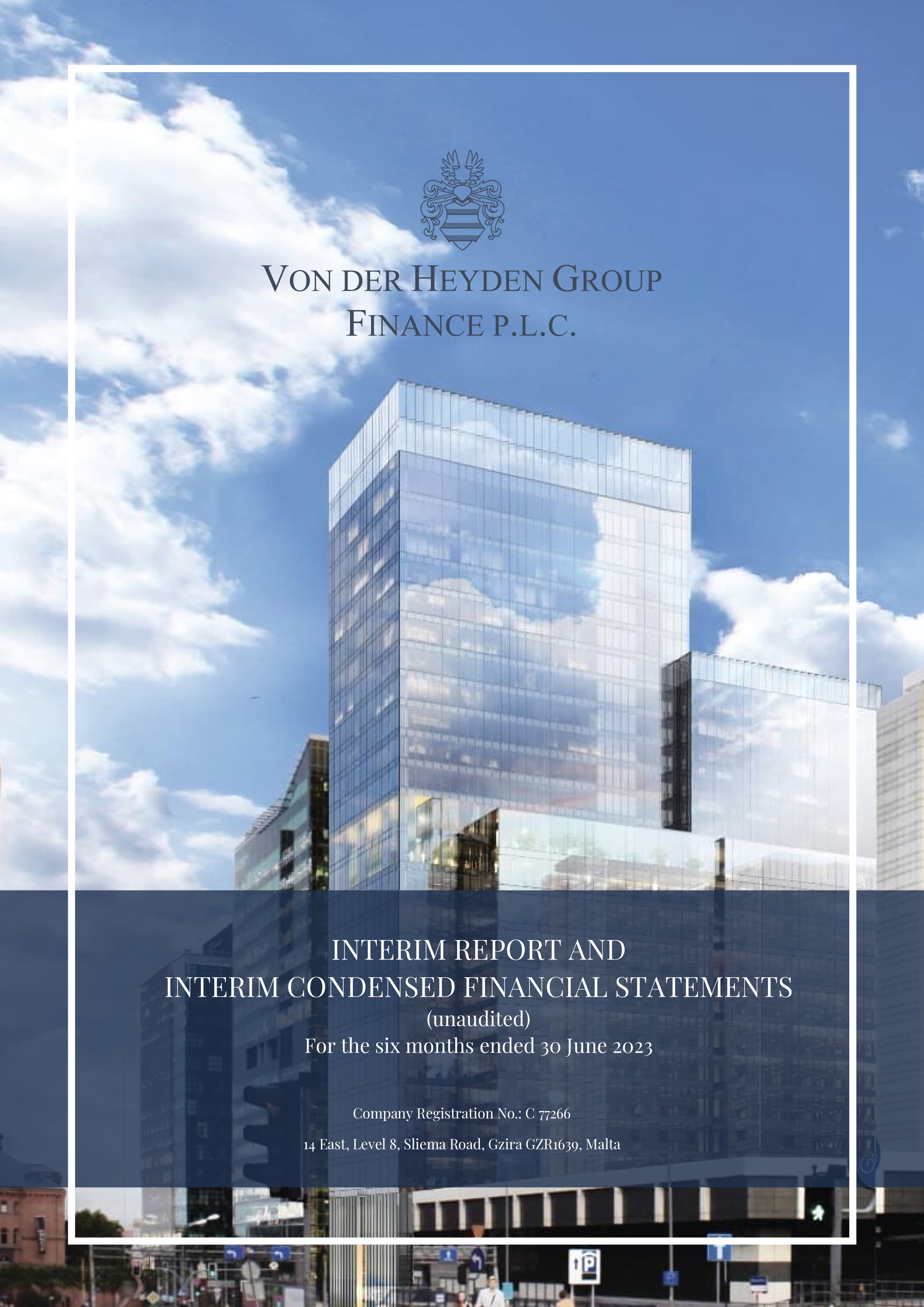
UNQUOTE

BY ORDER OF THE BOARD

Dr Karen Coppini
Company Secretary

29 August 2023

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



VON DER HEYDEN GROUP FINANCE P.L.C.

