



COMPANY ANNOUNCEMENT

The following is a company announcement issued by Tumas Investments Plc (the “**Company**”) pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Approval and Publication of Interim Financial Statements

QUOTE

The Board of Directors of Tumas Investments p.l.c. has today, the 29th August 2022, approved the unaudited Half-Yearly Financial Statements of the Company for the six months ended 30th June 2022.

The Board has also authorised the issue of these Half-Yearly Financial Statements which are attached to this announcement and which will be available on the Tumas Group website <https://tumas.com/investor-area/>

UNQUOTE

BY ORDER OF THE BOARD

A handwritten signature in blue ink, appearing to read "K Cachia", is positioned above the typed name of the Company Secretary.

Dr Katia Cachia
Company Secretary
29 August 2022

Directors: Raymond Fenech, Ray Sladden, Michael Grech, Kevin Catania, John Zarb

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TUMAS INVESTMENTS p.l.c.

Condensed Interim Financial Statements
For the period 1 January 2022 to 30 June 2022

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Interim directors' report

This interim report is being published in terms of Chapter 5 of the Capital Market Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The condensed set of financial statements included in this report has been extracted from Tumas Investment p.l.c.'s unaudited financial information for the six months ended 30 June 2022 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). This Interim Condensed Financial Report has not been audited or reviewed by the Company's independent auditors.

Trading performance

The company

During the six month period ending June 2022 finance income amounted to €1.20 million mainly in the form of interest receivable and facility charges from Spinola Development Company Limited, the guarantor. This is in line with last year's revenue.

Finance costs, once again very similar to last year represent interest payable to bondholders together with related amortisation costs. Administrative costs totalled €69,802, versus €65,997 the previous year. The Statement of Financial Position is also very much in line with the previous year, composed mainly of non-current assets of €50million being advances to the guarantor of the bonds, together with cash at bank, while the main liabilities being the two bonds already referred to above and current trade payables mainly accrued interest on the said bonds.

The Guarantor - Spinola Development Company Limited

The guarantor of the bonds issued by Tumas Investments plc and the only recipient of loans from the company has during the course of the first six months of the year witnessed a comeback in overall performance across its different operating sectors as we generally creep out of the COVID-19 pandemic.

Lifting of COVID-19 related restrictions imposed by the Health Authorities at various stages during first six months proved to be the main driver enabling a marked improvement in the performance of our hospitality segment when compared to last year. The other segments of the guarantor's operations are not directly correlated to a performance following the fall-out from the pandemic. It's worth however noting, that despite this improvement, the performance of the tourism sector, particularly as this relates to 5-star properties, has to-date been an uneven one while different hotel categories performed at varying degrees. In fact, much depended on incoming travellers' point of origin as airline capacity to Malta, particularly legacy carriers capacity has been below pre-COVID-19 levels. This had a direct knock-on effect on the hotel's performance which although superior to the same period of 2021, was still below budget when it comes to occupancy. This is mostly being experienced during the peak summer months, a period which traditionally is associated with high occupancy.

Comparing this year's overall revenue for the guarantor based on our most recent forecast against last year's actual figures, we witness an upward movement in the hotel and ancillary operations, together with rental operations meeting forecast revenue. One should note that there was no additional rental space added to our stock while a few available areas remain vacant, and another area has been temporarily taken out of our inventory. When it comes to property development forecast, revenue is lower than last year, totally due to having only a few units ready for sale. We are estimating that this year we will have two apartments delivered, one has already been contracted, while the other one should take place by year-end. The budget also includes the last remaining Laguna apartment for sale, however, recently the sales drive has been directed towards two commercial units within the latest apartment block made available for sale. These two units are now under a promise of sale agreement and should be delivered by year-end. When it comes to complex management operations, forecast revenue and costs will be similar to last year.

