



VON DER HEYDEN GROUP

ANNUAL REPORT & FINANCIAL STATEMENTS

31 December 2025

TIMAN
INVESTMENTS HOLDINGS P.L.C.

Company Registration No. C 63335

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VON DER HEYDEN GROUP

about us



Founded in Germany in 1989 by Mr 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.

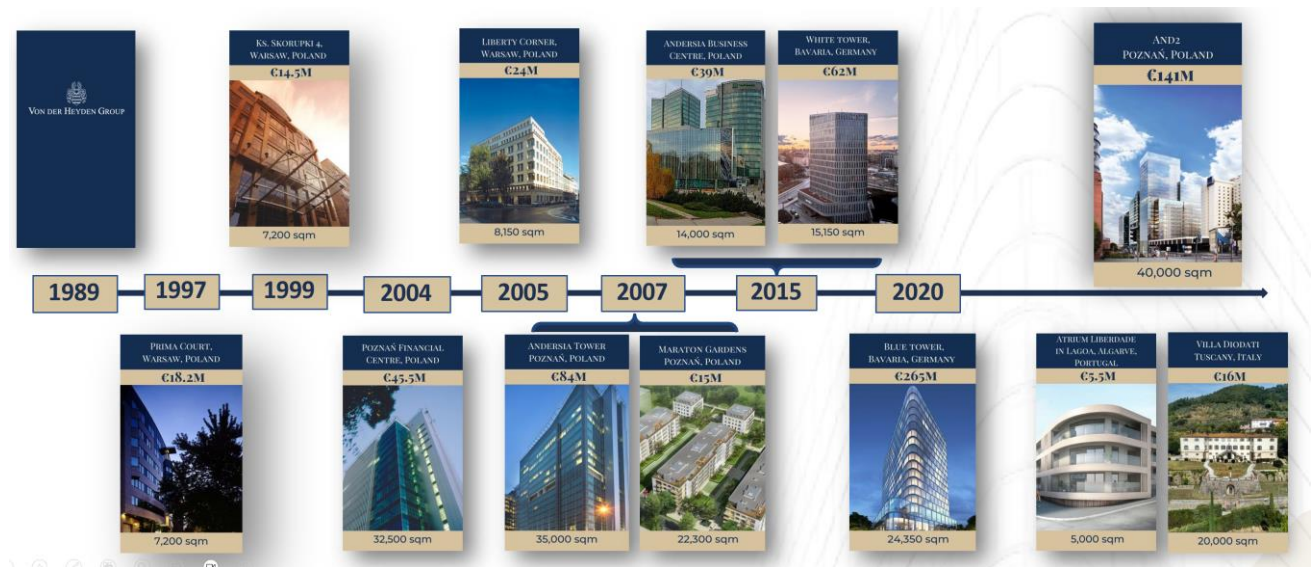
With deep local presence and international reach, we have the ability to adapt and capitalise on diverse market conditions. Our reputation for strategic timing on exit and our role as a first mover in emerging markets continue to drive our global recognition.

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 multidisciplinary workforce spanning professional and hospitality function, supported by a network of subsidiaries and representative offices across Europe. Our presence spans Poland (Warsaw, Poznań, Lublin), Spain (Madrid, Menorca), Italy (Tuscany), Portugal (Carvoeiro), and Malta (Imriehel, Senglea, Birgu).

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 shaped distinctive, high-performing developments in these markets.

In the past couple of years, we continue our legacy with our current ongoing developments in Poland and in the Italy:

- the elevated landmark *AND2* project – a 26-storey A-class office tower set to become a centrepiece of the Poznań financial district; and
- the *Villa Diodati* renovation project – a 16th-century villa located on the Tuscany hills overlooking Lucca, Italy.

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 two hotels in Poland, and two in Malta with a new luxury boutique hotel to open in May 2026. IBB Hotel Collection has successfully withdrawn from the 3 star and low 4-star category in Germany and now focusses on either 4-star plus Hotels with a critical mass of at least 45-50 rooms and the exclusive business line called *Cugó Gran Collection* which can also have as little as 20-30 rooms.



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 is set to open in 2026 the second *Cugó Gran* property an 18-room top luxury hotel in Vittoriosa, Malta.

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.* (*Urbelia*), the company was established in December 2017 as a joint venture between *Timan Investments Holdings p.l.c.* and *Urban Oil Wash SL*, our Spanish partner.

Urbelia 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);
- *Urban Oil Arcos de la Frontera* (2025); and
- *Urban Oil Elda* (2025).

Positioned at the intersection of affordability and innovation, *Urbelia* has entered into a national agreement with *Iberdrola*, Spain's leading sustainable 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. Furthermore our plan to increase our share in the company through further capital injections.

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 p.l.c. is registered as a public 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. Redomiciled to Malta and registered as a limited liability company on 31 December 2013 and then as a public limited liability company on 2 May 2025.

DIRECTORS

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

COMPANY SECRETARY

Dr Nicholas Formosa

REGISTERED OFFICE

Trident Park, Notabile Gardens, No. 6, Level 1, Office 7
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AUDITORS

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CHAIRMAN'S STATEMENT



Sven von der Heyden

Founder and Chairman
Von der Heyden Group

The global environment in 2025 remained complex and uncertain. Many of the challenges that shaped the past year, including geopolitical tensions, market volatility, have continued to influence the way businesses operate. Ongoing conflicts in Eastern Europe and the Middle East, alongside shifting political developments in the United States, have contributed to an environment where adaptability and prudent decision-making remain essential. To all this, the more and more presence and introduction of AI is nothing short of a real revolution in the way how businesses are run in the future.

In this context, the Von der Heyden Group has continued to rely on the principles that have guided us over the years: diversification, disciplined growth, and a long-term perspective. While the pace of progress has not always matched our initial expectations, these principles have helped the Group remain resilient and responsive during a demanding period.

The Group's financial performance for the year reflects the cumulative impact of a demanding operating environment and the execution risks inherent in large real estate capital-intensive projects like our flagship AND2 Tower development in Poznań, Poland. As a result, the Group reported significant losses for the year, arising primarily from project-specific and financing-related challenges on the AND2 project, which are discussed in further detail below and which management and the Board view with due

seriousness. Throughout this period, we have prioritised liquidity management, debt oversight, and active engagement with our lenders and bondholders, with the clear objective of ensuring the successful delivery of projects that are critical to the Group's long-term growth and value creation. While the results of 2025 do not meet our expectations, we remain confident that the actions undertaken, including asset disposals, portfolio repositioning, further cost cutting measures and disciplined capital allocation, are directed towards stabilising performance and strengthening the Group's financial position over the medium term.

Real estate development and investment continue to form the foundation of our activities. At the same time, we have continued to pursue opportunities in complementary asset classes that can provide greater stability through recurring cash flows and operational income. Our intention remains to gradually balance the cyclical nature of large development projects with investments that generate steady returns and strengthen the Group's financial stability over time.

One of the most demanding priorities over the past year has been the completion of the debt financing arrangements for the AND2 Tower development. With a total development value of around €133 million before shareholders interest and comprising approximately 40,000 sqm across 26 floors, AND2 now stands as the tallest building in the city and a cornerstone project for the Group.

While discussions with the banking consortium supporting the project proved longer and far more complex than anticipated, nevertheless, the Development Loan Agreement was successfully executed in July of 2025. Further delays were subsequently encountered as a result of extended negotiations with the main contractor and the mezzanine provider, adding an additional layer of complexity to the project's delivery which we could not foresee given that the Bank loan agreement having been signed in 2025.

As matters stand today, the various workstreams are now aligned for construction activities to progress into their final phase as of July 2026. The building façade has been completed, and mechanical, engineering, and fit-out works shall resume shortly. Leasing interest remains encouraging, with more than 50% of the leasable space already secured and occupancy upon completion expected to reach around 80-90%. The project remains on track for delivery to tenants in the first quarter of 2028, marking an important milestone in our 29-year public-private partnership with the City of Poznań.

Beyond AND2, our development pipeline continues to evolve, and we remain cautiously optimistic about opportunities in hospitality and lifestyle-oriented real estate, particularly when assets can be acquired at opportunistic pricing. Our focus remains on markets such as Italy, Spain, and Malta. These regions align with our strategy of investing in experiential travel and high-quality destinations. However, given the current macroeconomic environment, we are approaching new investments with increased discipline and selectivity, carefully allocating our equity to projects that meet our strategic and financial criteria.

Over the past three years we have also continued to reposition our hospitality portfolio. The Group has fully completed its exit from the three & low 4 Star hotel segment in Germany and Poland, with the last hotels exiting the portfolio in April 2026. This allows us to concentrate on the further development of our higher-end brands: the 4-star-plus IBB Hotel Collection and the luxury boutique Cugó Gran Collection. This strategic adjustment aims to improve operational performance while offering a more distinctive hospitality experience. The Group's exit from Germany resulted in a relatively significant loss in one instance, where Management took the decision to limit further exposure and move on. In another case, however, the Group secured a substantial compensation payment for the early termination of a lease agreement higher than the loss suffered in the former hotel.

Within our luxury segment, the Cugó Gran Collection remains anchored by our flagship property, Cugó Gran Macina in Malta. The hotel continues to perform well and serves as an important reference point for the brand. We are also pleased with the performance of IBB Hotel Palazzo Bettina, the boutique property we opened in 2024 in the historic Three Cities area of Malta, where results keep exceeding expectations.

The redevelopment of the former Palace of the Captain of the Galleys in Vittoriosa, Malta into an ultra-luxury hotel under the Cugó Gran brand, located along the Cottonera waterfront, has been completed in spring this year and is progressing through the final tourism permitting stage. The project has experienced delays over the past two years, largely due to a more complex permitting and construction process than initially envisaged. Notwithstanding these challenges, the leased hotel is now expected to open its doors in June 2026.

In Italy, our 16th century Villa Diodati has been placed on the market for sale since last year through three internationally recognised agencies garnering interest. The project reflects our strong belief in the long-term value of restoring historically significant properties with exceptional architectural character. While we remain confident in its potential, we are disappointed that this landmark asset has not yet secured a new owner. At the same time, we remain attentive to potential opportunities in Tuscany and other regions where attractive assets may become available at reasonable valuations. We are currently focused exclusively on acquiring assets at prices below their replacement cost.

The property located in Mahón Harbour, Moll de Llevant, acquired by the Group in 2023, has now been successfully leased to a prominent local operator. Should a compelling offer arise, we would consider a sale. We have decided to outsource the operations to a known restaurant operator in the island as it proved difficult to successfully manage the operations from Malta.

Our investment in self-service petrol stations through Urbelia Business S.L. in Spain continues to develop positively. The network currently operates five stations, with two additional locations under contract. Each site includes electric fast-charging capabilities and car-wash facilities. While the sector continues to evolve alongside changing mobility trends, these assets provide a stable operational income stream that supports our broader diversification strategy.

OUTLOOK

Looking ahead, our priority in 2026 is to implement an operational cost reduction program, which is already well underway, improve operational efficiency and maintain disciplined cost management. We expect gradual and substantial improvements from our hotel operations since all loss-making hotels have exited the portfolio. We shall also see a positive increase of our Urbelia petrol station network. As construction progresses on the AND2 Tower and leasing activity continues to develop, the project remains a central focus for the Group over the coming 18 months and eventually sell and/or refinance to liberate part or all our equity.

While the broader economic environment remains uncertain, we believe that maintaining a cautious and measured approach will allow us to navigate the challenges ahead responsibly, concentrating principally on strong economies such as Malta, Poland and Spain shall add to our resilience.

As every year, I would like to express my sincere appreciation to our investors, bondholders, both current and former, and our financial partners for their continued trust and support. I am also grateful to our Board of Directors for their invaluable guidance, to our management team for their dedication, and to all our employees whose commitment has been essential during another demanding year, which I sincerely hope was the last one.

The challenges of recent years have reminded us that progress is rarely linear. Nevertheless, with patience, discipline, and a clear focus on long-term value creation, we remain committed to steadily strengthening the Von der Heyden Group for the future.



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 2025.

PRINCIPAL ACTIVITY

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

TIMAN Investments Holdings p.l.c. (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 20 - 21. No dividend was declared by the Group and the Company for the year ended 31 December 2025. In 2024, the Company declared a net dividend of €0.3077 per share or a total of €1,000,000 to the ordinary shareholders.

REVIEW OF THE BUSINESS

2025 was a challenging year for the Group, marked by a combination of factors that materially affected its financial performance. During the year, construction activity on the Group's flagship AND2 development in Poznań, Poland was largely suspended. While financing arrangements with the senior lending consortium of Polish banks and the Polish Development Fund (*Polski Fundusz Rozwoju*, "PFR") were secured through the execution of the relevant loan agreements mid-2025, negotiations with the main contractor were prolonged and were only concluded in April of 2026, subject to formal finalisation of the agreement. As a result, progress on the next phases of construction, including mechanical and engineering works and fit-out, was delayed. These circumstances adversely affected the Group's reported results for the year and limited progress on other strategic initiatives, including aspects of the hotel strategy.

For the year ended 31 December 2025, the Group reported a net loss of €11.72 million (2024: €3.12 million loss). Despite a modest increase in revenue, the deterioration in results was primarily attributable to higher finance costs which due to international accountancy rules cannot be capitalised and the recognition of a provision for reversible late payment interest relating to contractor liabilities on the AND2 project.

Finance costs and related expenses increased to €7.66 million (2024: €2.09 million). This was mainly due to borrowing costs incurred in relation to AND2 which could not be capitalised, as construction activity was suspended during the year. Additional charges arose from corporate and project-level financing requirements and from the derecognition of unrecoverable loan fees previously recorded as prepaid issuance costs. Had construction activity resumed and progressed during the year, certain borrowing costs could have been capitalised.

Due to delays in drawdowns under the Group's financing facilities, the settlement of contractor liabilities relating to the AND2 project was deferred. Consequently, the Group is facing late payment penalty interests of €4.7 million as at 31 December 2025 which has been recognised in profit or loss. This late payment penalty interests is expected to be reversed in 2026 following the agreement reached with the contractor in April 2026, subject to final formalisation and upon satisfaction of the stipulated conditions under the agreement, for a fixed settlement €26.0 million for the combined contractor liabilities and late payment penalty interests.