INTERIM REPORT AND INTERIM CONDENSED FINANCIAL STATEMENTS

(unaudited)

For the six months ended 30 June 2023

Company Registration No.: C 77266

14 East, Level 8, Sliema Road, Gzira GZR1639, Malta

Table of Contents

Directors, officers and other information

Registration	Von der Heyden Group Finance p.l.c. is currently registered as a public limited liability company in Malta under the Companies Act (Cap. 386) with registration number C 77266.
Directors	Mr. Antonio Fenech Mr. Javier Errejon Sainz de la Maza Mr. Joseph M. Muscat Mr. Jozef B. Borowski Dr. Karen Coppini (appointed on 21 July 2023) Mr. Robert C. Aquilina (resigned on 21 July 2023)
Company secretary	Dr. Karen Coppini
Registered office	14 East, Level 8 Sliema Road Gzira GZR1639 Malta
Auditors	Ernst & Young Malta Limited Regional Business Centre Achille Ferris Street Msida MSD1751 Malta
Bankers	Lombard Bank Malta plc 67, Republic Street Valletta VLT1117 Malta Hamburg Commercial Bank AG Gerhart-Hauptmann-Platz 50 20095 Hamburg Germany HSBC Bank Malta plc 116 Archbishop Street Valetta VLT1444 Malta

Interim Directors' Report

Interim Directors' Report

The directors of the Company hereby present the interim report and the unaudited interim condensed financial statements for the six-month period ended 30 June 2023.

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 raise finance from the capital markets to finance the ongoing and future projects of the Group.

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

During the period under review, the Company registered a net finance income of €149,995 (2022: €249,691). Finance income on the amounts advanced to the parent undertaking and to various related entities amounts to €1,055,846 (2022: €815,985). Finance costs comprise of the interest payable on the outstanding bond issue and the amortisation of the bond issue cost thereof amounting to €905,851 (2022: €566,294). Administrative expenses in the period under review comprise mainly of listing fees, audit and consulting fees, group service charges and directors' emoluments amounting to €51,000 (2022: €29,526).

The Company, as the issuer of the bonds, does not have any substantial assets apart from the loans receivable from the parent company and other group undertakings. As at 30 June 2023, the Company had €30,869,750 (31 December 2022: €23,093,750) in loans receivable from the parent company, and €224,745 (31 December 2022: €7,620,745) from the various entities forming part of the wider Von der Heyden Group.

During the period under review, the parent company drew down an additional €380,000 from the Company under the €34 million master loan facility. No loan repayments were received during the same period.

On 22 August 2023, the Company obtained regulatory approval to issue a maximum of €5 million unsecured Notes 2026 bearing 7.4% interest per annum the proceeds of which will be on-lent to the parent company to re-finance part of the development and finishing costs of Villa Diodati in Lucca, Italy and for other ongoing projects of the Group.

Considering the Company's and the Group's cash position, the projected cash flows from the investing and financing activities, and having assessed the performance of the Group companies in the interim period and the recoverability of the loans disbursed, the directors of the Company are of the opinion that the Company remains a going concern.

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.

Interim Directors' Report - *continued*

Financial risk management - *continued*

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 2023, there have been no material related party transactions which have not been concluded under normal market conditions.

Statement Pursuant to Capital Markets Rule 5.75.3 Issued by the Malta Financial Services Authority (MFSA)

We confirm that, to the best of our knowledge and that of the management of the Company, the unaudited interim condensed financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, 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 Capital Markets Rules 5.81 to 5.84.

The unaudited 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 2022 and the unaudited and reviewed results for the period ended 30 June 2022 as applicable.

Events after the reporting period

On 22 August 2023, the Company obtained regulatory approval from the MFSA for the issue of a maximum of €5 million unsecured Notes 2026 bearing 7.4% interest *per annum* pursuant to and in terms of the prospectus having same date thereof. The Notes will be redeemable at par on 22 September 2026 and are guaranteed by the parent company, TIMAN Investments Holdings Limited.

