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 25 August 2023, approved the unaudited Half-Yearly Financial Statements of the Company for the six months ended 30 June 2023.

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

Dr Katia Cachia
Company Secretary
25 August 2023

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Company Reg. No: C27296

TUMAS INVESTMENTS p.l.c.

Condensed Interim Financial Statements
For the period 1 January 2023 to 30 June 2023

Company Registration Number: C 27296

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 2023 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 ended June 2023 finance income amounted to €1.43 million, mainly interest receivable from Spinola Development Company Limited and other interest earned treasury bills and on cash balances, this in addition to the usual facility charges to the fellow subsidiary and guarantor. The latter was close to that earned during the same period last year. Finance costs were slightly higher than last year, these represent interest payable to bondholders, relevant amortization costs, and interest on amounts owed to a fellow subsidiary. This led to a net interest income of €217,420, over that of the previous year by €131,237 due to the additional treasury income noted above.

The statement of financial position is broadly in line with last year with non-current assets representing the advances to the guarantor of the bond funds, while current assets increased by 48.3% to €24.17 million underlining the increase in cash and treasury assets held by the company as part of the build-up process towards the bond which matures in July 2024. Non-current liabilities stood at €49.86 million representing the two bond issues referred to above. Current liabilities at €23.55 million include accrued interest on the said bonds and advances made by the guarantor to the company to build the necessary sinking fund.

The Guarantor - Spinola Development Company Limited

The guarantor of the bonds issued by the Company represents in full the externally sourced financing at Portomaso which also matches the sole objective of Tumas Investments plc.

As the economy in general moved out of the COVID-19 pandemic during the course of last year the positive trend continued during the first six months of this year. The key performance drivers over the period under review have overall been very positive and contributed to a performance approaching pre-pandemic levels. The hotel which is the main operating unit within the guarantor performed well and continued to build on what was achieved last year. The other segments of the guarantor's operations performed as expected which up to now is close to budget, except the property division for reasons outlined hereunder.

Reviewing the Hilton's performance, this is superior to budget by way of revenue as a result of both higher occupancy and room rates when compared to budget and also last year. It is worth noting however, that the overall revenue including both room and food and beverages is also marginally higher than the peak pre-pandemic performance year 2019. An encouraging factor indeed, is that month on month improved incremental results are being recorded. As opposed to the same period last year there is now much more stability with airline capacity to Malta and hence the increase in passengers is over that of the first six months of last year particularly with Q1 activity. The summer months as opposed to last year should therefore provide a regular and consistent increase in traffic to the five-star properties enabling the local hotel industry to demonstrate sustainability during the whole period under review and beyond.

Interim directors' report - continued

Trading performance - continued

The Guarantor - Spinola Development Company Limited - continued

An unwelcomed factor this year is the persistent general inflationary trends which had actually set in last year, initially starting off with pent-up demand for travel following the hiatus during the Covid-19 period, this trend was heightened by the war in Ukraine which led to supply chain constraints and continued to fan inflation. This is now reflected in higher unit cost of food and beverages as from late 2022 together with disruptions in the availability of labour which itself brought about an overall higher payroll cost relative to last year and pre-pandemic days. With respect to the year-on-year increase in payroll costs for the guarantor, one however needs to factor in the highly regarded COVID-19 related wage supplement in operation up to May 2022 which dampened any increase in wages last year. Complementary to this, government however continued to subsidise energy hence repercussions on this front are being avoided and the industry as a whole is relieved and assisted to remain competitive particularly when faced with widespread post-pandemic competition from neighbouring countries. The hotel's GOP in absolute terms is higher, however, the property is registering lower margins when compared to last year and 2019. The overall recovery is evident, yet too early to provide a concrete forecast for the whole year.

Analysing the hotel June year to date revenue further depicts a shift in occupancy demand patterns. Leaning towards wider tour operator numbers to a higher percentage of the overall revenue of the hotel when compared to pre-pandemic performance. It has been a slower recovery for conference business and corporate business which as at June has still not reached 2019 levels. On the other hand, bookings for the balance of the year indicates that this gap may be bridged thus aligning further to the 2019 performance.