Revenue from continuing operations amounted to €8.18 million in 2025 (2024: €7.82 million), representing an increase of €0.36 million compared to the prior year; however, this improvement fell short to offset higher operating costs, which increased to €10.51 million (2024: €10.10 million). The rise in costs was primarily driven by inflationary pressures across key expense categories, increased central overheads and the impact of a reduced continuing operations base following the Group's scaling down of activities in the hotel activities. As a result, the Group reported an operating loss from continuing operations of €14.59 million for the year (2024: €2.93 million).

Other gains from continuing operations amounted to €2.20 million (2024: €2.14 million) and mainly reflected fair value gains from investment properties. The limited movement in investment property valuations during the year is attributable to the minimal development activity undertaken on both the AND2 and Villa Diodati projects. In the case of Villa Diodati, contractual disputes with the main contractor, together with the subsequent decision to market the property for sale and complete the remaining works to the specifications of a secured buyer, resulted in only marginal works being carried out during the year.

The AND2 development continued to be the Group's most significant project and a key driver of the 2025 financial outcome. During the year, the financing structure supporting the completion of the project was substantially concluded. The structure comprises a €55 million senior bank facility, originally secured in 2022 and subsequently renegotiated following changes in the lending consortium, together with a mezzanine facility provided by a Polish state-backed financial institution (PFR), which was increased during 2025 from €17 million to €20 million.

The entry of PFR as mezzanine lender required extensive multi-party negotiations involving lenders, shareholders and the main contractor, which were substantially concluded during the year. The agreed financing structure was designed to address €29.6 million of project financing previously advanced by the contractor. While agreement in principle was reached on the commercial framework during 2025, final execution extended into early 2026 due to residual commercial matters and internal approval processes across multiple stakeholders.

As a consequence of the suspension of construction works during 2025, borrowing costs incurred on the project amounting to €4.76 million could not be capitalised. In addition, €0.79 million of loan fees capitalised in prior years became unrecoverable following changes to the banking consortium and were expensed during the year.

Subsequent to year end, an agreement was reached with the main contractor, subject to final formalisation, which also provides for the reversal of the €4.7 million late payment interest, subject to the fulfilment of specified conditions, including the drawdown of Phase 2 financing from the senior lending consortium and the settlement of outstanding contractor liabilities relating to earlier phases of the project. In light of the agreements reached with PFR and the senior banking consortium, together with the expected achievement of the agreed pre-leasing targets within the agreed timelines, the directors expect all the conditions to be met in 2026. Accordingly, this is expected to result in the reversal of the provision and a corresponding positive impact on the Group's results for the 2026 financial year.

Completion of the AND2 project is now expected closer to Q4 2027/Q1 2028, with the deferral impacting the timing of anticipated cash flows and returns originally expected to support the Group's broader investment programme. AND2 is expected to generate stabilised gross annual rental income of approximately €9.5 million by 2029.

Discontinued operations generated a net profit of €2.87 million in 2025 (2024: €0.19 million net loss), mainly arising from the derecognition of lease liabilities and related IFRS 16 balances following the Group's exit from its remaining German hotel operations.

The Group's share of loss from associates in 2025 mainly relates to Urbelia Business S.L. in Spain, which operates low-cost petrol stations under the Urban Oil brand. Despite generating €10.47 million in revenue following the opening of two new stations, Urbelia reported a loss of €0.17 million for the year compared to a profit in 2024, reflecting margin compression in the Spanish fuel retail market and pre-opening and expansion-related costs. These start-up costs weighed on profitability, although the Group remains confident in the associate's long-term prospects as the network scales and matures.

Total assets at year-end amounted to €141.67 million (2024: €154.17 million). The net reduction of €12.5 million is primarily attributable to the derecognition of right-of-use assets following the exit from two hotel lease agreements in Germany during the year. Accordingly, right-of-use assets decreased by €13.45 million to €2.32 million (2024: €15.77 million). Other changes in asset balances during the year are described hereunder.

Property, plant and equipment decreased from €29.61 million to €11.33 million during the year, primarily due to asset reclassification. The hotel property in Gdańsk, Poland, previously carried at €15.67 million, was reclassified to assets held for sale following the initiation of the disposal process before the year-end. The disposal was concluded on 11 April 2026, after the reporting date, and the net proceeds from the disposal amounted to €7.3 million after paying off the €8.0 million related bank loan and direct transaction fees.

In addition, the commercial property located on Moll de Llevant, Mahón, Menorca, Spain, which had a carrying amount of €2.98 million in 2024, was reclassified from property, plant and equipment to investment property following a change in use, as the asset was placed on a long-term lease to an independent third-party restaurant operator under an agreement signed on 13 October 2025.

These transfers out of property, plant and equipment were offset by the fair value revaluation gain on the Group's hotel property in Lublin, Poland, which was recognised in other comprehensive income in accordance with the applicable accounting standards, net of depreciation charges recognised during the year.

Investment properties increased to €90.63 million at year-end, compared to €85.24 million in the prior year. This increase reflects the capitalisation of €0.93 million of costs incurred on ongoing development projects, a fair value revaluation gain of €1.97 million, and the transfer from property, plant and equipment of the property in Mahón (Menorca), Spain following the change in use.

These increases were partly offset by the transfer of the Group's commercial property in Olbia (Sardinia), Italy, with a carrying amount of €0.64 million, to assets held for sale. The reclassification followed the execution of a binding preliminary sale agreement in September 2025, with the asset sale agreement being signed on the 29 January 2026.

Investments in associates increased to €3.60 million as at year end (2024: €2.24 million). The increase primarily reflects the Group's share of other comprehensive income recognised by Urbelia Business S.L. the associate during the year, net of the Group's share of losses, accounted for in accordance with the equity method of accounting.

Loans and other receivables, classified as both current and non-current, decreased to €6.64 million from €8.02 million in the prior year, reflecting repayments and other movements during the year.

Other financial assets decreased to €0.28 million (2024: €0.45 million), primarily reflecting the derecognition of the Group's investment in a collective investment fund, following the decision to discontinue the investment during the year.

Trade and other receivables decreased to €3.98 million (2024: €5.54 million), mainly due to reductions in trade receivables and VAT receivable balances.

Total borrowings and debt securities in issue (current and non-current) increased to €106.56 million in 2025 (2024: €94.64 million). During 2025, the Group undertook several funding actions to support its operations and meet project-related obligations. In particular, the Group completed a €4.44 million private placement during the year to refinance the €1.5 million private notes and for investing activities and general corporate funding requirements. The Group also raised a loan of €7.10 million secured by a land parcel owned by the Group adjacent to the AND2 development earmarked for future development or sale. The proceeds were used primarily to settle part of the contractor liabilities related to the AND2 project, which amounted to €24.87 million (2024: €28.20 million). Furthermore, the Group recorded a provision for reversible penalty interest of €4.7 million related to the contractor liabilities which the Group anticipates being reversed in 2026 since an agreement was reached in April 2026 with the contractor, subject to final formalisation, for the fixed settlement of the contractor liabilities and penalty interest charges, subject to the fulfilment of stipulated conditions.

Lease liabilities (current and non-current) decreased to €2.61 million from €17.98 million in 2024. The decrease is mainly due to the termination of the leases of the two hotel properties in Germany.

Equity, being the net assets after deducting the liabilities as at 31 December 2025 stood at €20.12 million (2024: €29.38 million). Movement during the year reflects the total comprehensive loss for the year.

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 29 in these financial statements.

FUTURE DEVELOPMENTS

The global economic outlook for 2026 has weakened materially and is characterised by heightened uncertainty and pervasive downside risks. According to the International Monetary Fund's *World Economic Outlook* (April 2026), global growth is expected to moderate further, reflecting the impact of geopolitical instability, elevated energy prices and renewed inflationary pressures. The IMF and European institutions have identified the ongoing conflict involving Iran, together with Russia's continued war of aggression against Ukraine, as significant negative supply shocks, particularly through their disruption of energy markets, shipping routes and global trade.

The conflict in the Middle East has impaired global oil and gas supply chains, including traffic through the Strait of Hormuz, leading to sustained volatility and structurally higher energy prices. These developments are expected to spill over into transportation, logistics, industrial input costs and food prices, with inflationary effects likely to persist for longer than previously anticipated. European authorities have warned of stagflationary risks, as higher energy costs continue to dampen growth while constraining the scope for monetary easing.

In parallel, the war in Ukraine continues to weigh on European economic performance through its impact on energy security, agricultural markets and investor confidence. Europe remains particularly exposed given its reliance on imported energy and its sensitivity to further geopolitical escalation.

An emerging risk factor for 2026 is disruption within global aviation fuel markets. Elevated oil prices, refinery constraints and shipping disruptions have led to sharp increases in jet fuel prices and increased the risk of fuel shortages in parts of Europe. These pressures have already resulted in higher fares, capacity reductions and route rationalisation by airlines, posing challenges for tourism-dependent economies, including Malta, by increasing travel costs and potentially constraining inbound demand.

Despite the challenging external environment, the Polish economy remains comparatively resilient and continues to play a central role in the Group's activities. Occupier demand has, however, become more selective, with a clear preference for high-quality, energy-efficient assets. Against this backdrop, the AND2 project in Poznań remains a core strategic asset. Following the agreement with the main contractor, the project will enter its final phase and is progressing towards completion, expected in Q4 2027/Q1 2028. The Group will maintain a disciplined focus on cost control, active leasing and value preservation, recognising the increasingly competitive and cautious investment climate. Notwithstanding these challenges, prevailing inflationary conditions may also provide potential upside to the asset's valuation once AND2 is completed and fully leased.

In Malta, economic performance remains closely tied to tourism and services. While demand for premium hospitality offerings remains supportive, inflationary pressures, labour constraints and rising operating costs continue to affect margins. Market conditions increasingly favour differentiated, high-quality assets capable of sustaining pricing power and operational efficiency.

In 2026, the Group continued to actively manage and reposition its portfolio, including the disposal of a four-star hospitality property located on Długi Targ, Gdańsk, Poland, which was completed in April 2026. The property had a carrying value of €15.67 million in the Group's financial statements.

While the proceeds from these disposals were originally intended to support portfolio expansion, they were primarily allocated towards addressing increased capital requirements associated with the AND2 development, Villa Diodati and general corporate funding needs. As a result, the pace of portfolio growth is expected to remain measured in the short term.

Notwithstanding this, the Group continues to enhance the quality and positioning of its hospitality portfolio. The addition of IBB Palazzo Bettina and the finalised development of Cugó Gran Vittoriosa in Malta, which is expected to commence operations in June 2026 following delays related to owner-side matters, are expected to further strengthen the portfolio. These properties are positioned at the upper end of the market and are anticipated to benefit from brand differentiation and operational synergies across the Group's hospitality platform.

Villa Diodati, the 16th-century property overlooking Lucca, Italy, is expected to be sold during 2026 or in 2027, subject to market conditions and buyer timing. The Group also intends to complete the disposal of non-core investment properties in Menorca, continuing its portfolio rationalisation strategy. In addition, the Group is in the process of exiting catering activities that are independent from its hospitality offering, in order to focus more closely on its core activities.

The Group continues to view Urbelia Business S.L., its principal associate operating a network of low-cost petrol stations in Spain, as a strategic long-term investment. While the business experienced short-term margin compression and expansion-related costs, the Directors remain confident that scale benefits and operational leverage will support improved performance over the medium term. During 2026, at least a further two petrol stations are expected to become operational.

In 2026, the Group's focus will remain on completing key developments, stabilising and optimising retained hospitality assets, selectively deleveraging where appropriate, and preserving liquidity in a volatile macroeconomic environment. While the external landscape remains challenging, the Group believes that its streamlined portfolio, emphasis on quality assets and disciplined capital allocation provide a platform to navigate ongoing risks and position the Group for future opportunities.

GOING CONCERN

In the year ended 31 December 2025, the Group reported a loss for the year of €11.72 million compared to the €3.12 million loss in 2024. This reflects the loss before tax from continuing operations of €14.09 million for the year, representing a significant increase compared to the loss of €2.85 million reported in 2024, as well as the profit registered in the year from discontinued operations of €2.97 million compared to the €0.19 million loss in 2024.

A significant factor contributing to the reported loss for the year are the finance costs of €7.7 million fully expensed in the year as principally the construction works for the final phase of the AND2 development project in Poznan, Poland have been in abeyance pending the protracted negotiations with the general contractor on the settlement of liabilities for the completed phases up to the build of the office tower's shell and core as well as the finalisation of the works budget for the final phase. The Group is also facing late payment interest charges of €4.7 million on its contractor liabilities accruing from their original due dates to 31 December 2025 and were recorded in the current year's profit or loss.

In April 2026, the Group reached an agreement with the general contractor, subject to final formalisation, providing for a fixed settlement of a total of €26.5 million for the combined contractor liabilities and late payment interest charges. Subject to the fulfilment of specified conditions stipulated in this agreement, this settlement will effectively extinguish the penalty interest and result in a full waiver of the €4.7 million, which is expected to be recognised in the profit or loss in 2026.

The results for the year are also characterised by the €2.9 million contribution from discontinued operations representing €2.0 million gain on the termination of the two remaining hotel leases in Germany and the balance, that includes a €0.77 million reversal of an impairment on receivables raised last year, on the exit from a peripheral travel agency business in Spain that was sold to a related party of the Group. These transactions, including the completion of the full exit from German operations, reflect the Group's strategic actions to rationalize its operating businesses' portfolio and reduce its corporate cost structure.

In April 2026 the Group concluded the sale of the hotel property in Gdansk, Poland that was sold for €15.6 million, equivalent to the carrying value at the end of the year. Likewise, another property owned by the Group in Olbia (Sardinia), Italy was also sold in January 2026 for €0.64 million, the same carrying value as at year end.

In 2025, the Group continued to invest in the Urban Oil petrol station business in Spain through its associate Urbelia Business S.L. in which it has 50% interest. The business registered a loss in the year of €0.17 million on revenue of €10.47 million that increased significantly in the last year on account of the opening of two petrol stations. Notwithstanding the loss for the year on account of margin compression experienced during the year, and pre-opening costs incurred for two newly opened petrol stations as well as additional sites scheduled to open in the near term. Despite this short-term loss, the Group remains confident in the long-term prospects of the business whose 50% share has a carrying value of €3.60 million and has significant growth potential in the years to come.