Interim directors' report - continued

Trading performance - continued

The Guarantor - Spinola Development Company Limited - continued

Although, it is early to estimate with any degree of accuracy the end of year result, we envisage that this will be superior to last year. We are gradually improving month-on-month occupancy levels when compared to last year, as per our last forecast for the whole of 2022, although still below pre-pandemic levels. Room rates should be very close to 2019 levels, thus the hotel should report a superior gross operating profit and a more favourable EBITDA. The EBITDA margin will at best be similar to last year, however last year's margin was highly influenced by the pandemic fall out and thus not necessarily a typical one. The other operating units associated with the hospitality segment, namely the car park and the tower bar, will also record better results in line with the extended operations at Portomaso. The tower bar which was closed for long periods last year in line with Health Authorities directives has now returned to business, hopefully for the full year and is expected to make somewhat better results. The financial results for the marina are also forecast to be above last year as revenue increases following the last two years which witnessed a lower uptake of berths mainly temporarily ones as this segment widely followed tourism activity to the island.

Factoring all the above, and assuming that we can continue to perform without any major calamities we should be aiming towards a net result of around €9 million in profit before tax which is very much superior to the previous year mainly resulting from a better hospitality performance partially offset by lower property income.

When it comes to operational costs, these have increased partly in line with performance however, it is also worth noting that the highly regarded COVID-19 wage supplement support was terminated in May 2022. Additionally, the inflationary pressure on costs, is hitting hard as inflation is doing across all industries. We are also bearing supply chain bottlenecks and economic uncertainty with talks of recession in certain countries, at a time when well-timed government support measures unwind and geopolitical tensions in Europe, as a result of the war in Ukraine, create havoc. The latter has not directly impacted tourism to the Island in any marked way, yet inflation is, and payroll is also higher, mostly due to lack of labour supply.

From a cashflow point of view, capital expenditure which was hived off during the last two years is now being reconsidered and certain works vital from a revenue generation point are being taken in hand. In fact, a number of rooms located within the hotel are being converted into "Marina Terrace Spa" rooms with wider amenities. Two office areas within Portomaso which were decommissioned last year are being refurbished, one lately occupied while the other should be available for commercial use around Q2 next year. As noted in previous reviews a major investment is the ex-Halland aparthotel is ongoing, demolishing, excavation and construction have commenced recently. The development will be an upmarket residential complex, comprising of around 68 apartments. Timing of structural and completion works will be tailored to general economic conditions so as to calibrate when to place these apartments on the market. The financing of this project is partly through equity, together with external funding which has already been committed.

We continue to be confident at this stage that barring unexpected events we are encouraged by the performance achieved so far across all activities at Portomaso. The momentum to reach pre-pandemic levels, however, remains a challenge as we remain cautious in view of the general worldwide economic environment referred to above. The guarantor, Spinola Development Company Limited, is adequately capitalized, with sufficient liquid funds available to meet its immediate cashflow obligations. The fact that the guarantor enjoys diversified segments of operations, provides a buffer and security as we take on board a wider scale of activity more akin to pre-COVID-19 times.

Interim directors' report - continued

Trading performance - continued

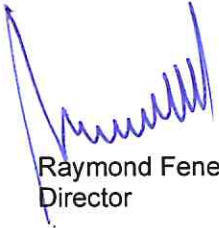
The Guarantor - Spinola Development Company Limited - continued

Additionally, the directors of the ultimate parent, Tumas Group Company Limited have undertaken to continue providing the necessary support with respect to both Spinola Development Company Limited Group and Tumas Investments plc. No material uncertainty exists with the ability to proceed as a going concern and to meet our current cashflow obligations accordingly.

Dividends

The directors do not recommend the payment of an interim dividend (2021: €Nil).

On behalf of the Board



Raymond Fenech
Director



Kevin Catania
Director

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Tumas Group Corporate Office
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Portomaso
St. Julians
Malta

29 August 2022

Condensed statement of financial position

	As at 30 June	As at 31 December
	2022 € (unaudited)	2021 € (audited)
ASSETS		
Non-current assets	50,000,000	50,000,000
Current assets	2,497,531	1,594,170
Total assets	52,497,531	51,594,170
EQUITY AND LIABILITIES		
Total equity	664,458	653,811
Total non-current liabilities	50,207,511	49,782,811
Total current liabilities	1,625,562	1,157,548
Total liabilities	51,833,073	50,940,359
Total equity and liabilities	52,497,531	51,594,170

The notes on pages 8 to 9 are an integral part of this condensed financial information.