There have been no other 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:

Antonio Fenech
Director

Javier Errejon Sainz de la Maza
Director

29 August 2023

Unaudited Interim Condensed Financial Statements

Interim Condensed Statement of Comprehensive Income

	Notes	**Six months to 30 Jun 2023 (Unaudited) €**	Six months to 30 Jun 2022 (Unaudited) €
Finance income	11	**1,055,846**	815,985
Finance costs	10	**(905,851)**	(566,294)
Net finance income		**149,995**	249,691
Administrative expenses	11	**(148,610)**	(97,791)
Profit before tax		**1,385**	151,900
Taxation		**-**	(60,448)
Profit for the period		**1,385**	91,452
Other comprehensive income for the period, net of tax		**-**	-
Total other comprehensive income for the period, net of tax		**1,385**	91,452
Basic and diluted earnings per share	6	**0.01**	0.37

The notes on pages 11 to 18 are an integral part of these financial statements.

Interim Condensed Statement of Financial Position

	Notes	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Assets			
Non-current assets			
Loans receivable	*7*	**30,869,750**	27,843,750
Current assets			
Loans and other receivables	*8*	**3,169,022**	5,236,432
Cash and cash equivalents	*9*	**1,878,947**	2,126,310
Total current assets		**5,047,969**	7,362,742
Total assets		**35,917,719**	35,206,492
Equity and liabilities			
Capital and reserves			
Share capital		**250,000**	250,000
Retained earnings		**153,101**	151,716
Total equity		**403,101**	401,716
Liabilities			
Non-current liabilities			
Debt securities in issue	*10*	**34,410,986**	34,380,136
		34,410,986	34,380,136
Current liabilities			
Debt securities in issue	*10*	**1,009,440**	197,953
Trade and other payables		**29,486**	161,981
Income tax payable		**64,706**	64,706
Total current liabilities		**1,103,632**	424,640
Total liabilities		**35,514,618**	34,804,776
Total equity and liabilities		**35,917,719**	35,206,492

The notes on pages 11 to 18 are an integral part of these financial statements.

The financial statements on pages 7 to 18 have been authorized for issue by the Board of Directors on 29 August 2023 and were signed on its behalf by:

Antonio Fenech
Director

Javier Errejon Sainz de la Maza
Director

Interim Condensed Statement of Changes in Equity

	Share capital €	Retained earnings €	Total Equity €
Six-month period ended 30 June 2022 (Unaudited)			
Balance as at 1 January 2022	250,000	177,800	427,800
Total comprehensive income for the period:			
- Profit for the period	-	91,452	91,452
Balance as at 30 June 2022	250,000	269,252	519,252
Six-month period ended 30 June 2023 (Unaudited)			
Balance as at 1 January 2023	**250,000**	**151,716**	**401,716**
Total comprehensive income for the period:			
- Profit for the period	**-**	**1,385**	**1,385**
Balance as at 30 June 2023	**250,000**	**153,101**	**403,101**

The notes on pages 11 to 18 are an integral part of these financial statements.

Interim Condensed Statement of Cash Flows

	Notes	**Six months to 30 Jun 2023 (Unaudited) €**	Six months to 30 Jun 2022 (Unaudited) €
Cash flow from operating activities			
Profit before tax		**1,385**	151,900
Adjustments for:			
Amortisation of bond issue cost	*10*	**30,850**	20,815
Operating profit before working capital movements		**32,235**	172,715
Increase in loans and other receivables	*8*	**(578,590)**	(24,989)
Decrease in trade and other payables		**(132,495)**	(8,415)
Increase / (Decrease) in debt securities in issue	*10*	**875,001**	(543,697)
Net cash flows from / (used in) operating activities		**196,151**	(404,386)
Cash flows from investing activities			
Loans to related parties	*7*	**(380,000)**	-
Net cash flows used in investing activities		**(380,000)**	-
Cash flows from financing activities			
Repayment of debt securities in issue	*10*	**(63,514)**	-
Net cash flows used in financing activities		**(63,514)**	-
Net movement in cash and cash equivalents		**(247,363)**	(404,386)
Cash and cash equivalents at beginning of period		**2,126,310**	3,050,709
Cash and cash equivalents at end of period	*9*	**1,878,947**	2,646,323
Additional information on operating cash flows from interest			
Interest received		**461,972**	790,565
Interest paid		**-**	(1,100,000)

The notes on pages 11 to 18 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 15 September 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 2023 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 2022 and the unaudited and reviewed results for the period ended 30 June 2022 as applicable.