LIQUIDITY

As at 31 December 2025, the Group reported current liabilities of €49.6 million (2024: €40.9 million) and current assets including the assets held for sale of €27.1 million (2024: €13.6 million), resulting in a net current liability position of €22.5 million (2024: €27.3 million).

Included within current liabilities are the €24.9 million contractor liabilities relating to the AND2 project in Poznan, Poland, the €4.7 million penalty charges related to the contractor liabilities, the €7.1 million loan due on 31 December 2026 provided by the Polish Development Fund (*Polski Fundusz Rozwoju* or "PFR") which was primarily used to re-finance and partly settle the contractor financing and some tax obligations, and the €5.0 million Private Notes maturing in September 2026. These credit facilities make up €41.7 million or 84% of the total current liabilities as at year-end.

With the anticipated conclusion of negotiations with the general contractor, and the execution of the multi-party agreement with PFR, the conditions precedent for drawdown of the additional €20 million PFR loan will be satisfied. Upon drawdown, together with the additional equity contributions to made by the project partners, the obligations with the general contractor for the cost of the project works to date will be covered and the contractor financing liability will be consequently replaced with long-term loan facilities, addressing the short-term liquidity position.

The available and undrawn €55.4 million senior lenders' facility signed concluded with a consortium of banks in June 2025, and expected to be drawn in July 2026 will be applied to finance the remaining mechanical and engineering works forming Phase 3 of the project together with the fit out works targeted for completion from the recommencement of the main works. The senior lending facility is subject to customary conditions precedent including the achievement of agreed pre-leasing levels.

Whilst the Group is actively pursuing the disposal of the plot of land earmarked for residential development situated in the immediate vicinity of the AND2 project in Poland so as to settle the €7.1 million PFR loan due by 31 December 2026, it is also pursuing additional initiatives to provide for the refinancing or the repayment of the €5.0 million bond maturing in September 2026, as well as to meet other ongoing obligations.

The Group is also actively pursuing financing options tied with the Group's properties in Lublin, Poland and in Lucca, Italy where the Group is seeking additional increase in existing loans whilst taking advantage of the low loan-to-value ratios of the existing loans facilities and also taking out a new loan against an unencumbered property of the Group in Mahon (Menorca), Spain.

CONCLUSION

The above significant loss for the year and the net current liability position as at year-end constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this material uncertainty, the consolidated financial statements have been prepared on a going concern basis. The Directors have rigorously evaluated the Group's liquidity position, cash flow forecasts, and operational strategy and have assessed that the Group will continue as a going concern based on the following actions and available funding:

- Management is in the advanced stages of negotiations with the general contractor to facilitate the continued execution and delivery of the AND2 project. In this regard, the Group has secured €75 million in available funding, comprising a €20 million PFR Loan and a €55 million senior lending facility which are specifically earmarked to settle outstanding works on the AND2 project to date and finance its continuation to completion.
- The realisation of disposal of the properties in Gdansk, Poland, and in Olbia (Sardinia), Italy, together with the prospective disposal of the prime plot of land in Poznan, Poland.
- Active initiatives are currently underway with a positive outlook to successfully refinance or repay the €5.0 million Private Notes maturing in September 2026.

Based on the cash flow projections and the successful execution of the mitigating factors outlined above, the Directors have a reasonable expectation that the Group will have adequate resources to meet its obligations as they fall due for the foreseeable future (being at least twelve months from the date of approval of these financial statements). Consequently, these financial statements have therefore been prepared on a going concern basis.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Except for the events disclosed in Note 33 in the financial statements, there are no other events after the reporting period that require mention in this report.

ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)

Based on the parameters outlined in Article 3 of the Accounting Directive, the Group is classified as a small undertaking. Under the Corporate Sustainability Reporting Directive (CSRD) and Article 8 of the EU Taxonomy Regulation, the Group was originally expected to begin mandatory sustainability reporting for financial years starting 1 January 2026. However, following the European Commission's adoption of the "first simplification Omnibus package" on 26 February 2025, the Group is not presently subject to mandatory reporting obligations under the CSRD or Article 8 of the Taxonomy Regulation.

Notwithstanding the removal of mandatory obligations, the Group will publish its fourth annual ESG report, continuing the work initiated in 2022 with the establishment of its decarbonisation objectives. Over the past year, the Group refined its sustainability strategy, transitioning from absolute to intensity-based environmental targets and updating the base year from 2021 to 2023 to better reflect post-pandemic operating conditions. Intensity-based targets are particularly relevant for a growing portfolio, enabling the Group to measure performance relative to business expansion. In 2024, the Group strengthened its governance structure through the creation of an ESG Committee and enhanced its internal reporting framework, including periodic disclosures on labour practices, waste management, and food safety across its hotel operations.

The Group remains committed to advancing its environmental and social performance, supported by a 2030 target to reduce energy consumption and Scope 1 and 2 emissions per square metre by 40%. As the property portfolio continues to evolve, reported emissions are adjusted to ensure year-on-year comparability. The Group also broadened its social impact initiatives during the year, including local community projects and tree-planting programmes that contribute to carbon absorption, land restoration, and support for local livelihoods. These efforts reflect the Group's ongoing dedication to managing its environmental footprint, strengthening its social contribution, and identifying opportunities to mitigate climate-related risks in alignment with global sustainability objectives.

DIRECTORS

During the year ended 31 December 2025, the directors were as listed on page 7. 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 2026 and signed by them:



Mr Antonio Fenech
Executive Director



Mr Javier Errejon Sainz de la Maza
Managing Director



Mr Sven von der Heyden
Chairman

A nighttime photograph of a coastal city, likely Malaga, Spain. The scene shows a waterfront with several boats docked. In the background, there are historic stone buildings, some with illuminated domes and arches. The sky is a deep blue, and the water reflects the lights from the buildings and boats. A semi-transparent dark blue rectangle is overlaid on the center of the image, containing the text "FINANCIAL STATEMENTS" in white, bold, serif font.

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Notes	Group	
		2025 €	2024 €
Continuing operations			
Revenue	4	8,175,402	7,819,788
Other operating income		26,990	125,003
Operating costs	5	(10,507,339)	(10,101,367)
Operating loss		(2,304,947)	(2,156,576)
Other gains	7	2,196,998	2,143,541
Share in (losses)/profits of associates	16	(116,002)	187,661
Dividend and other investment losses	8	(153,879)	(81,160)
(Loss)/Profit before interest, taxes, depreciation, amortisation		(377,830)	93,466
Depreciation and amortisation	12, 13, 27	(1,419,841)	(1,576,534)
Impairment of investments and financial assets		(297,021)	(188,406)
(Loss) before interest and taxes		(2,094,692)	(1,671,474)
Interest and other related income	9	372,554	912,364
Interest and other related expenses	10	(7,661,588)	(2,088,878)
Provision for remissible late payment penalty interest	24	(4,701,292)	-
Loss before tax		(14,085,018)	(2,847,988)
Taxation	11	(508,774)	(78,809)
Loss for the year from continuing operations		(14,593,792)	(2,926,797)
Discontinued operations			
Profit/(Loss) for the year from discontinued operations	32	2,870,794	(193,468)
Loss for the year		(11,722,998)	(3,120,265)
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		371,246	178,606
<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		1,269,817	880,522
Movement in fair value of land and buildings		817,786	(179,369)
Total other comprehensive income		2,458,849	879,759
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(9,264,149)	(2,240,506)
Loss for the year attributable to:			
Owners of the parent company		(6,932,047)	(3,915,913)
Non-controlling interests		(4,790,951)	795,650
Loss for the year		(11,722,998)	(3,120,263)
Other comprehensive income for the year attributable to:			
Owners of the parent company		2,033,987	978,974
Non-controlling interests		424,862	(99,217)
Total other comprehensive income for the year		2,458,849	879,757
Total comprehensive income (loss) attributable to:			
Owners of the parent company		(4,898,060)	(2,936,939)
Non-controlling interests		(4,366,089)	696,433
Total comprehensive loss		(9,264,149)	(2,240,506)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER

	Notes	Company	
		2025 €	2024 €
Operating costs	5	(872,817)	(912,312)
Operating loss		(872,817)	(912,312)
Other losses	7	(1,685,953)	(4,915,843)
Dividend and other investment (loss)/income	8	(223,475)	2,572
Loss before interest, taxes, depreciation and impairment		(2,782,245)	(5,825,583)
Impairment of financial assets		(6,078,915)	303,358
Depreciation	13	(2,566)	(4,070)
Loss before interest and taxes		(8,863,726)	(5,526,295)
Interest and other related income	9	3,146,679	3,365,405
Interest and other related expenses	10	(2,593,128)	(2,320,904)
Loss for the year before tax		(8,310,175)	(4,481,794)
Taxation	11	-	643,473
Loss for the year		(8,310,175)	(3,838,321)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(8,310,175)	(3,838,321)

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER

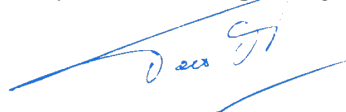
	Notes	Group	
		2025	2024
		€	€
ASSETS			
Non-current assets			
Intangible assets	12	237,625	262,700
Property, plant and equipment	13	11,334,718	29,607,202
Right of use assets	27	2,318,132	15,766,963
Investment properties	14	90,630,502	85,242,305
Investment in associates	15	3,599,154	2,237,513
Loans and other receivables	17	5,301,146	5,951,055
Other financial assets	18	279,626	452,093
Deferred tax assets	11	915,523	1,023,111
Total non-current assets		114,616,426	140,542,942
Current assets			
Inventories	20	100,347	159,587
Loans and other receivables	17	1,344,507	2,070,060
Trade and other receivables	21	3,975,200	5,536,015
Cash and cash equivalents	22	5,363,683	5,862,695
Total current assets (excluding assets held for sale)		10,783,737	13,628,357
Assets held for sale	19	16,270,000	–
Total current assets		27,053,737	13,628,357
TOTAL ASSETS		141,670,163	154,171,299
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	3,249,924	3,249,924
Retained earnings	23	(1,735,220)	4,844,662
Other reserves	23	7,269,650	5,642,439
Currency translation reserve	23	(1,120,092)	(1,270,922)
<i>Equity attributable to owners of the parent</i>		7,664,262	12,466,103
Non-controlling interests		12,456,490	16,918,798
TOTAL EQUITY		20,120,752	29,384,901
LIABILITIES			
Non-current liabilities			
Borrowings	24	24,032,167	20,811,499
Debt securities in issue	25	38,950,913	39,404,907
Lease liabilities	27	1,858,777	16,821,703
Deferred tax liabilities	11	7,084,754	6,897,032
Total non-current liabilities		71,926,611	83,935,141
Current liabilities			
Borrowings	24	38,196,328	32,712,020
Lease liabilities	27	749,549	1,157,892
Debt securities in issue	25	5,376,841	1,713,775
Current tax liabilities		1,569	2,223
Trade and other payables	26	5,298,513	5,265,347
Total current liabilities		49,622,800	40,851,257
TOTAL LIABILITIES		121,549,411	124,786,398
TOTAL EQUITY AND LIABILITIES		141,670,163	154,171,299

STATEMENTS OF FINANCIAL POSITION


AS AT 31 DECEMBER

	Notes	Company	
		2025	2024
		€	€
ASSETS			
Non-current assets			
Property, plant, and equipment	13	294	2,860
Investment in subsidiaries	15	12,260,721	15,363,920
Investment in associates	16	3,859,458	2,249,449
Loans and other receivables	17	31,756,785	37,247,266
Other financial assets	18	225,523	522,720
Deferred tax assets	11	643,473	643,473
Total non-current assets		48,746,254	56,029,688
Current assets			
Loans and other receivables	17	5,777,505	744,876
Trade and other receivables	21	8,609,288	10,790,066
Cash and cash equivalents	22	3,539,882	3,499,942
Total current assets		17,926,675	15,034,884
TOTAL ASSETS		66,672,929	71,064,572
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	3,249,924	3,249,924
Retained earnings	23	19,644,307	27,954,482
TOTAL EQUITY		22,894,231	31,204,406
LIABILITIES			
Non-current liabilities			
Borrowings	24	33,929,505	35,226,887
Debt securities in issue	25	4,385,256	–
Total non-current liabilities		38,314,761	35,226,887
Current liabilities			
Borrowings	24	2,118,000	–
Debt securities in issue	25	182,163	1,481,250
Trade and other payables	26	3,163,774	3,152,029
Total current liabilities		5,463,937	4,633,279
TOTAL LIABILITIES		43,778,698	39,860,166
TOTAL EQUITY AND LIABILITIES		66,672,929	71,064,572

These financial statements on pages 20 to 80 were approved and authorised for issue by the directors on 30 April 2026 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 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
For the year ended 31 December 2025									
Balance at 1 January 2025	3,249,924	-	-	(1,270,922)	5,642,439	4,844,662	12,466,103	16,918,798	29,384,901
Loss for the year	-	-	-	-	-	(6,932,047)	(6,932,047)	(4,790,951)	(11,722,998)
Other comprehensive income	-	-	-	150,830	1,883,157	-	2,033,987	424,862	2,458,849
Total comprehensive income	-	-	-	150,830	1,883,157	(6,932,047)	(4,898,060)	(4,366,089)	(9,264,149)
Depreciation transfer for land and buildings	-	-	-	-	(255,946)	255,946	-	-	-
Other movement	-	-	-	-	-	96,219	96,219	(96,219)	-
As at 31 December 2025	3,249,924	-	-	(1,120,092)	7,269,650	(1,735,220)	7,664,262	12,456,490	20,120,752

STATEMENTS OF CHANGES IN EQUITY

Company	Share capital €	Share premium €	Retained earnings €	Other reserves €	Treasury shares €	Total Equity €
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 23)	-	-	-	2,081,212	(2,081,212)	-
Cancellation of Ordinary B shares (Note 23)	(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
For the year ended 31 December 2025						
Balance at 1 January 2025	3,249,924	-	27,954,482	-	-	31,204,406
Loss for the year	-	-	(8,310,175)	-	-	(8,310,175)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	(8,310,175)	-	-	(8,310,175)
As at 31 December 2025	3,249,924	-	19,644,307	-	-	22,894,231