The other units associated with hospitality namely car park, marina and tower bar are expected to perform at least at last year's level but possibly better as the car park enjoys a superior footfall while the tower bar sees a return to 2019 levels as venue activities pick up. The marina has had quite a consistent operation even during the COVID-19 period and therefore performance should be similar to last year as cost increases are partially absorbed or reflected in the charged-out rates. Moreover, the lower uptake of temporary berths during the COVID-19 period should be made up for this year.

Reviewing the property development segment, one notes lower revenue when compared to both budget and last year. The main reason being the lack of inventory of ready for sale units at the complex. Today this stands at only two units, one of which recently re-acquired, which units are not forecast to be sold this year. The minimal revenue derived from this segment is coming from one commercial unit as opposed to last year when the turnover for the whole of 2022 consisted of two apartments and two commercial units.

On the other hand, office and commercial rentals remain strong with a performance which should be marginally better than last year's due to the setting in of contracted inflationary increases. As for areas available for rental these are roughly the same as at 2022, with a few office areas which recently became available, still awaiting take up. The opportunity will be taken to refurbish these units before putting back on the market providing a fresher look to this prime property. Rental space within the commercial area has been reduced by space which was last year taken off for refurbishment and repurposing. As we are drafting this report this new area has been totally refurbished at a substantial investment and launched as a hybrid co-working rental facility, available by apportioned areas on both short and long-term leases. The guarantor has entered into a management agreement with an industry specialist providing similar facilities in Malta and abroad. The initial take up of space is encouraging.

Condominium management revenue has increased over last year as new initiatives are taken on board in our continuous upgrading efforts of the complex. Costs in this respect are pre-agreed and allocated across all the complex's beneficiaries.

Interim directors' report - continued

Trading performance - continued

The Guarantor - Spinola Development Company Limited - continued

Although the performance of the anchor activity within the complex namely hospitality and ancillary segment is early to predict with any degree of accuracy, the forecast annual performance this year should generally be holistically superior to that of last year and also lead to better performance within the ancillary and connected segments. This should bring about an improvement EBITDA while the EBITDA margin will most probably be lower due to the incidence of higher direct and administrative costs already noted above which the guarantor is actively endeavouring to control.

Both depreciation and finance costs are estimated below last year's figure, the former due to some assets being fully depreciated, while the latter is due to the guarantor having prepaid its external bank debt prior to its due date. This was a timely achievement as tightening monetary policies following the setting in of inflation would have brought about a higher financing cost.

From a capital investment and cashflow point of view the guarantor continues to follow the necessary investment impetus required in order to sustain operations and upgrade the various activities of the complex in order to meet both higher expectations and changed customer exigencies. Capital expenditure which had been put off during the pandemic period is again in hand and taken up on a selective basis. In fact, during 2022 a number of rooms at the hotel were converted into marina suites with wider amenities being provided, while a substantial office area already referred to above had a complete change-over and lately commissioned while other areas within Portomaso including another office area and a public space leading to the marina have been totally upgraded. Concurrently third party commercial rented areas have recently been refurbished, improving both the look and level of service at the complex and thus complementing the guarantor's investment initiatives at Portomaso.

Additionally on a more long-term basis it is worth noting the multi-million investment taken on embarked upon by a subsidiary of the guarantor and a sister company of Tumas Investment plc, namely the Halland residential development, which was taken in hand last year. In 2022 excavation works were completed and this year structural construction works commenced and are progressing at a satisfactory pace. It is the Group's objective to place this exclusive residential project on the market later on this year. The pace of development, particularly finishings will be tailored to general economic trends and of course in line with the development's commitments. The financing of this project is secured by equity and external funding.

The performance of the guarantor is this year totally reliant on the hospitality and rental activities. We are confident that results for 2023 should again be positive despite the lack of material income from property sales. The latter should however, set in, in the next few years practically from the Halland development referred to above.

