



COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Tumas Investments p.l.c. (the Company) pursuant to Chapter 5 of the Capital Market Rules of the Malta Financial Services Authority with respect to the Half-Yearly Financial Statements of the Company.

Quote

The Board of Directors of Tumas Investments p.l.c. has today approved the unaudited Half-Yearly Financial Statements of the Company for the six months ended 30th June 2021.

The Board has also authorised the issue of these Half-Yearly Financial Statements which will be available on the Tumas Group website: <https://tumas.com/wp-content/uploads/2021/08/TI-Interim-Interim-FS-June-2021-Signed.pdf>

Unquote

A handwritten signature in black ink, appearing to be "RS", written over a horizontal line.

Ray Sladden
Company Secretary

20th August 2021

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

TUMAS INVESTMENTS p.l.c.

Condensed Interim Financial Statements
for the period 1 January 2021 to 30 June 2021

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Interim directors' report

This interim report is being published in terms of Chapter 5 of the Listing 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 2021 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 Group's independent auditors.

Trading performance

The company

During the six month period ending 30 June 2021 finance income, mainly interest receivable and facility fees from the guarantor, Spinola Development Company Limited amounted to €1.19 million (2020: €1.19 million).

Finance costs in the form of interest payable on the outstanding bond issues together with related amortisation costs amounted to €1.11 million (2020: €1.11 million). Administrative costs totalled €65,977 (2020: €66,102). The statement of financial position with respect to the company is effectively composed of loans made to Spinola Development Company Limited, together with cash at bank, with the main liabilities represented by the two bond issues totalling €50 million and trade and other payables.

The guarantor

The guarantor of the bonds issued by Tumas Investments p.l.c. and the recipient of loans from the company has during the course of the first six months of the year continued to suffer the repercussions of the COVID-19 pandemic, albeit, to a lesser extent to the same period last year. That period had hit the pandemic's peak particularly with respect to hospitality which represents the core on-going business of the guarantor. Expectations for the year under review are currently superior to those of last year, however, still below previous years before the pandemic hit us. For a number of weeks during the period under review limited services were being provided at the hotel with only room service possible as hotels' restaurants as with other F&B establishments were closed as directed by the Health Authorities. The same situation applied to gyms which were closed for an even longer period. However, as the roll-out of the vaccine made headway both locally and abroad there was a pick-up in tourist inflows as incoming airport activity picked up although with a jittery traffic flow which varied as COVID-19 news hit the market. However, overall there is a substantial improvement and augurs well for the rest of the year as the guarantor sees a gradual but consistent increase in hotel revenues, mostly through higher occupancy as room rate recovery lags. The latter; a reflection of a shift in clients as the higher-rated meetings segments was heavily impacted.

Comparing this year's overall revenue for the guarantor based on their most recent forecasts should see an upward shift pickup across the various segments except for property development which is however due to lower stock of property available for sale. Without wishing to make any assertive forward looking statements, the indications are that year-end results should be better than those of last year. The hotel should this summer hit encouraging occupancy levels which are moderately closer to pre-COVID-19 levels, however, very much short of those peaks we were accustomed to. More so with room rates which are down reflecting the demand level, and flexible pricing strategies, yet better than 2020. It is expected that the hotel will return a positive gross operating profit and a favourable EBIDTA above that reported last year.

Interim directors' report - continued

Trading performance - continued

The guarantor - continued

The other segments associated with, and heavily dependent on the hospitality segment performance have also been negatively impacted particularly the latter which was closed for practically the whole period under review in line with COVID-19 related Health Authorities directives applicable to F&B outlets in general. The financial results from the marina should be similar to last year, while the car park, should have a better result yet will not reach its optimal operating levels. This follows directly from a relative low footfall to the hotel and the F&B outlets within the complex, a material source of revenue for this unit. Forecast figures for 2021 with respect to the guarantor continue to portray a degree of limited operation even though open for business mainly due to social distancing measures and other COVID-19 related protocols.

When it comes to the property development segment management forecast that Spinola Development Company Limited should be in a position to finish off and deliver its most recent unit comprising thirteen apartments and underlying commercial space. This segment of operations has maintained its activity rhythm and a performance shorter than the previous years is only due to lack of stock available for sale. When it comes to property rental income within Portomaso it is envisaged to be at the same level as last year.

Factoring all the above into consideration and assuming that the guarantor continues to derive the required support through the Covid Wage Supplement and the deferral of certain tax dues to next year, the projected financial results although still clouded by the pandemic show a steady improvement. Directors and management will continue to strictly monitor the state of affairs and strive to seek to maximize revenue opportunities while retaining strict cost control when considering capital investments in order to safeguard liquidity resources and reduce operational leverage. The only exceptions when it comes to capital expenditure is with items which could hinder the guarantor's operations if not fulfilled. Currently, the only major projects in progress within the group is the completion of the of thirteen apartments and commercial space referred to above, necessary so that the guarantor may deliver possibly by year-end and the ex-Halland Aparthotel which has been demolished, its grounds excavated and reaching a stage where subject to finalizing pending issues with the competent authorities, construction can commence. Here again, attention will be given particularly in these difficult times to make sure that works once started are carried out at a commensurate pace in light of general economic conditions and the group's financial commitments. In the meantime, it is worth highlighting that the guarantor's subsidiary has secured the necessary financing for this project, which coupled with the shareholders own equity investment and a measured and reasonable uptake of apartments should see the project through to completion broadly in line with business plans.