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Cash flows generated from/(used in) operating activities				
(Loss)/Profit before tax:				
- From continuing operations	(14,085,018)	(2,847,988)	(8,310,175)	(4,481,794)
- From discontinued operations	2,870,794	(189,254)	-	-
Loss before tax	(11,214,224)	(3,037,240)	(8,310,175)	(4,481,794)
Adjustments for:				
- Depreciation and amortisation (Notes 12, 13 and 27)	1,840,632	2,369,288	2,566	4,070
- Gain on termination of leases (Note 27)	(2,336,114)	(277,506)	-	-
- (Loss) / Gain on disposal of property and equipment	(22,000)	89,551	(22,000)	-
- Loss on disposal of other financial asset (Note 8)	153,879	81,908	288,515	81,908
- Write down to net realizable value of assets held for sale	36,011	-	-	-
- Impairment of financial assets	297,021	188,406	6,078,915	770,317
- Movement in fair values of investment properties (Note 7)	(1,972,022)	(1,083,587)	-	-
- Movement in fair values of investment in subsidiaries and associates (Note 7)	-	-	1,665,132	4,937,208
- Movement in fair value of FVTPL investments (Note 7)	7,112	112,592	8,682	(22,044)
- Share in profits of associates (Note 16)	116,002	(187,661)	-	-
- (Gain)/ Loss on disposal of investment in subsidiary (Notes 7 and 32)	(77,766)	-	51,768	-
- Foreign exchange gains (Note 7)	(168,922)	(1,287,115)	-	-
- Conditional penalty charges (Note 24)	4,701,292	-	-	-
- Interest and other related income (Note 9)	(372,554)	(912,364)	(3,146,679)	(3,365,405)
- Interest and other related expenses (Notes 10, and 32)	8,021,324	2,803,400	2,593,128	2,320,904
Operating (loss)/profit before working capital movements	(991,327)	(1,140,328)	(790,148)	245,164
Movement in inventories	59,240	(39,868)	-	-
Movement in trade and other receivables	2,233,112	1,073,224	55,273	(1,021,328)
Movement in trade and other payables	(421,433)	489,435	232,778	(455,818)
Cash generated from/(used in) operations	880,592	382,461	(502,097)	(1,231,982)
Income taxes paid	(405,598)	(67,135)	-	-
Net cash flows generated from/(used in) operating activities	474,994	315,326	(502,097)	(1,231,982)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Net cash flows generated from/(used in) operating activities	474,994	315,326	(502,097)	(1,231,982)
Cash flows (used in)/generated from investing activities				
Payments to acquire:				
- Property, plant and equipment (Note 13)	(71,675)	(55,849)	-	-
- Investment properties (Note 14)	(932,848)	(3,429,394)	-	-
- Intangible assets (Note 12)	(1,731)	(95,150)	-	-
Proceeds from disposals of:				
- Property, plant and equipment (Note 13)	27,701	1,072,109	22,000	-
- Intangible assets	138	-	-	-
- Financial assets (Note 18)	-	546,652	-	644,288
Loan repayments / (granted) to:				
- Ultimate parent company	-	(17,500)	-	-
- Group companies	-	-	(2,451,162)	4,769,274
- Associates and other related parties	(181,003)	(265,549)	-	56,250
- Third parties	-	7,444,419	-	-
Amounts received from / (granted):				
- Associates and other related parties	611,996	-	580,994	-
- Third parties	8,890	-	8,356	-
Interest received	161,398	89,007	1,417,006	1,418,761
Net cash flows (used in)/generated from investing activities	(377,134)	5,288,745	(422,806)	6,888,573

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Net cash flows generated from/(used in) operating activities	474,994	315,326	(502,097)	(1,231,982)
Net cash flows (used in)/generated from investing activities	(377,134)	5,288,745	(422,806)	6,888,573
Cash flows (used in)/generated from financing activities				
Repurchase of own shares (Note 22)	-	(4,507,398)	-	(4,507,398)
Proceeds from sale of bonds held in Treasury	-	86,100	-	-
Net proceeds from borrowings from other financial institutions	6,723,070	-	-	-
Private notes issue – net (Note 29)	2,973,400	1,470,000	2,945,407	1,470,000
Repayment of private notes issue	(100,000)	-	(100,000)	-
Loan arrangement fees (Note 17)	(257,761)	-	-	-
Proceeds from borrowings from banks	600,000	200,000	600,000	-
Repayment of borrowings from banks	(733,729)	(456,463)	-	-
Repayment of contractor financing	(5,830,698)	-	-	-
Payments of principal portion of lease liabilities (Note 27)	(979,925)	(1,191,404)	-	-
Proceeds/(repayments) of borrowings from:				
- Group companies	-	-	54,000	(165,500)
- Associates and other related parties	533,003	800,000	-	-
Interest paid	(3,429,282)	(3,094,647)	(2,534,564)	(2,257,878)
Net cash flows (used in)/generated from financing activities	(501,922)	(6,693,812)	964,843	(5,460,776)
Effect of changes in foreign exchange	(94,950)	410,268	-	-
Net movement in cash and cash equivalents	(499,012)	(679,473)	39,940	195,815
Cash and cash equivalents at the beginning of the year	5,862,695	6,542,168	3,499,942	3,304,127
Cash and cash equivalents at the end of the year	5,363,683	5,862,695	3,539,882	3,499,942

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NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

TIMAN Investments Holdings p.l.c. (hereinafter referred to as “Company” or “TIH”) is a public limited liability company registered and domiciled in Malta with registration number C 63335. The Company was initially formed and registered in the Netherlands on 10 June 1999 as Timan Investments Holdings B.V. and then redomiciled to Malta on 31 December 2013 as a limited liability company. On 2 May 2025, the Company changed its registration to a public limited liability company. Its current registered office is Trident Park, Notabile Gardens, No. 6, Level 1, Office 7, Mdina Road, Central Business District Zone 2, Birkirkara CBD2010, Malta. The Company’s 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.

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 in Note 2. TIMAN Investments Holdings p.l.c. is the parent company of the Group.

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 2025 (2024: 100%). The ultimate controlling party of the Group is Mr Sven von der Heyden, a resident of Italy as at the end of the reporting period (2024: Malta).

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.

Certain comparative disclosures and amounts have been restated to reflect the current year’s presentation for better comparability and consistency.

2.2. GOING CONCERN

In the year ended 31 December 2025, the Group reported a loss for the year of €11.72 million compared to the €3.12 million loss in 2024. This reflects the loss before tax from continuing operations of €14.09 million for the year, representing a significant increase compared to the loss of €2.85 million reported in 2024, as well as the profit registered in the year from discontinued operations of €2.97 million compared to the €0.19 million loss in 2024.

A significant factor contributing to the reported loss for the year are the finance costs of €7.7 million fully expensed in the year as principally the construction works for the final phase of the AND2 development project in Poznan, Poland have been in abeyance pending the protracted negotiations with the general contractor on the settlement of liabilities for the completed phases up to the build of the office tower’s shell and core as well as the finalisation of the works budget for the final phase. The Group is also facing late payment interest charges of €4.7 million on its contractor liabilities. These charges were assessed at a rate of 18% to 22.5% per annum, accrued from their original due dates to 31 December 2025 and were recorded in the current year’s profit or loss. In April 2026, an agreement was reached with the general contractor, which is subject to final formalisation, providing for a fixed settlement of a total of €26.5 million for the combined contractor liabilities and late payment interest charges. Subject to the fulfilment of specified conditions stipulated in this agreement, this settlement will effectively extinguish the penalty interest and result in a full waiver of the €4.7 million, which is expected to be recognised in the profit or loss in 2026.

2. MATERIAL ACCOUNTING POLICIES – continued

2.2. GOING CONCERN - continued

The results for the year are also characterised by the €2.9 million contribution from discontinued operations representing €2.0 million gain on the termination of the two remaining hotel leases in Germany and the balance, that includes a €0.77 million reversal of an impairment on receivables raised last year, on the exit from a peripheral travel agency business in Spain that was sold to a related party of the Group. These transactions, including the completion of the full exit from German operations, reflect the Group's strategic actions to rationalize its operating businesses' portfolio and reduce its corporate cost structure.

In April 2026 the Group concluded the sale of the hotel property in Gdansk, Poland that was sold for €15.6 million, equivalent to the carrying value at the end of the year. Likewise, another property owned by the Group in Olbia (Sardinia), Italy was also sold in January 2026 for €0.64 million, the same carrying value as at year end.

In 2025, the Group continued to invest in the Urban Oil petrol station business in Spain through its associate Urbelia Business S.L. in which it has 50% interest. The business registered a loss in the year of €0.17 million on revenue of €10.47 million that increased significantly in the last year on account of the opening of two petrol stations. Notwithstanding the loss for the year on account of margin compression experienced during the year, and pre-opening costs incurred for two newly opened petrol stations as well as additional sites scheduled to open in the near term. Despite this short-term loss, the Group remains confident in the long-term prospects of the business whose 50% share has a carrying value of €3.60 million and has significant growth potential in the years to come.

LIQUIDITY

As at 31 December 2025, the Group reported current liabilities of €49.7 million (2024: €40.9 million) and current assets including the assets held for sale of €27.1 million (2024: €13.6 million), resulting in a net current liability position of €22.6 million (2024: €27.3 million).

Included within current liabilities are the €24.9 million contractor liabilities relating to the AND2 project in Poznan, Poland, the €4.7 million penalty charges related to the contractor liabilities, the €7.1 million loan due on 31 December 2026 provided by the Polish Development Fund (*Polski Fundusz Rozwoju* or "PFR") which was primarily used to re-finance and partly settle the contractor financing and some tax obligations, and the €5.0 million Private Notes maturing in September 2026. These credit facilities make up €41.07 million or 84% of the total current liabilities as at year-end.

With the anticipated conclusion of negotiations with the general contractor, and the execution of the multi-party agreement with PFR, the conditions precedent for drawdown of the additional €19.5 million PFR loan will be satisfied. Upon drawdown, together with the additional equity contributions to made by the project partners, the obligations with the general contractor for the cost of the project works to date will be covered and the contractor financing liability will be consequently replaced with long-term loan facilities, addressing the short-term liquidity position.

The available and undrawn €55 million senior lenders' facility concluded with a consortium of banks in June 2025 will be applied to finance the remaining mechanical and engineering works forming Phase 3 of the project together with the fit out works targeted for completion from the recommencement of the main works. The senior lending facility is subject to customary conditions precedent including the achievement of agreed pre-leasing levels.

Whilst the Group is actively pursuing the disposal of the plot of land earmarked for residential development situated in the immediate vicinity of the AND2 project in Poland so as to settle the €7.1 million PFR loan due by 31 December 2026, it is also pursuing additional initiatives to provide for the refinancing or the repayment of the €5.0 million bond maturing in September 2026, as well as to meet other ongoing obligations. These initiatives include the disposal of the Dlugi Targ Hotel property, announced subsequently to year end, from which net cash proceeds of approximately €6.2 million are expected to accrue to the Group and be put mainly towards the settlement of the Contractors' liability.

In addition, the Group is also actively pursuing financing options tied with several of the Group's properties in Lublin, Poland, in Lucca, Italy, and in Mahon (Menorca), Spain where the Group is seeking additional increase in existing loans, or fully refinance these loans with new loan facilities whilst taking advantage of the low loan-to-value ratios of the existing loans facilities as at year-end.

2. MATERIAL ACCOUNTING POLICIES – continued

2.2. GOING CONCERN - continued

CONCLUSION

The above significant loss for the year and the net current liability position as at year-end constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Notwithstanding this material uncertainty, the consolidated financial statements have been prepared on a going concern basis. The Directors have rigorously evaluated the Group's liquidity position, cash flow forecasts, and operational strategy and have assessed that the Group will continue as a going concern based on the following actions and available funding:

- Management is in the advanced stages of negotiations with the general contractor to facilitate the continued execution and delivery of the AND2 project. In this regard, the Group has secured €75 million in available funding, comprising a €19.5 million PFR Loan and a €55 million senior lending facility which are specifically earmarked to settle outstanding works on the AND2 project to date and finance its continuation to completion.
- The realisation of disposal of the properties in Gdansk, Poland, and in Olbia (Sardinia), Italy, together with the prospective disposal of the prime plot of land in Poznan, Poland.
- Active initiatives are currently underway with a positive outlook to successfully refinance or repay the €5.0 million Private Notes maturing in September 2026.

Based on the cash flow projections and the successful execution of the mitigating factors outlined above, the Directors have a reasonable expectation that the Group will have adequate resources to meet its obligations as they fall due for the foreseeable future (being at least twelve months from the date of approval of these financial statements). Consequently, these financial statements have therefore 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 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (effective for financial years beginning on or after 1 January 2025)

This amendment 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 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)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (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)
- IFRS 18 *Presentation and Disclosure in Financial Statements* (effective for financial years beginning on or after 1 January 2027)

Except for the possible impact on the implementation of IFRS 18, none of the other amendments mentioned above is expected to have an impact on the financial position or performance of Group or the Company.

On implementation of IFRS 18, the Group will adopt a revised lay-out and subtotals in of the statement of profit or loss and other comprehensive income with key changes discussed below:

- This “Operating profit/loss” subtotal encompasses all income and expenses from operating activities. Consequently, “depreciation and amortisation” will form part of the “Operating profit/loss” subtotal.
- The current subtotal “Profit before interest, taxes, depreciation and amortisation” subtotal will no longer be in the new layout and
- The subtotal “Profit before interest and taxes” will be described as “Profit before financing and income taxes”.
- The components of “Other gains/losses” will be distributed according to the underlying activity, i.e, if it relates to operating activities, it will form part of the “Operating profit/loss” subtotal. On the other hand, if it relates to financing activities, it will then be presented after the subtotal “Profit before financing and income taxes”

2. MATERIAL ACCOUNTING POLICIES – continued

2.3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS - continued

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

On the financial statements of the Company, Management has assessed the main business activity of the Company to be that of holding interests in other companies and the provision of loans. Consequently, movements in the fair value of the investments, dividend and other investment income, finance income and related finance costs, as well as impairment of loans and investments will be presented as component of the “Operating profit or loss” subtotal which encompasses the operating activity section in the statement of profit or loss and other comprehensive income. With the new layout, the “Profit or loss before interest, taxes, depreciation and impairment” will be removed and the subtotal “Profit or loss before interest and taxes” will be “Profit or loss before financing and income taxes”.

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:

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, including amendments (effective for financial years beginning on or after 1 January 2027)
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* (effective for financial years beginning on or after 1 January 2027)

These standards and amendments are not expected to have an impact on the financial position or performance of the Group or of the Company upon their initial application.