These interim condensed financial statements are being published pursuant to Capital Markets Rule 5.74 issued by the MFSA 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 Capital Markets 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 2022.

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 2022, 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. New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed financial statements of the Company.

- *IFRS 17 Insurance Contracts*

  In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach);
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

3. New standards, interpretations and amendments adopted by the Company - *continued*

The standard is effective for annual periods beginning on or after 1 January 2023 with earlier application permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretional participation contracts. The Company does not issue contracts in scope of IFRS 17; therefore, its application does not have an impact on the Company's interim condensed financial statements.

- *Definition of Accounting Estimates – Amendments to IAS 8*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's interim condensed financial statements.

- *Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2*

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Company's interim condensed financial statements.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12*

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Company's interim condensed financial statements.

- *IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments)*

The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organisation for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023. The amendments have not yet been endorsed by the EU.

The amendments had no impact on the Company's interim condensed financial statements.

3. New standards, interpretations and amendments adopted by the Company – *continued*

New and amended standards – not endorsed and not yet effective

- *Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements* (issued on 25 May 2023) (applicable for annual periods beginning on or after 1 January 2024);
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback* (issued on 22 September 2022) (applicable for annual periods beginning on or after 1 January 2024);
- *Amendments to IAS 1 Presentation of Financial Statements:*
  - Non-current Liabilities with Covenants (issued on 31 October 2022) (applicable for annual periods beginning on or after 1 January 2024)
  - Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020) (applicable for annual periods beginning on or after 1 January 2024).
  - Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) (applicable for annual periods beginning on or after 1 January 2024).

None of these amendments is expected to have an impact on the financial position or performance of the Company.

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

As at 30 June 2023, the Company has debt securities in issue with an aggregate principal amount of €35 million (the "second bond"). The Company's second bond bears interest at 5% *per annum*, payable annually every 16 December and will mature on 16 December 2032.

As disclosed in notes 7 and 10, 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.

As disclosed in note 13, on 22 August 2023, the Company obtained regulatory approval from the MFSA for the issue of a maximum of €5 million unsecured Notes 2026 bearing 7.4% interest *per annum* and redeemable at par on 22 September 2026. The Notes are also guaranteed by the parent company, TIMAN Investments Holdings Limited.

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 dates, is thus dependent on the ability of the Company to collect the amounts due from the parent company and the other Group entities.

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. These include the continued financing needs of the Group's major projects, particularly the Andersia Silver project in Poznan, Poland that is expected to complete the shell and core construction works in March 2024, to be followed by the commencement of the mechanical and finishing works for a further 12-18 months, as well as the Villa Diodati project in Lucca, Italy that is expected to be completed by the end of 2023 and to start operations and generate income as from Q2 2024.

The directors are satisfied that the Group has sufficient liquidity and resources to meet 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.

6. 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. Basic earnings per share is equal to the diluted earnings per share.

	6 months to 30 Jun 2023 (unaudited) €	6 months to 30 June 2022 (unaudited) €
Profit for the period	**1,385**	91,452
Weighted number of ordinary shares	**250,000**	250,000
Basic and diluted earnings per share	**0.01**	0.37

7. Loans receivable

	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Loan receivable from parent undertaking	**30,869,750**	23,093,750
Loan receivable from ultimate parent company	**-**	3,500,000
Loan receivable from group undertaking	**-**	500,000
Loan receivable from other related party	**-**	750,000
	30,869,750	27,843,750

The loans receivable from the parent undertaking and the other group entities represent the net proceeds from the 4.4% €25 million bond (the "first bond") redeemed on the 16 December 2022 and the additional proceeds raised from the second bond issue on the same date.

Following the second bond issue in December 2022, the loans receivable as at 31 December 2022 from the ultimate parent company (€3.5m), the group undertakings (€0.5m non-current, €2.2m current) and other related parties (€0.75m non-current, €0.45m current) were assigned to and became due from the parent undertaking under the terms of the €34.3 million master loan facility executed. This facility bears an interest rate of 6.5% *per annum* and carries a final redemption date of 16 September 2032. The loans provided are under normal market terms.

The loans receivable as at 31 December 2022 from the parent undertaking, ultimate parent company, group undertaking, and other related parties bore interest ranging from 4.4% to 7.5% *per annum* and were due to be repaid by 1 March 2024.