We continue to be confident, at this point in time more than we were last year, encouraged by consistent level of heightened activity within Portomaso, however, we remain cautious and fully acknowledge the current status with reference to the pandemic and the economic environment in general. Spinola Development Company Limited is adequately capitalized and has enough liquid resources to meet its immediate cashflow obligations. Additionally, the guarantor has sought comfort as a backup through a Malta Development Bank backed loan should this be required. The guarantor's diversified operations within Portomaso also provide a further degree of comfort and enable us to achieve yet again another positive result this year aiming at a superior one to last year.

Additionally, the directors of the ultimate parent, Tumas Group Company Limited have undertaken to provide for any cashflow shortages should these arise, so as to make sure that the company meets its cashflow requirements.

Interim directors' report - continued

Trading performance - continued

The guarantor - continued

Taking a composite view, the directors have concluded that with respect to the Spinola Development Company Limited Group and Tumas Investments p.l.c., no material uncertainty exists with the ability to proceed as a going concern and meet current cashflow obligations accordingly.

Dividends

The directors do not recommend the payment of an interim dividend (2020: €Nil).

On behalf of the Board



Raymond Fenech
Director



Kevin Catania
Director

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Tumas Group Corporate Office
Level 3
Portomaso Business Tower
Portomaso
St. Julians
Malta

20 August 2021

Condensed interim statement of financial position

	As at 30 June	As at 31 December
	2021 € (unaudited)	2020 € (audited)
ASSETS		
Non-current assets	50,000,000	50,000,000
Current assets	2,025,170	1,545,408
Total assets	52,025,170	51,545,408
EQUITY AND LIABILITIES		
Total equity	658,525	646,361
Total non-current liabilities	49,758,596	49,734,974
Total current liabilities	1,608,049	1,164,073
Total liabilities	51,366,645	50,899,047
Total equity and liabilities	52,025,170	51,545,408

The notes on pages 8 to 9 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 4 to 10 were authorised for issue by the board of directors on 20 August 2021 and were signed on its behalf by:



Raymond Fenech
Director



Kevin Catania
Director

Condensed interim statement of comprehensive income

	Note	Six-months ended 30 June	
		2021 € (unaudited)	2020 € (unaudited)
Finance income	2	1,193,094	1,192,887
Finance costs		(1,108,383)	(1,109,103)
Net interest income		84,711	83,784
Administrative expenses		(65,997)	(66,102)
Profit before tax		18,714	17,682
Tax expense		(6,550)	(6,189)
Profit for the period – total comprehensive income		12,164	11,493

The notes on pages 8 to 9 are an integral part of these condensed interim financial statements.

Condensed interim statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2020	250,002	388,208	638,210
Comprehensive income			
Profit for the period - total comprehensive income	-	11,493	11,493
Balance at 30 June 2020	250,002	399,701	649,703
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

The notes on pages 8 to 9 are an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows

	Six-months ended 30 June	
	2021 € (unaudited)	2020 € (unaudited)
Net cash generated from operating activities	1,040,255	1,648,023
Movement in cash and cash equivalents	1,040,255	1,648,023
Cash and cash equivalents at beginning of period	395,580	186,858
Cash and cash equivalents at end of period	1,435,835	1,834,881

The notes on pages 8 to 9 are an integral part of these condensed interim financial statements.

Notes to the condensed interim 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 2020, 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	
	2021	2020
	€	€
Income from services		
Interest receivable from fellow subsidiary	1,109,555	1,111,597
Facility charges from fellow subsidiary	83,539	81,290
	1,193,094	1,192,887

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

	As at 30	As at 31
	June	December
	2021	2020
	€	€
Non-current		
Loans to fellow subsidiary	50,000,000	50,000,000
Current		
Net amounts owed by fellow subsidiary	-	132,921
Net amounts owed to fellow subsidiaries	(2,583)	(4,831)

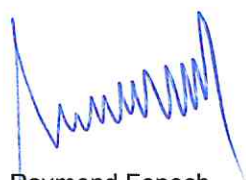
3. Share capital

	As at 30 June	As at 31 December
	2021	2020
	€	€
Authorised, issued and fully paid up 250,002 ordinary shares of €1 each	250,002	250,002

Director's statement pursuant to Listing Rule 5.75.3

I hereby confirm that to the best of my knowledge:

1. The condensed interim financial statements give a true and fair view of the financial position of the company as at 30 June 2021, and of its financial performance and its cash flows for the 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 Listing Rule 5.81.



Raymond Fenech
Director