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; and
- 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.

2. MATERIAL ACCOUNTING POLICIES – continued

2.4. BASIS OF CONSOLIDATION - continued

Information about the composition of the Group

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 31).

These consolidated financial statements are comprised of the following:

Name	Principal activities	City	Domicile	Shareholding (%)	
				2025	2024
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
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 Hotel Hamburg Verwaltungsgesellschaft mbH **	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
Cugo Gran Vittoriosa Operations Ltd.	Hotel Management	Vittoriosa	Malta	99.59	99.59

* These subsidiaries have been merged with and absorbed by Von der Heyden & Partners Sp. z o.o. in April 2026.

** These subsidiaries have been put into voluntary liquidation in January 2026.

*** The group sold its controlling shareholding to a related company on 31 December 2025 (see Note 32).

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	
	2025	2024	2025	2024
PLN	4.2210	4.2750	4.2397	4.3058

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. Land and buildings are stated at revalued cost less accumulated depreciation in case of buildings.

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

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 Note 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, investments 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 are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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. MATERIAL ACCOUNTING POLICIES – continued

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.

2.15. 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 as it fulfils the performance obligation.

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.

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, i.e., less than €5,000. 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.

2.21. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. A discontinued operation represents a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in Note 32. The Group includes proceeds from disposal in cash flows from discontinued operations. Additional disclosures are provided in Note 32. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

3. SIGNIFICANT MANAGEMENT JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

When preparing these financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses.

SIGNIFICANT MANAGEMENT JUDGMENTS

The following are the judgments made by management in applying the accounting policies of the Group that have the most significant effect on these financial statements.

3.1. 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.

3.2. ASSETS HELD FOR SALE

Hotel property in Gdansk, Poland

In October 2025, the Group received a firm offer from a potential buyer for the acquisition of the hotel property located in Gdańsk, Poland. The consideration is payable entirely in cash and is not contingent on financing. Management accepted the key terms of the offer, and the buyer subsequently carried out the necessary due-diligence procedures. In December 2025, Management approved a formal plan to dispose of the hotel property and committed to its sale. At this date, the asset met the criteria to be classified as "held for sale" in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, as the sale was considered highly probable, the property was available for immediate sale in its present condition, and Management expected the disposal to be completed within twelve (12) months from year-end.

In January 2026, the Group entered into a preliminary sale and purchase agreement, providing further evidence of Management's commitment to the disposal plan and reinforcing the expectation that the transaction will be completed within the required timeframe.

Management also assessed whether the disposal met the definition of a discontinued operation under IFRS 5. Although the property represents a significant asset, the Group continues to operate another hotel in Poland and therefore has not withdrawn from a separate major line of business or a major geographical area of operations. The transaction represents the sale of an individual asset rather than the cessation of a distinct component of the Group. Accordingly, while the Gdańsk hotel property is classified as a non-current asset held for sale, it is not presented as a discontinued operation under IFRS 5.

3. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AN ESTIMATION UNCERTAINTY - continued

SIGNIFICANT MANAGEMENT JUDGMENTS - continued

3.2. ASSETS HELD FOR SALE - continued

Commercial building in Olbia, Sardinia, Italy

In September 2025, the Group entered into a preliminary sale agreement for the disposal of its building located in Olbia, Sardinia, Italy, and received deposit payments from the prospective buyer before year-end. These steps evidenced both parties' commitment to the transaction.

Management assessed that, as at year-end, the criteria for classification as held for sale were met. The property was available for immediate sale in its present condition, was being marketed at a price consistent with its current fair value, and the buyer had demonstrated the intent and ability to complete the purchase. The receipt of deposits further reinforced the high probability of sale.

Management also concluded that the disposal was expected to be completed within twelve months from the reporting date and that no significant changes to or withdrawal from the plan were anticipated. Accordingly, the building was classified as a non-current asset held for sale in line with IFRS 5.

The carrying values of the assets held for sale are disclosed in Note 19. The carrying values are based on the agreed consideration as per the documents.

3.3. DISCONTINUED OPERATIONS

Hotel Operations in Germany

During 2025, the Group exited from its remaining two hotel operations in Germany following the termination of the related lease agreements. Germany represented a key market for the Group's hotel portfolio and formed a significant geographical component of its hospitality operations. The closure of the final German hotels therefore marked the Group's complete withdrawal from this major market.

In evaluating whether these events met the criteria for discontinued operations under IFRS 5, Management considered that the Group had fully ceased all hotel-related activities in Germany, that the operations stopped generating revenue following the lease terminations, and that no further involvement or continuing exposure to these operations is expected. Given the strategic importance of the German market and the fact that the Group no longer carries out any activities within it, Management assessed the cessation as a disposal representing the exit from a separate major geographical area of operations.

Accordingly, Management concluded that the discontinued German hotel operations meet the definition of a discontinued operation and require separate presentation in the statement of profit or loss, together with the are required disclosures in Note 32.

Travel agency operator in Spain

During 2025, the Group divested its controlling shareholding in its Spanish travel operator subsidiary. This subsidiary operated a travel agency business that generated notable revenues for the Group and was managed as a distinct operating component within the wider tourism-related activities of the Group.

In determining whether the disposal met the criteria for presentation as a discontinued operation under IFRS 5, Management considered the significance of this business line to the Group's historical revenue base, the fact that control was lost upon disposal, and that the Group ceased to have any involvement in or exposure to the travel agency operations following the transaction. The sale therefore represented the disposal of a separate major line of business for the Group.

Based on these factors, Management concluded that the results and cash flows of the Spanish travel operator should be presented as a discontinued operation and the required disclosures in Note 32.

3. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AN ESTIMATION UNCERTAINTY - *continued*

SIGNIFICANT ESTIMATION UNCERTAINTY

Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

3.4. 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.

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, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs. As described in Note 31, 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 31 provides detailed information regarding these valuation methods and the key assumptions used in performing such valuations.

3. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AN ESTIMATION UNCERTAINTY - continued

SIGNIFICANT ESTIMATION UNCERTAINTY - continued

3.5. 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. Notes 15 and 16 provide 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.

4. REVENUE

	Group	
	2025	2024
	€	€
Revenue by geographical region:		
Poland	5,020,068	4,564,247
Malta	3,146,541	2,870,999
Spain	8,793	384,542
	8,175,402	7,819,788
Revenue by activity:		
Accommodation	5,651,770	5,174,848
Catering	1,547,356	1,694,213
Leasing	734,984	750,408
Other	241,292	200,319
	8,175,402	7,819,788

5. EXPENSES BY NATURE

Loss before tax is stated after charging:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Cost of sales	653,445	716,323	-	-
Staff costs (Note 6)	4,637,253	4,611,840	382,148	346,840
Legal, professional and other related fees	481,666	313,077	121,701	143,663
Auditor fees	243,750	206,990	61,500	60,000
Marketing costs	236,831	157,467	300	419
Lease and related expenses (Note 27)	265,007	292,635	75,364	65,133
General and administrative expenses	891,398	804,656	113,125	179,781
Commissions	511,619	551,864	-	-
Cleaning and upkeep	761,453	832,950	-	3,067
Utilities, water and electricity	572,703	587,043	-	-
Other operating expenses	1,252,214	1,026,522	118,679	113,409
	10,507,339	10,101,367	872,817	912,312

6. STAFF COSTS

The following staff costs were incurred the year including and includes that of discontinued operations.

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Salaries and wages	4,054,185	5,067,351	230,826	195,185
Social security costs	550,987	907,958	8,798	9,403
	4,605,172	5,975,309	239,624	204,588
Directors' fees and remuneration (Note 28)	1,073,405	982,729	142,524	142,252
	5,678,577	6,958,038	382,148	346,840
Staff costs attributable to:				
- Continuing operations (Note 5)	4,637,253	4,611,840	382,148	346,840
- Discontinued operations (Note 32)	1,041,324	2,346,198	-	-
	5,678,577	6,958,038	382,148	346,840
Average number of employees	129	169	8	8

7. OTHER GAINS / (LOSSES)

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Net foreign exchange differences	168,922	1,287,115	2,129	(679)
Movement in fair value of investment properties (Note 14)	1,972,022	1,083,587	-	-
Movement in fair value of financial assets at FVTPL (Note 18)	(7,112)	(112,592)	(8,682)	22,044
Gain/(Loss) on disposal of property, plant and equipment	22,000	(89,551)	22,000	-
Movement in fair value of investments in subsidiaries and associates (Note 15 and 16)	-	-	(1,665,132)	(4,937,208)
Loss on disposal of subsidiaries (Note 15)	-	-	(51,768)	-
Others	41,166	(25,018)	15,500	-
	2,196,998	2,143,541	(1,685,953)	(4,915,843)

8. DIVIDEND AND OTHER INVESTMENT INCOME OR LOSS

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Dividend income	-	748	1,570	746
Interest income on other financial assets	-	-	63,470	83,734
Loss on disposal of other financial assets	(153,879)	(81,908)	(288,515)	(81,908)
	(153,879)	(81,160)	(223,475)	2,572

9. INTEREST AND OTHER RELATED INCOME

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Interest on:				
Bank balances	1,140	55	1,140	55
Loans to associates and related parties	80,169	168,424	91,388	129,560
Loans to group companies	-	-	2,842,770	2,982,463
Loans to third parties	1,099	402,785	1,099	2,308
Loans to ultimate parent company	210,282	251,019	210,282	251,019
Other interest and related income	79,864	90,081	-	-
	372,554	912,364	3,146,679	3,365,405

10. INTEREST AND OTHER RELATED EXPENSES

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Interest on:				
Bank loans and charges (i)	1,513,137	676,150	114	309
Contractor financing	2,539,607	2,759,886	-	-
Debt securities in issue	2,506,664	2,254,045	269,329	11,250
Finance lease liabilities (Note 27)	170,435	198,931	-	-
Loans from associates and related parties	481,048	460,251	54,117	51,777
Loans from group companies	-	-	2,269,568	2,257,568
Loans from other financial institutions	420,053	-	-	-
Other interest and related charges	30,644	23,249	-	-
	7,661,588	6,372,512	2,593,128	2,320,904
Capitalised borrowing costs (ii)	-	(4,283,634)	-	-
	7,661,588	2,088,878	2,593,128	2,320,904

i. This includes €792,462 of loan fees expensed in 2025 but were previously capitalised as prepaid issuance costs of financial liabilities (Note 17). These loan fees include bank commission and facility maintenance charges on the senior lending facility initially signed in 2022 with a consortium of banks for the Group's development project in Poznan, Poland. However, due to subsequent changes in the members of the consortium, renegotiations transpired and a new senior lending facility was signed in 2025. With the new senior lending facility, a new set of loan fees are being incurred which are being capitalised as prepaid issuance costs while the loan fees on the initial senior lending facility are not recoverable, hence, the expense.

ii. During the year, construction works on the Group's development projects in Poznan, Poland and in Lucca, Italy were interrupted due to prolonged negotiations with the general contractor and financial institutions for the financing of the project. Consequently, borrowing costs are not being capitalised in the year.

11. TAXATION

11.1. INCOME TAX EXPENSE

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Current tax expense				
Corporate income tax expense	(406,812)	(62,125)	-	-
Corporate income tax adjustments in respect of prior periods	3,786	22,272	-	-
	(403,026)	(39,853)	-	-
Deferred tax expense				
Charged to profit or loss	(105,748)	(38,956)	-	643,473
Income tax expense	(508,774)	(78,809)	-	643,473

11. TAXATION - continued

11.2. TAX RECONCILIATION

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Loss before tax	(11,214,223)	(3,037,240)	(8,310,175)	(4,481,794)
Theoretical credit at the parent company's domestic tax rate of 35%	(3,924,978)	(1,063,034)	(2,908,561)	(1,568,628)
<i>Tax effects of:</i>				
- Non-taxable income	(55,563)	(147,733)	-	-
- Non-deductible expenses	3,446,697	1,046,913	2,831,080	1,632,577
- Unabsorbed tax losses not recognised	1,082,446	(286,502)	77,481	(707,532)
- Revaluation of assets	(170,429)	379,255	-	-
- Other differences	2,555	3,370	-	110
- Income tax related to prior period	(3,786)	(22,272)	-	-
- Effect of difference in tax rate in the operating subsidiaries' jurisdictions	131,832	168,812	-	-
	508,774	78,809	-	643,473
Effective income tax rate	4.54%	2.73%	0%	14.36%

11.3. DEFERRED TAX ASSETS / (LIABILITIES)

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Deferred tax assets				
Tax loss carried forward and other temporary differences	695,252	848,424	643,473	643,473
Unrealised loss on exchange	220,271	174,687	-	-
Total deferred tax assets	915,523	1,023,111	643,473	643,473
Deferred tax liabilities				
Revaluation of hotel building in Gdansk, Poland to fair value	(1,341,789)	(1,279,741)	-	-
Revaluation of hotel building in Lublin, Poland to fair value	(656,154)	(523,814)	-	-
Revaluation of mixed-use property in Menorca, Spain	(197,902)	(165,886)	-	-
Revaluation of investment properties	(4,336,937)	(4,258,218)	-	-
Other temporary differences	(551,972)	(669,372)	-	-
Total deferred tax liabilities	(7,084,754)	(6,897,032)	-	-
Net deferred tax (liabilities)/assets	(6,169,231)	(5,873,920)	643,473	643,473

The directors have assessed the recognition of the deferred tax assets in some subsidiaries, and they are confident that the deferred taxation recognised in the financial statements will be realised in the foreseeable future through trading operations. As at 31 December 2025, certain subsidiaries of the Group also has unrecognised deferred tax assets of €5,776,179 (2024: €4,406,677) arising mainly on trading losses which have not been recognised due to uncertainty over their recoverability. Trading losses held by the group companies in Malta, Germany and Spain are available indefinitely for offsetting against future taxable profits of the group companies in which the losses arose. In Poland, unutilised tax losses can be carried over and applied against taxable profits within the next five years after they were incurred.

As at 31 December 2025, the Company had unutilised tax losses of €2,055,537 (2024: €1,838,494), which gave rise to a deferred tax asset of €719,438 (2024: €643,473), of which €75,965 (2024: nil) is unrecognized.