The condensed financial information on pages 4 to 10 were authorised for issue by the board of directors on 29 August 2022 and were signed on its behalf by:



Raymond Fenech
Director



Kevin Catania
Director

Condensed statement of comprehensive income

	Note	Six-months ended 30 June	
		2022 € (unaudited)	2021 € (unaudited)
Finance income	2	1,195,643	1,193,094
Finance costs		(1,109,460)	(1,108,383)
Net interest income		86,183	84,711
Administrative expenses		(69,802)	(65,997)
Profit before tax		16,381	18,714
Tax expense		(5,734)	(6,550)
Profit for the period – total comprehensive income		10,647	12,164

The notes on pages 8 to 9 are an integral part of this condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2021	250,002	396,359	646,361
Comprehensive income			
Profit for the period - total comprehensive income	-	12,164	12,164
Balance at 30 June 2021	250,002	408,523	658,525
Balance at 1 January 2022	250,002	403,809	653,811
Comprehensive income			
Profit for the period - total comprehensive income	-	10,647	10,647
Balance at 30 June 2022	250,002	414,456	664,458

The notes on pages 8 to 9 are an integral part of this condensed financial information.

Condensed statement of cash flows

	Six-months ended 30 June	
	2022 € (unaudited)	2021 € (unaudited)
Net cash generated from operating activities	105,344	1,040,255
Net cash generated from financing activities	400,000	-
Movement in cash and cash equivalents	505,344	1,040,255
Cash and cash equivalents at beginning of period	437,628	395,580
Cash and cash equivalents at end of period	942,972	1,435,835

The notes on pages 8 to 9 are an integral part of this condensed financial information.

Notes to the condensed financial statements

1. Significant accounting policies

The accounting policies applied in the preparation of the condensed interim financial statements are consistent with those of the annual financial statements for the year ended 31 December 2021, as described in those financial statements.

2. Related party transactions

The company forms part of the Tumas Group of Companies. All companies forming part of the Tumas Group are related parties since these companies are all ultimately owned by Tumas Group Company Limited which is considered by the directors to be the ultimate controlling party. The main related party with whom transactions are entered into is Spinola Development Company Limited, the guarantor of the interest-bearing borrowings.

The principal transactions carried out with related parties during the period were as follows:

	Six-months ended 30 June	
	2022	2021
	€	€
Income from services		
Interest receivable from fellow subsidiary	1,109,555	1,109,555
Facility charges from fellow subsidiary	86,088	83,539
	1,195,643	1,193,094

The company's balances with fellow subsidiaries and parent as at the end of the period are as follows:

	As at 30 June	As at 31 December
	2022	2021
	€	€
Non-current		
Loans to fellow subsidiary	50,000,000	50,000,000
Loans from fellow subsidiary	(400,000)	-
	49,600,000	50,000,000
Current		
Net amounts owed by fellow subsidiary	-	137,487
Net amounts owed to fellow subsidiaries	(3,023)	-

Notes to the condensed financial statements - continued

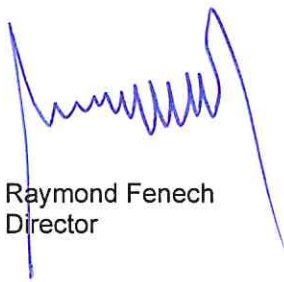
3. Share capital

	As at 30 June	As at 31 December
	2022	2021
	€	€
Authorised, issued and fully paid up 250,002 ordinary shares of €1 each	250,002	250,002

Director's statement pursuant to Capital Market Rule 5.75.3

I hereby confirm that to the best of my knowledge:

1. the condensed financial statements gives a true and fair view of the financial position of the company as at 30 June 2022, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Capital Market Rule 5.81.



Raymond Fenech
Director