The increase in total loans receivable, both non-current and current (Note 8), from 31 December 2022 relates to the €0.38m drawn down by the parent company during the interim period.

The maturity profile of the non-current loans receivable are repayable as follows:

	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Between 1 and 2 years	**-**	4,750,000
Between 3 and 5 years	**-**	-
More than 5 years	**30,869,750**	23,093,750
	30,869,750	27,843,750

The parent company, TIMAN Investments Holdings Limited, has provided a corporate guarantee in favour of the Company to affect the due and punctual performance of all the payment obligations relating to these loans and those disclosed in note 8 if the said borrower fails to do so.

8. Loans and other receivables

	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Loans receivable from group undertaking	**224,745**	2,420,745
Loan receivable from other related parties	**-**	450,000
Accrued interest on loans receivable (Note 7)	**2,974,689**	2,380,815
Other receivables	**12,837**	28,121
	3,212,271	5,279,681
Less: Loss allowance under IFRS 9	**(43,249)**	(43,249)
	3,169,022	5,236,432

The loan receivable from group undertaking with a carrying amount of €224,745 (31 December 2022: €224,745) is subject to interest of 7.5% (2022: 7.5%) *per annum* and is due to mature within the next 12 months from 31 December 2022.

The other loans receivable from group undertaking and from other related parties were assigned to the parent undertaking during the interim period (Note 7).

9. Cash and cash equivalents

Cash and cash equivalents include bank accounts of €115,430 (as at 31 December 2022: €115,789) pledged for a rental deposit in favour of a third party on behalf of a Group company and €7,531 (as at 31 December 2022: €7,531) pledged as collateral on the Company's credit card facility.

10. Debt securities in issue

On 16 December 2022, the Company issued the second bond of an aggregate principal amount of €35 million with a nominal value of €100 each. The second bond is unsecured, bears 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 second bond is traded on the Malta Stock Exchange with the trading symbol of VH32A and International Securities Identification Number (ISIN) MT0001401216. The quoted market price of the bond as at 30 June 2023 was 99.00 (31 December 2022: 100.00).

The proceeds from the second bond were mainly used to early redeem the first bond that was due to mature on 8 March 2024, and to partly finance the Group's ongoing construction works of the Andersia Silver project in Poznan, Poland and for general corporate funding purposes.

To early redeem the first bond, the Company paid the bondholders a redemption premium of 1% for a total of €250,000 and the accrued interest up to the redemption date of 16 December 2022. The redemption premium and the €43,249 unamortised portion of the bond issue cost were presented within the loss on extinguishment of financial liability in the financial statements for the year ended 31 December 2022.

Proceeds from the issuance of the second bond amounted to €15,014,400 while €5,451,900 of the first bond were redeemed, out of which €5,396,350 had been settled by 30 June 2023 (2022: €5,337,770), while the remaining €55,550 (2022: €114,130) is being held by the Company until the bondholders' rightful heirs are confirmed and instructions for payment are received.

Total costs to issue the second bond amounted to €622,264 which will be amortised until the maturity of the second bond. The carrying amount of the bonds is presented net of bond issue costs as per below.

10. Debt securities in issue - *continued*

Interest on debt securities in issue for the six months ending 30 June 2023 was €905,851 (H1 2022: €566,294).

	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Non-current		
Listed Debt Securities MT0001401216 - 5% €35M Bonds 2032	**35,000,000**	35,000,000
Less: Unamortised bond issue costs	**(589,014)**	(619,864)
	34,410,986	34,380,136
Current		
Accrued interest on bonds payable (i, ii)	**943,057**	68,056
Amounts held on behalf of bondholders (iii)	**66,383**	129,897
	1,009,440	197,953

(i) Interest on the second bond is due yearly on 16 December, whereas interest on the first bond was due yearly on 8 March.
(ii) Interest paid in relation to the bond during the interim period was nil (H1 2022: €1,100,000).
(iii) This relates to amounts due to bondholders, inclusive of interest accrued, until the instructions for payment are received from the Malta Stock Exchange,

The carrying amount of the bonds is presented net of direct issue costs which are being amortised over the life of the bonds as follows:

	30 Jun 2023 (unaudited) €	31 Dec 2022 (audited) €
Bond issue costs	**622,264**	622,264
Less: Accumulated amortisation	**(33,250)**	(2,400)
Unamortised bond issue costs	**589,014**	619,864

The parent company, TIMAN Investments Holdings Limited, has provided a corporate guarantee in favour of the bondholders to affect the due and punctual performance of all payment obligations undertaken by the subsidiary under the Bonds if it fails to do so. Also, the parent company has provided a corporate guarantee in favour of the Company to affect the due and punctual performance of all the payment obligations undertaken by the related party borrowers under the Company's loans if the said borrowers fail to do so.

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 affected advances to these entities as disclosed in note 7 and 8 to the financial statements.

Finance income includes interest income from loans to related parties generated during the period of €1,055,846 (period ended 30 June 2022: €815,985). Administration expenses include directors' fees and remuneration incurred during the period of €51,000 (period ended 30 June 2022: €29,526).

12. Financial Instruments

At interim period end, the Company's main financial assets in the statement of financial position comprise cash and cash equivalents, other receivables and loans receivables. At interim period end, there were no off-balance sheet financial assets.

At interim period end, the Company's main financial liabilities in the statement of financial position comprise bonds payable and trade and other payables. At interim period end, there were no off-balance sheet financial liabilities.

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

12.1 Timing of cash flows

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

12.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 10, equity attributable to equity holders, comprising issued share capital and retained earnings as disclosed in the statement of changes in equity.

12.3 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 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.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, as disclosed in notes 7, 8 and cash and cash equivalents.

12.4 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.

The Company forms part of the Von der Heyden Group. The Company has advanced most of the amounts borrowed by way of bonds to companies within the Von der Heyden group. This implies that the Company would have to receive settlement of interest receivable from the related companies in order to be able to meet its interest payable as it falls due.

The Directors monitor liquidity risk by forecasting the expected cash flows in order to ensure that adequate funding is in place in order for the Group to be in a position to meet its commitments as and when they fall due.

Notes to the Interim Condensed Financial Statements - *continued*

12. Financial Instruments - *continued*

12.4 Liquidity risk - *continued*

The table below analyses the Company's financial liabilities by the remaining contractual maturities using the contractual undiscounted cash flows:

	Within 1 year €	1 to 2 years €	2 to 5 years €	Over 5 years €	Total €
30 June 2023					
Trade payables	4,134	-	-	-	4,134
Debt securities in issue	1,750,000	1,750,000	5,250,000	43,750,000	52,500,000
	1,754,134	1,750,000	5,250,000	43,750,000	52,504,134
31 December 2022					
Trade payables	97,869	-	-	-	97,869
Debt securities in issue	1,750,000	1,750,000	5,250,000	43,750,000	52,500,000
	1,847,869	1,750,000	5,250,000	43,750,000	52,597,869

12.5 Interest rate risk

In view of the nature of its activities, the Company's transactions consist of interest income on the loans advanced to related companies from the proceeds of the bond issue and the interest payable on the bonds. However, these are independent of changes in market interest rates. Both the loans receivable from related companies and the bonds are subject to fixed interest rates. The Company has charged a higher lending rate on its receivables to cover its operating expenses. Also, most of the loans receivable have similar maturities to the bonds payable.

12.6 Fair values

The carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities approximated their fair values due to their short-term maturities.

The fair value of non-current financial assets is not materially different from their carrying amounts particularly due to re-pricing. The fair value of non-current financial liabilities can be defined by reference to the quoted market price as disclosed in note 10.

13. Events after the reporting period

On 22 August 2023, the Company obtained regulatory approval from the MFSA for the issue of a maximum of €5 million unsecured Notes 2026 bearing 7.4% interest *per annum* pursuant to and in terms of the prospectus having same date thereof. The Notes will be redeemable at par on 22 September 2026 and are guaranteed by the parent company, TIMAN Investments Holdings Limited.

There were no other events after the interim reporting period that would require adjustments to or disclosure in the financial statements.

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Report on Review of Interim Condensed Financial Information

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

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 2023 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 Capital Markets Rules issued by the Malta Financial Services 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.

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
29 August 2023