11. TAXATION - continued

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

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
At 1 January	5,873,920	5,782,233	643,473	-
Deferred tax charge/(credit) recognised in:				
- profit or loss	105,748	121,953	-	643,473
- other comprehensive income	189,563	(30,266)	-	-
At 31 December	6,169,231	5,873,920	643,473	643,473

12. INTANGIBLE ASSETS

Intangible assets of the Group comprise Computer and other software.

	Group	
	2025	2024
	€	€
Cost		
At 1 January	671,895	576,745
Additions	1,731	95,150
Released on disposal / deconsolidation	(25,583)	-
At 31 December	648,043	671,895
Accumulated amortisation		
At 1 January	(407,537)	(388,234)
Charge for the year	(15,468)	(19,303)
Released on disposal / deconsolidation	13,953	-
At 31 December	(409,052)	(407,537)
Effect of translation of foreign operations	(1,366)	(1,658)
Carrying amount at 31 December	237,625	262,700

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 2025				
Cost/Revalued cost				
At 1 January 2025	28,336,249	4,076,978	-	32,413,227
Additions	-	71,675	-	71,675
Disposals / deconsolidation	-	(222,955)	-	(222,955)
Revaluation	1,009,612	-	-	1,009,612
Transfer to assets held for sale (Note 19)	(15,666,011)	-	-	(15,666,011)
Transfer to investment property (Note 14)	(2,981,936)	(53,365)	-	(3,035,301)
Transfers*	(588,488)	-	-	(588,488)
Effect of translation of foreign operations	230,574	7,661	-	238,235
At 31 December 2025	10,340,000	3,879,994	-	14,219,994
Accumulated depreciation				
At 1 January 2025	-	(2,806,025)	-	(2,806,025)
Charge for the year	(588,488)	(167,152)	-	(755,640)
Released on disposal/deconsolidation	-	87,901	-	87,901
Transfers*	588,488	-	-	588,488
At 31 December 2025	-	(2,885,276)	-	(2,885,276)
Carrying amount at 31 December 2025	10,340,000	994,718	-	11,334,718
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)
Transfer*	(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

*The transfers during the years ended 31 December 2025 relate to the accumulated depreciation as at the revaluation date that were eliminated against the gross carrying amount for the revalued assets. The transfer during the year ended 31 December 2024 relates to the accumulated depreciation as at the revaluation date that were eliminated against the gross carrying amount for the revalued asset.

The Group's land and buildings were revalued by independent professional qualified valuers. Note 31 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 €4,059,022 (2024: €18,539,122).

13. PROPERTY, PLANT AND EQUIPMENT - continued

	Company			Total €
	Motor vehicle €	Computer equipment €	Other assets €	
For the year ended 31 December 2025				
Cost				
At 1 January 2025	115,699	36,456	2,950	155,105
Disposal	(35,000)	-	-	(35,000)
At 31 December 2025	80,699	36,456	2,950	120,105
Accumulated depreciation				
At 1 January 2025	(115,699)	(34,186)	(2,360)	(152,245)
Disposal	35,000	-	-	35,000
Charge for the year	-	(2,270)	(296)	(2,566)
At 31 December 2025	(80,699)	(36,456)	(2,656)	(119,811)
Carrying amount at 31 December 2025	-	-	294	294
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

14. INVESTMENT PROPERTIES

	Group	
	2025 €	2024 €
At 1 January	85,242,305	73,506,217
Additions	932,848	9,879,426
Fair value movement (Note 7)	1,972,022	1,083,587
Transfer from property, plant and equipment (Note 13)	3,035,301	-
Transfer to assets held for sale (Note 19)	(640,000)	-
Effect of translation of foreign operations	88,026	773,075
At 31 December	90,630,502	85,242,305

The Group's investment properties as at year-end were revalued by independent professional qualified valuers. Note 31 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 Andersia Silver in Poznan, Poland.

The Group's investment properties situated in Poznan, Poland and in Lucca, Italy are mortgaged in favour of the contractor and lending parties as disclosed in Note 24.

The following table presents the undiscounted lease payments of the Group's investment properties currently being leased:

	Within one year €	Within two to five years €	More than five years €
As at 31 December 2025	84,000	336,000	399,000
As at 31 December 2024	-	-	-

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 €	2024 €
At fair value		
At 1 January	15,363,920	18,756,355
Additions	-	2,569,472
Disposals	(51,768)	-
Fair value movement	(3,051,431)	(5,961,907)
At 31 December	12,260,721	15,363,920

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 31.

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	
	2025 €	2024 €	2025 €	2024 €
Von der Heyden Group Finance P.L.C. (audited)	741,753	644,764	96,990	80,569
IBB Hotel Collection Holding Limited (unaudited)	157,423	313,645	(121,997)	(292,967)
Von der Heyden Group Services Limited (audited)	(1,660,431)	(1,309,790)	(350,646)	548,537
Von der Heyden Yachting Limited (audited)	(967,598)	(843,807)	(123,795)	(93,709)
Gzira 14 East Limited (audited)	134,040	163,742	(29,714)	(63,547)
First Polish Real Estate B.V. (audited)	1,939,331	2,233,927	(294,597)	(1,424,485)
Andersia Tower Hotel Management Sp. z o.o. (unaudited)	(1,112,075)	(1,019,788)	(79,207)	(73,420)
Lublin Grand Hotel Sp. z o.o. (audited)	3,164,897	3,183,059	(57,108)	154,305
Nowy Swiat 5 Sp. z o.o. (audited)	(2,814,672)	(2,573,356)	(207,446)	(218,156)
Von der Heyden & Partners Sp. z o.o. (unaudited)	(770,984)	(698,852)	(62,939)	(56,320)
Von der Heyden Development Sp. z o.o. (audited)	(96,106)	545,955	(646,002)	(458,250)
Timan Investments España S.L. (audited)	(691,693)	(393,080)	(298,607)	(260,492)
Villa Diodati S.R.L. (audited)	396,423	47,012	(859,096)	(762,987)
Cugo Gran Hamburg GmbH (unaudited)*	19,585	18,726	859	-
IBB Hotel Verwaltungsgesellschaft mbH (unaudited)*	54,871	53,499	1,371	(2,245)
Cugo Gran Vittoriosa Operations Ltd. Hotspot Real Estate d.o.o. (audited)***	(54,139)	-	(55,639)	-
Asset Management Company Von der Heyden Group LLC (unaudited)**	-	12,158	-	(25,019)
	-	12,158	(11,481)	(19,408)

* Placed in voluntary liquidation subsequent to year-end.

** Disposed of in 2025.

*** Dissolved in 2024

15. INVESTMENT IN SUBSIDIARIES – continued

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)	
	2025	2024
Proportion of equity interest held by non-controlling interests	57.5%	57.5%
Accumulated balance of non-controlling interest	12,061,776	17,142,258
Profit/(loss) for the year attributable to non-controlling interest	(4,964,552)	1,332,374
Income Statement		
Revenue	53,765	106,466
Profit/(loss) for the year	(8,634,004)	2,317,173
Total comprehensive income	(8,835,620)	2,552,234
Balance Sheet		
Non-current assets	76,070,626	73,708,560
Current assets	1,662,423	2,021,695
Non-current liabilities	(19,662,797)	(16,733,996)
Current liabilities	(37,093,251)	(29,183,637)
Net assets	20,977,001	29,812,622
Cash Flows		
Operating net cash flows	(734,158)	(123,481)
Investing net cash flows	(481,047)	(950,000)
Financing net cash flows	1,320,372	900,000

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2025	2024	2025	2024
<i>At equity method/fair value</i>	€	€	€	€
At 1 January	2,237,513	1,169,331	2,249,449	1,240,250
Capitalised loan receivable	307,826	-	207,826	-
Share in (losses)/profits of associates	(116,002)	187,661	-	-
Share in OCI of associates	1,269,817	880,522	-	-
Change in fair value	-	-	1,386,299	1,024,699
Impairment charge	(100,000)	-	-	-
Other movement	-	-	15,884	(15,500)
At 31 December	3,599,154	2,237,513	3,859,458	2,249,449

The Company accounts for its investments in associates at fair value, details of which are disclosed in Note 31. The net fair value movement in 2025 increased as a result of the proportional share in profits/(loss) and other comprehensive income from three 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 (%)*	
			2025	2024
DGDV Capital Lda.	Real Estate	Portugal	25.00	25.00
IBB Hammetts Operations Limited (i)	Restaurant	Malta	50.00	50.00
KASA Investments GmbH	Investments	Germany	49.58	49.58
Urbelia Business S.L. Consolidated	Fuel stations	Spain	50.00	50.00

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

- i. Subsequent to year-end, the Group is in the process of disposing of its 50% interest in IBB Hammetts Operations Limited to the ultimate beneficial owner for a nominal consideration of €1. The associated undertaking is carried at nil in the financial statements given the negative net asset value position of the associate as at 31 December 2025 and 2024.

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.

As at and for the year ended
31 December 2025

	DGDV Capital Lda.	IBB Hammetts Operations Limited	KASA Investments GmbH	Urbelia Business S.L. (Consolidated)
	€	€	€	€
Revenue	-	4,098,923	57,210	10,472,555
Profit/(loss) for the year	(22,825)	(195,616)	(46,676)	(174,308)
Other comprehensive income/(loss)	-	-	-	2,539,634
Total comprehensive income/(loss)	(22,825)	(195,616)	(46,676)	2,365,326
Share of profit/(loss) for the year	(5,706)	-	(23,142)	(87,154)
Share of other comprehensive income	-	-	-	-
Unrecognised share of loss in the associates	-	(97,808)	-	-
Non-current assets	-	210,011	582,239	10,316,645
Current assets	4,753,547	389,107	3,067	729,604
Non-current liabilities	(1,131,891)	(199,150)	(262,688)	(3,825,053)
Current liabilities	(2,763,127)	(1,182,552)	(8,023)	(764,106)
Equity	858,529	(782,584)	314,595	6,457,090
Group's share in equity	214,632	(391,292)	155,977	3,228,545
Goodwill	-	-	-	-
Cumulative unrecognised share of losses in associates	17,292	428,636	-	73,942
Impairment	(17,292)	(135,152)	-	(73,942)
Other adjustments	-	97,808	-	-
Carrying amount of the investment	214,632	-	155,977	3,228,545

16. INVESTMENT IN ASSOCIATES - continued

16.2. SUMMARISED FINANCIAL INFORMATION OF ASSOCIATE UNDERTAKINGS - continued

As at and for the year ended
31 December 2024

	DGDV Capital Lda.	IBB Hammetts Operations Limited	KASA Investments GmbH	Urbelia Business S.L. (Consolidated)
	€	€	€	€
Revenue	-	3,340,900	66,548	8,611,974
Profit/(loss) for the year	(28,885)	(184,511)	(69,110)	437,572
Other comprehensive income/(loss)	-	-	-	1,761,044
Total comprehensive income/(loss)	(28,885)	(184,511)	(69,110)	2,198,616
Share of profit for the year	(7,221)	-	(34,265)	218,786
Share of other comprehensive income	-	-	-	-
Unrecognised share of loss in the associates	-	(92,256)	-	-
Non-current assets	-	210,727	434,222	7,368,716
Current assets	3,613,815	553,093	587,348	738,319
Non-current liabilities	(665,565)	(346,000)	(11,590)	(4,023,376)
Current liabilities	(2,066,896)	(1,204,787)	(648,708)	(407,547)
Equity	881,354	(786,967)	361,272	3,676,112
Group's share in equity	220,338	(393,484)	179,119	1,838,056
Goodwill	-	-	-	73,942
Cumulative unrecognised share of losses in associates	17,292	428,636	-	-
Impairment	(17,292)	(35,152)	-	(73,942)
Other adjustments	-	-	-	-
Carrying amount of the investment	220,338	-	179,119	1,838,056

17. LOANS AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Non-current				
Amounts owed by ultimate parent company (i)	3,685,477	2,959,780	3,685,477	2,959,780
Amounts owed by group companies (i)	-	-	26,783,203	32,346,826
Amounts owed by associates and other related parties (ii)	1,289,908	2,107,093	1,270,105	1,914,304
Amounts owed by third parties (iii)	68,000	83,355	18,000	26,356
Amounts owed by the ultimate beneficial owner	-	6,810	-	-
Prepayments (iv)	257,761	794,017	-	-
	5,301,146	5,951,055	31,756,785	37,247,266
Current				
Amounts owed by ultimate parent company	-	725,697	-	725,697
Amounts owed by group companies (i)	-	-	5,777,505	-
Amounts owed by associates and other related parties (ii)	1,344,507	1,344,363	-	19,179
	1,344,507	2,070,060	5,777,505	744,876

- 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 July 2026 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 €8,320,014 (2024: €4,659,143) (see Note 29).
- ii. The amounts owed by associates and other related companies are unsecured, subject to interest rates ranging between 5.0% and 8.73% per annum and have maturity dates from 31 December 2027 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 repayable by 9 January 2027.
- iv. The prepayments relate to loan origination fees for a senior lending facility with a consortium of banks for the Group's development project in Poznan, Poland. 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 once issued and drawn-up. Since it's the signing of the senior lending facility agreement in 2022, loan origination fees were paid throughout the years making up the balance as at 31 December 2024. During 2024, renegotiations ensued and changes in the composition of the consortium of banks and new terms were finalised leading to the signing of the new senior lending facility in 2025. Under the new facility, new set of loan origination fees were incurred making up the balance as at 31 December 2025, while the fees related to the initial senior lending facility, being unrecoverable, were expensed during the year (Note 10).

18. OTHER FINANCIAL ASSETS

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Financial assets at fair value through profit or loss				
Balance at beginning of the year	452,093	1,155,727	522,720	1,226,872
Additions	-	49,055	-	-
Disposals	(153,879)	(640,097)	(288,515)	(726,196)
Fair value movement (Note 7)	(7,112)	(112,592)	(8,682)	22,044
Other movement	(11,476)	-	-	-
Balance at end of the year	279,626	452,093	225,523	522,720

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.

19. ASSETS HELD FOR SALE

	Group	
	2025	2024
	€	€
Balance at beginning of the year	-	-
Transfer from property, plant and equipment (Note 13)	15,666,011	-
Transfer from investment property (Note 14)	640,000	-
Write down to net realisable value	(36,011)	-
Balance at end of the year	16,270,000	-

Assets held for sale are properties of the Group which as at year-end, have been classified as such since Management has intended to, and committed to a plan for their disposal. These properties are available for immediate sale in their present condition, and their disposals are highly probable with the expectation of concluding the transaction within twelve (12) months from year-end date (Note 3).

20. INVENTORIES

The Group's inventories as at 31 December 2025 and 2024 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 2025 (2024: Nil).

21. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Trade receivables from third parties (i)	327,802	724,351	4,818	4,818
Trade receivables from associates and related parties (ii)	177,137	236,326	-	-
Amounts owed by third parties (ii)	21,116	12,391	12,686	12,122
Amounts owed by group companies (ii)	-	-	7,517,540	9,870,588
Amounts owed by associate and other related parties (ii)	719,261	469,059	336,140	345,333
Amounts owed by ultimate parent company (ii)	720,141	509,859	720,141	509,859
Amounts owed by ultimate beneficial owner (iii)	-	10,436	-	-
Amounts owed by a director (v)	-	30,000	-	30,000
Advance payments to suppliers/deposits	367,861	786,571	-	-
Other receivables	117,770	359,597	-	-
Accrued income	164,466	155,874	10,306	6,460
Prepayments	283,368	280,672	7,657	10,886
VAT receivable	1,076,278	1,960,879	-	-
	3,975,200	5,536,015	8,609,288	10,790,066

i. Trade and other receivables of the Group are stated net of expected credit loss allowance of €129,716 (2024: €130,380). Trade and other receivables of the Company are stated net of expected credit loss allowance of €86,467 (2024: €86,467) (Note 29). Analysis of trade receivables past due is as follows:

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
0 – 30 days	137,434	286,697	-	-
31 – 60 days	31,771	37,883	-	-
61 – 90 days	10,297	7,080	-	-
90+ days	325,437	231,232	4,818	4,818
	504,939	562,892	4,818	4,818

- 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 2025 amounted to €126,301 (2024: €126,301) and €132,301 (2024: €132,301), respectively (Note 29).
- 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 2025 on these receivables in the Group amounted to €311,551 (2024: €346,551) and €2,761,359 (2024: €609,412) in the Company (Note 29).
- iv. The amounts owed by ultimate beneficial owner are interest free, unsecured and repayable on demand.
- v. The amounts owed by directors were unsecured, interest free and were repayable on demand.

22. 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	
	2025	2024	2025	2024
	€	€	€	€
Cash at bank	1,917,576	2,526,614	111,784	199,577
Cash on hand	18,107	66,081	98	365
Other cash equivalents (i)	3,428,000	3,300,000	3,428,000	3,300,000
	5,363,683	5,892,695	3,539,882	3,499,942

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

Cash and cash equivalents totalling €4,243,093 (2024: €115,505) are pledged or reserved and are being held for deposits of leases as well as for debt and credit card facility servicing. Of this balance €3,428,000 is pledged in favour of the ultimate beneficial owner.

23. EQUITY AND RESERVES

23.1. SHARE CAPITAL

	2025	2024
	€	€
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

The ordinary shares shall carry the right to one vote at any general meeting of the Company.

23.2. RETAINED EARNINGS

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

23.3. OTHER RESERVES

The Group's other reserves are comprised of revaluation reserve of €3,806,030 (2024: €3,853,636), capital reserve of €235,023 (2024: €235,023), share in OCI of associates of €2,967,195 (2024: €1,697,378), and merger reserve of €261,402 (2024: €261,402).

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.

23.4. 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.

24. BORROWINGS

	Group		Company	
	2025 €	2024 €	2025 €	2024 €
Non-current				
Bank borrowings (i)	13,552,703	11,332,843	-	-
Loans from group companies (iii)	-	-	31,938,334	33,289,834
Loans from other related parties (iii)	10,292,878	9,297,812	1,991,171	1,937,053
Other borrowings	186,586	180,844	-	-
	24,032,167	20,811,499	33,929,505	35,226,887
Current				
Bank borrowings (i, ii)	1,536,985	3,894,539	600,000	-
Loans from other financial institution (iv)	7,083,442	-	-	-
Contractor liabilities (v)	24,874,609	28,197,781	-	-
Provision for remissible late payment penalty interest (vi)	4,701,292	-	-	-
Loans from other related parties (iii)	-	619,700	-	-
Loans from group companies (iii)	-	-	1,518,000	-
	38,196,328	32,712,020	2,118,000	-

- i. The bank borrowings are secured by special hypotechs 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 20 February 2028 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 (2024: 1.3). 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. Accordingly, the loan was classified as current. In April 2025, the bank issued a waiver for this breach. In 2025, said financial covenant has been rectified, thus the loan has been presented as non-current borrowing, except for the instalment amounts due in 2026.

- ii. Included within bank borrowings is a €600,000 short-term bridge financing facility of the Company with a local bank. This bridge financing, having a short-term tenure is to be repaid in full by June 2026, and bears interest at an annual rate of 6.0%. This bank loan is guaranteed personally by the ultimate beneficial owner and letter of undertaking redirecting the flow of funds from the expected subsequent transactions of subsidiaries.
- iii. The loans from parent company, group companies, associates and other related companies are unsecured and bear interest at rates ranging from 5% to 7.5% *per annum*. Loans mature on dates ranging from 31 July 2026 to 16 September 2032.
- iv. This loan is with the Polish Development Fund (*Polski Fundusz Rozwoju* or "PFR") which is a joint-stock company owned by the Polish government providing capital, financial tools, and solutions to support enterprises and investments that foster Poland's economic development. This loan bears interest of 8.0% plus WIBOR 3M and is repayable on 31 December 2026. The loan is secured by a mortgage equivalent to the value of the outstanding loan value and up to 150% of the loan facility amount, over another plot of land in Poznan, Poland owned by the Group and is included in investment properties (Note 14). This loan is further secured with a registered and financial pledge over the Group's shareholding interest in the subsidiary Andersia Property Sp. z o.o., and a pledge over a set of assets and rights constituting an economic whole of the same subsidiary. The proceeds of the loan were mainly used to settle part of the contractor liabilities and the settlement of applicable taxes arising from the transfer of the plot of land between subsidiaries.
- v. Contractor liabilities relate to remuneration payable to the general contractor in relation to the construction of AND2 in Poznan, Poland. This financing bears annual interest of 5.0% base rate plus 3M-EURIBOR and is repayable according to the progress of works. In December 2023, it has been agreed to defer repayment, and that the existing liabilities for past works shall be refinanced as disclosed in Note 2.2. This financing facility is secured by a mortgage on the subject property under development with the contractor included within the Group's investment properties (Note 14). During the year, part of this liability was settled from the proceeds of the loan with PFR.

24. BORROWINGS - continued

- vi. Due to the prolonged multi-party negotiations involving the contractor, consortium of banks and PFR, drawdown from the AND2-related financing facilities has been delayed which was planned to settle the contractor liabilities and finance the continuing works of AND2 project. Consequently, the Group is facing late payment interest charges on its contractor liabilities for the construction and maintenance works carried up to December 2025. These charges were assessed at a rate of 18% to 22.5% per annum, accrued from their original due dates to 31 December 2025. In April 2026, an agreement was reached with the general contractor, subject to final formalisation, providing for a fixed settlement of a total of €26.5 million for the combined contractor liabilities and late payment interest charges up to 31 March 2026. Subject to the fulfilment of specified conditions stipulated in the agreement, this settlement will effectively extinguish the penalty interest and result in a full waiver of €4.7 million.
- vii. As at 31 December 2025, the Group has available and undrawn, senior lending facility up to €55 million comprising a Construction Loan, Investment Loan, and a VAT loan (in PLN) with a consortium of banks signed on 25 June 2025 to finance the construction of the Group's development project in Poznan, Poland. This loan facility will bear annual interest at the applicable EURIBOR or WIBOR plus a margin between 2% to 2.8% depending on the type of loan and will be secured by a mortgage over the subject property jointly with the PFR and the general contractor.
- viii. The Group also has another undrawn loan facility with PFR comprising of an Investment Loan of PLN 85 million (€17 million) and a VAT Loan of PLN 6 million. The availability period of this facility was until 31 December 2025 but the Group has been in continued negotiations with PFR and the general contractor for the eventual drawdown and the necessary extension of the availability period. This loan facility will bear annual interest at the applicable 3-month WIBOR plus a margin between 4% to 12% depending on the type of drawdown and will be secured by a mortgage and over the subject property jointly with the general contractor and the participating banks under the senior lending facility.

25. DEBT SECURITIES IN ISSUE

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Non-current				
Listed Bonds, €35.0M, 5%, 2032 (i)	34,565,657	34,503,705	-	-
Private Notes, €5.0M, 7.4%, 2026 (i)	-	4,901,202	-	-
Private Notes, €4.44M, 7.0%, 2028	4,385,256	-	4,385,256	-
	38,950,913	39,404,907	4,385,256	-
Current				
Private Notes, €5.0M, 7.4%, 2026 (i)	4,956,586	-	-	-
Private Notes, €1.5M, 7.0%, 2025 (i)	-	1,472,500	-	1,472,500
Accrued interest on bonds payable	350,941	177,527	182,163	8,750
Amounts held on behalf of bondholders (ii)	69,314	63,748	-	-
	5,376,841	1,713,775	182,163	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

In 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 and 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 2025, the quoted price of the Listed Bonds was 98.0 (2024: 101.5). Interest paid on the Listed Bonds during 2025 amounted to €1,749,377 (2024: €1,747,820).

25. DEBT SECURITIES IN ISSUE - continued

VDHGF Private Notes, €5M 7.4%, 2026

In 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-subsiary. Interest paid on this Private Note during 2025 amounted to €370,000 (2024: €380,137).

TIH Private Notes, €4.44M, 7%, 2028

In May 2025, the Company offered private notes aggregating to €4.5 million ("TIH €4.5M 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. Of the €4.5 million offered, €3.04 million were raised and €1.4 million were rolled over from the TIH €1.5M Private Notes below. The TIH €4.5M Private Notes are unsecured, bear interest of 7.0% *per annum* and have a repayment date of 29 May 2028. The TIH €4.5M Private Notes rank *pari passu*, without any priority or preference among the noteholders and with the other outstanding unsecured debt of the Company. Interest will be paid annually every 29 May.

TIH Private Notes, €1.5M, 7%, 2025

In November 2024, the Company issued notes aggregating to €1.5 million ("TIH €1.5M 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 had a repayment date of 28 November 2025. The TIH €1.5M Private Notes rank *pari passu*, without any priority or preference among the noteholders and with the other outstanding unsecured debt of the Company. In May 2025, notes totalling €1.4 million were rolled over to the new €4.5 million Private Notes discussed above and the corresponding interest from date of issue up to roll-over date were paid amounting to noteholders amounting to €49,560. The remaining €100,000 notes were paid on 28 November 2025 plus accrued interest of €7,000.

TIH Private Notes, €500,000, 8%, 2027

In December 2025, the Company initiated an offer through a private placement for the issuance of private notes totalling €800,000. The placement period was from 22 December 2025 to 15 January 2026. The private notes are unsecured, carry interest at 8% *per annum* and has a redemption date of 15 June 2027. After the placement period, notes totalling €500,000 have been subscribed and were consequently issued on 15 January 2026. The proceeds of the private placement will be used for general corporate funding purposes of the Group.

The Company, TIMAN Investments Holdings p.l.c., 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-subsiary 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.

26. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Trade payables to third parties	2,249,122	2,486,088	26,217	22,831
Trade payables to group companies	-	-	40,824	14,797
Trade payables to other related parties	225,192	324,891	-	-
Amounts owed to third parties	66,671	118,747	60,692	42,085
Amounts owed to group companies (i)	-	-	2,780,633	2,942,956
Amounts owed to associates and other related parties (i)	28,807	29,324	-	-
Amounts owed to ultimate beneficial owner (i)	87,465	-	6,883	9,419
Other taxes and social security contributions	863,977	499,633	115,304	18,152
Advance payments received from customers (ii)	245,534	218,706	-	-
Deposit payable (iii)	210,000	-	-	-
Other payables	629,206	751,131	20,846	-
Accruals	389,538	787,741	112,375	101,789
VAT payable	303,001	49,086	-	-
	5,298,513	5,265,347	3,163,774	3,152,029

- 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.
- iii. Deposit payable as at 31 December 2025 refers to the deposit payment received in relation to the disposal of one of the Group's assets held for sale (Note 19).

27. LEASES

As at 31 December 2025, the Group had three (2024: six) 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%.

27.1. RIGHT-OF-USE ASSETS

	Group	
	2025	2024
	€	€
At 1 January	15,766,963	18,965,940
Additions	-	-
Depreciation charge	(1,069,526)	(1,432,447)
Termination of lease	(12,379,305)	(1,766,530)
At 31 December	2,318,132	15,766,963

27.2. LEASE LIABILITIES

	Group	
	2025	2024
	€	€
At 1 January	17,979,595	21,215,034
Interest accretion	521,228	889,732
Principal payments	(979,925)	(1,191,404)
Interest payments	(521,228)	(889,732)
Termination of lease	(14,391,344)	(2,044,035)
At 31 December	2,608,326	17,979,595
Non-current	1,858,777	16,821,703
Current	749,549	1,157,892
	2,608,326	17,979,595

The maturity analysis of the undiscounted lease liabilities is disclosed in Note 29.

27.3. AMOUNTS RECOGNISED IN PROFIT OR LOSS

	Group	
	2025	2024
	€	€
<i>Continuing operations</i>		
Depreciation charge on right-of-use	646,672	655,266
Interest expense on lease liabilities (Note 10)	170,435	198,931
Short-term/low-value leases and other expenses (Note 5)	265,007	292,635
<i>Discontinued operations</i>		
Gain on early termination of leases (Note 32)	2,336,114	807,506
Depreciation charge on right-of-use (Note 32)	422,854	777,181
Interest expense on lease liabilities (Note 32)	350,793	690,756
Short-term/low-value leases and other expenses (Note 32)	144,044	266,772

27. LEASES - continued

27.4. OTHER DISCLOSURES RELATED TO LEASES

The Group had total cash outflows for leases amounting to €1,910,204 (2024: €2,613,876).

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 €1,501,153 (2024: €2,081,091). 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.

28. 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, 21, 24 and 26 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 25.

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Transactions with ultimate parent company				
Interest income using E.I.R (Note 9)	210,282	251,019	210,282	251,019
Transactions with group companies				
Interest income (Note 9)	-	-	2,842,770	2,982,463
Interest expense (Note 10)	-	-	2,269,568	2,257,568
Operating expenses	-	-	245,257	201,971
Transactions with other related parties				
Interest income (Note 9)	80,169	168,424	91,388	129,560
Interest expense (Note 10)	481,048	460,251	54,117	51,777

Key management compensation

	Group		Company	
	2025	2024	2025	2024
	€	€	€	€
Directors' fees and remuneration (Note 6)	1,073,405	982,729	142,524	142,252

Amounts due from directors are disclosed in Note 21.

29. 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 30.

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

29.1. 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.

29.2. 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 24 and 25, and equity attributable to equity holders, comprising issued share capital, reserves and retained earnings as disclosed in Note 23 to these financial statements and in the statement of changes in equity.

29.3. 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).

29. FINANCIAL INSTRUMENTS - continued

29.3. CREDIT RISK - 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 2025

	Group		
	Gross amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	6,387,892	-	6,387,892
Trade and other receivables	3,018,655	(567,568)	2,451,087
	9,406,547	(567,568)	8,838,979
By impairment analysis			
12-month ECL (low credit risk)	8,003,926	(129,716)	7,874,210
Lifetime ECL	964,769	-	964,769
Credit-impaired	437,852	(437,852)	-
	9,406,547	(567,568)	8,838,979

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

29. FINANCIAL INSTRUMENTS - continued

29.3. CREDIT RISK - 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 2025

	Company		
	Gross carrying amount €	Allowance €	Net carrying amount €
By classification			
Loans and other receivables	45,854,304	(8,320,014)	37,534,290
Loans and other receivables (as Guarantor of a Group Company)	4,464,512	-	4,464,512
Trade and other receivables	11,589,415	(2,980,127)	8,609,288
	61,908,231	(11,300,141)	50,608,090
By impairment analysis			
12-month ECL (low credit risk)	42,085,269	(86,467)	41,998,802
Lifetime ECL (simplified approach)	8,609,288	-	8,609,288
Credit-impaired	11,213,674	(11,213,674)	-
	61,908,231	(11,300,141)	50,608,090

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

29. FINANCIAL INSTRUMENTS - continued

29.4. 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 18% of the Group's debt will mature in less than one year at 31 December 2025 (2024: 11%). As disclosed in Note 24 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 tables below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2025	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)	297,927	159,745	33,037,365	24,032,167	-	57,527,204
Debt securities in issue	69,314	-	7,430,800	12,061,600	38,500,000	58,061,715
Lease liabilities	-	210,280	635,840	1,253,588	1,240,000	3,339,708
Trade and other payables	1,037,341	2,249,122	-	-	-	3,286,463
	1,404,582	2,619,147	41,104,005	37,347,355	39,740,000	122,215,089

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	-	7,430,800	5,257,120	40,250,000	53,001,668
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	38,017,950	34,715,912	58,723,355	134,698,014

29.5. 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.

29. FINANCIAL INSTRUMENTS - continued

29.6. 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	
	2025	2024
	€'000	€'000
Change in PLN versus EUR rate by +5%	810	2,965
Change in PLN versus EUR rate by -5%	(713)	(3,277)

29.7. 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 24.

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	
	2025	2024
	€'000	€'000
Change in basis points by +100	(124)	(121)
Change in basis points by -50	62	100

29.8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

At 31 December 2025 and 2024, 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 2025 and 2024, 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 25.

29. FINANCIAL INSTRUMENTS - continued

29.9. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Group		
	Borrowings €	Debt securities in issue €	Lease liabilities €
Balance at 1 January 2024	51,335,939	39,438,107	21,215,034
Cash flows	1,832,018	1,470,000	(1,191,404)
Accrued interest	460,251	8,750	-
Foreign exchange movement	(104,689)	-	-
Lease terminations	-	-	(2,044,035)
Amortisation of bond issue costs	-	115,725	-
Sale of bonds held in treasury	-	86,100	-
Balance at 31 December 2024	53,523,519	41,118,682	17,979,595
Balance at 1 January 2025	53,523,519	41,118,682	17,979,595
Cash flows	1,271,269	2,873,400	(979,925)
Accrued interest	7,702,004	131,171	-
Foreign exchange movement	(268,297)	-	-
Lease terminations	-	-	(14,391,344)
Amortisation of bond issue costs	-	204,501	-
Balance at 31 December 2025	62,228,495	44,327,754	2,608,326

	Company	
	Borrowings €	Debt securities in issue €
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	-	(30,000)
Balance at 31 December 2024	35,226,887	1,481,250
Balance at 1 January 2025	35,226,887	1,481,250
Cash flows	654,000	2,845,407
Accrued interest	54,117	(21,567)
Amortisation of bond issue costs	-	262,329
Other movement	112,501	-
Balance at 31 December 2025	36,047,505	4,567,419

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1. COMMITMENTS

As at 31 December 2025, the Group and the Company have no outstanding commitments in regards of the subscriptions with private investment funds (2024: €806,189).

30.2. LITIGATION AND CONTINGENT LIABILITIES

As at 31 December 2025 and 31 December 2024, neither the Company nor any of its subsidiaries was a party to any material litigation or legal proceedings.

A property in which the Group operates a hotel under a lease arrangement is currently subject to civil proceedings before a local court. The proceedings have been initiated by Von der Heyden Malta Properties Ltd, a related party of the Group, against the lessor-owner of the property and arise from a promise of sale and purchase agreement entered into between the parties in 2022, pursuant to which the related party had agreed to acquire the property. As the contractual date to finalise the sale approached, the lessor-owner indicated that he did not intend to proceed with the sale.

The related party is seeking specific performance of the agreement or, alternatively, damages, which remain unquantified. The lessor-owner has filed a counterclaim against the related party requesting the forfeiture of the €500,000 deposit paid under the agreement, together with further damages, which are also unquantified.

The Group is not a party to these proceedings. Accordingly, no provision or contingent liability has been recognised in these financial statements. At the reporting date, the outcome of the proceedings cannot be determined with sufficient reliability.

31. FAIR VALUE MEASUREMENT

31.1. 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 13 and 14).

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.

31. FAIR VALUE MEASUREMENT – continued

31.1. LAND & BUILDINGS AND INVESTMENT PROPERTIES - continued

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	Income approach	Discount rate	6.25% - 6.75%	The higher the discount rate, the lower the fair value
	Income approach	Income rate	€9.50 - €28.00/sqm monthly	The higher the income rate, the higher the fair value
Investment property	Asset-based	Price per square meter	€2,083/sqm to €8,358/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
	Income approach	Income rate	€18.00 - 20.00/sqm monthly	The higher the income rate, the higher the fair value

31.2. 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 2025 and 2024 increased as a result of the proportional share in profits/(loss) from three of the associates.

31. FAIR VALUE MEASUREMENT - continued

31.3. 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	
	2025	2024
	€	€
Discounted cash flows approach	1,251,386	1,905,637
Asset-based approach	11,009,335	13,458,283
	12,260,721	15,363,920

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 and capitalisation rate of 10% 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 investment being valued (Note 31.1)

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 verwaltungsgesellschaft mbH	Asset-based
IBB Hotel verwaltungsgesellschaft mbH	Asset-based
Villa Diodati S.R.L.	Asset-based

32. DISCONTINUED OPERATIONS

During the year, the Group completed the exit from Germany of its hotel operations. The Group also divested its shareholding in the travel agency operations based in Spain. The withdrawal from these operations constitutes discontinued operations as disclosed in Note 3. Accordingly, the statement of profit or loss of the Group in the current year has been prepared separating results from continuing operations from those of discontinued operations. Consequently, the comparative profit or loss has been re-presented to reflect the same separation.

32.1. HOTEL OPERATIONS IN GERMANY

In December 2025, following the termination of the hotel lease and turnover of the two remaining the hotel operations in Germany to the new operators, the Group has completed its exit of the hotel operations from the German market. The results of the German hotel operations included in these consolidated financial statements are presented below.

	Group	
	2025	2024
	€	€
Revenue	2,788,040	6,687,246
Other operating income	-	152,722
Operating costs	(2,335,338)	(5,580,510)
Other gains – net	2,336,114	807,506
Depreciation and amortisation	(422,854)	(777,181)
Interest and other related expenses	(359,602)	(702,281)
Profit before tax	2,006,360	587,502
Taxation	-	(4,214)
Profit for the year, fully attributable to owners of the parent	2,006,360	583,288

The other gains mainly represent the gain on derecognition of lease liabilities and right-of-use, including compensation payments from the lessor, net of any forfeited deposits and reserves.

There were no disposal groups (assets and/or liabilities) as of 31 December 2025 in relation to the discontinued hotel activities in Germany since the transactions consummated before the year-end.

The following table presents the summarised cash flow from discontinued hotel operations in Germany.

	Group	
	2025	2024
	€	€
Cash flows from operating activities	966,815	1,049,264
Cash flows from investing activities	-	23,441
Cash flows from financing activities	(725,888)	(1,338,048)

32. DISCONTINUED OPERATIONS - continued

32.2. TRAVEL AGENCY OPERATOR IN SPAIN

In December 2025, the Group also sold its shareholding in Viajes Menorca S.L., the travel agency operator based in Spain, to a related company of the Group. Consequently, the assets and liabilities of the Viajes Menorca S.L. have been removed from the consolidated financial statements of the Group and a gain of €77,766 have been recognised upon deconsolidation of Viajes Menorca SL from the Group determined as follows:

Consideration	197,599
Group receivables from Viajes Menorca SL previously eliminated	151,016
Total consideration	348,615
Net assets of Viajes Menorca SL upon deconsolidation	(270,849)
Gain on disposal	77,766

The income and expenses of Viajes Menorca SL as from the start of the year up to the date the control is lost included in these consolidated financial statements are presented below.

	Group	
	2025	2024
	€	€
Revenue	784,731	773,098
Other operating income	12,852	19,031
Operating costs	(781,229)	(764,853)
Gain on disposal	77,766	-
Depreciation and amortisation	(5,770)	(15,573)
Impairment reversal (charge)	776,218	(776,218)
Interest and other related expenses	(134)	(12,241)
Profit/(Loss) before tax from discontinued operations	864,434	(776,756)
Taxation	-	-
Profit/(Loss) for the year, fully attributable to owners of the parent	864,434	(776,756)

There were no disposal groups (assets and/or liabilities) as of 31 December 2025 in relation to the discontinued travel agency operations in Spain since the transaction consummated before the year-end.

The following table presents the summarised cash flows

	Group	
	2025	2024
	€	€
Cash flows from operating activities	(16,199)	32,917
Cash flows from investing activities	-	-
Cash flows from financing activities	(12,686)	(23,938)

33. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

- In April 2026, the Group's subsidiary Dlugi Targ Sp. z o.o., concluded the sale of the hotel property to a third party. The disposal of the property subsequent to the reporting period is a non-adjusting event given that the property was already classified as held for sale at year-end on the basis that Management had committed to a plan to dispose the asset before year-end (Note 3).
- The Group finalised the sale of the property in Olbia, Sardinia, Italy to a third party. The disposal of the property subsequent to the reporting period is a non-adjusting event given that the property was already classified as held for sale on the basis that Management had committed to the plan to dispose said property before the year end (Note 3).
- The Group is in the process of disposing of its 50% interest in IBB Hammetts Operations Limited to the ultimate beneficial owner for a nominal consideration of €1. The associated undertaking is carried at nil in the in these financial statements given the negative net asset value position of the associate as at 31 December 2025 and 2024.
- Certain subsidiaries of the Group in Poland have been merged and some companies in Germany have been placed on voluntary liquidation.
- In April 2026, the Group and the general contractor for the AND2 project have reached an agreement, subject to final formalisation, for a fixed settlement of a total of €26.5 million for the combined contractor liabilities and late payment interest charges as disclosed in Note 24. Subject to the fulfilment of specified conditions stipulated in this agreement, this settlement will effectively extinguish the penalty interest and result in a full waiver of the €4.7 million, which is expected to be recognised in the profit or loss in 2026.
- In December 2025, the Company initiated an offer through a private placement for the issuance of private notes totalling €800,000. The placement period was from 22 December 2025 to 15 January 2026. After the placement period, notes totalling €500,000 have been subscribed and were consequently issued on 15 January 2026.
- In late February 2026, the situation of the conflict in the Middle East significantly escalated characterised by strikes on several infrastructures and subsequent retaliations by the parties involved. This represents a significant geopolitical event requiring assessing its impact under IFRS. The Group does not have direct exposure arising from the conflict as it does not have assets or operations linked to the region. And since the conflict broke-out after the year-end, is considered to be a non-adjusting event.



**INDEPENDENT
AUDITORS'
REPORT**

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings plc

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 plc (the "Company" and together with its subsidiaries, the "Group"), set on pages 19 to 80, which comprise the separate and consolidated statements of financial position as at 31 December 2025, 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 policy information.

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 2025, 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) and the Companies Act. 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 EUR22.6 million. This primarily arises from contractor liabilities related to the AND2 project of EUR24.9m, EUR4.7 million penalty charges related to the contractor liabilities, EUR5.0 million Private Notes maturing in September 2026, and a EUR7.1 million loan provided by the Polish Development Fund (Polski Fundusz Rozwoju or "PFR") due on 31 December 2026.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings plc – continued

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

Material uncertainty related to Going Concern - continued

Note 2.2 further describes the Group's current liquidity position and the status of the ongoing multi-party negotiations relating to the end-project financing for the AND2 project. Note 2.2 also outlines management's plans to secure additional financing required, progress in meeting banking facility drawdown conditions and the realisation or re-financing of certain other assets.

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

Our opinion is not modified in respect of this matter.

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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings plc - continued

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

Responsibilities of the directors for the financial statements – continued

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.

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.

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Timan Investments Holdings plc – continued

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

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

- 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 for 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.

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

Directors' report

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.

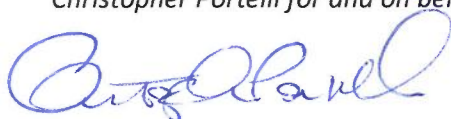
Other requirements

We also have responsibilities under the Companies Act to report 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
Christopher Portelli for and on behalf of*



Ernst & Young Malta Limited
Certified Public Accountants
30 April 2026