We assume a degree of normality in commercial activities and no major events that disrupt the recent build-up in momentum. The fact that the guarantor Spinola Development Company Limited is a diversified and well capitalized entity with sufficient liquidity and access to both internal and external funding necessary to meet cashflow obligations supports our endeavours to reach higher levels of activity.

Interim directors' report - continued

Dividends

The directors do not recommend the payment of an interim dividend (2022: €Nil).

On behalf of the Board

Raymond Fenech
Director

Joseph Schembri
Director

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25 August 2023

Condensed statement of financial position

	As at 30 June	As at 31 December
	2023	2022
	€	€
	(unaudited)	(audited)
ASSETS		
Non-current assets	**50,000,000**	50,000,000
Current assets	**24,168,347**	16,300,886
Total assets	**74,168,347**	66,300,886
EQUITY AND LIABILITIES		
Total equity	**764,269**	672,172
Total non-current liabilities	**49,858,658**	49,832,830
Total current liabilities	**23,545,420**	15,795,884
Total liabilities	**73,404,078**	65,628,714
Total equity and liabilities	**74,168,347**	66,300,886

The notes on pages 9 to 10 are an integral part of this condensed financial information.

The condensed financial information on pages 5 to 11 were authorised for issue by the board of directors on 25 August 2023 and were signed on its behalf by:

Raymond Fenech
Director

Joseph Schembri
Director

Condensed statement of comprehensive income

	Note	Six-months ended 30 June	
		2023	2022
		€	€
		(unaudited)	(unaudited)
Finance income	2	**1,429,178**	1,195,643
Finance costs		**(1,211,758)**	(1,109,460)
Net interest income		**217,420**	86,183
Administrative expenses		**(74,375)**	(69,802)
Profit before tax		**143,045**	16,381
Tax expense		**(50,948)**	(5,734)
Profit for the period – total comprehensive income		**92,097**	10,647

The notes on pages 9 to 10 are an integral part of this condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
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**
Balance at 1 January 2023	250,002	422,170	672,172
Comprehensive income			
Profit for the period - total comprehensive income	-	92,097	92,097
Balance at 30 June 2023	**250,002**	**514,267**	**764,269**

The notes on pages 9 to 10 are an integral part of this condensed financial information.

Condensed statement of cash flows

	Six-months ended 30 June	
	2023	2022
	€	€
	(unaudited)	(unaudited)
Net cash generated from operating activities	**130,785**	105,344
Net cash generated from financing activities	**7,144,841**	400,000
Net cash used in investing activities	**(7,764,750)**	-
Movement in cash and cash equivalents	**(489,124)**	505,344
Cash and cash equivalents at beginning of period	**3,919,626**	437,628
Cash and cash equivalents at end of period	**3,430,502**	942,972

The notes on pages 9 to 10 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 2022, as described in those financial statements.

2. Finance income

	Six-months ended 30 June	
	2023	2022
Income from services	**€**	€
Interest receivable from fellow subsidiary	**1,109,555**	1,109,555
Interest on treasury bills	**237,063**	-
Facility charges from fellow subsidiary	**82,560**	86,088
	1,429,178	1,195,643

3. 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	
	2023	2022
Income from services	**€**	€
Interest receivable from fellow subsidiary	**1,109,555**	1,109,555
Facility charges from fellow subsidiary	**82,560**	86,088

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
	2023	2022
	€	€
Non-current		
Loans to fellow subsidiary	**50,000,000**	50,000,000
	50,000,000	50,000,000

Notes to the condensed financial statements - continued

3. Related party transactions - continued

Weighted average effective interest rate as at 30 June 2023 and 31 December 2022:

	2023	2022
Loans to fellow subsidiary	**4.5%**	4.5%

	As at 30 June	As at 31 December
	2023	2022
	€	€
Current		
Net amounts owed to fellow subsidiaries	**(21,860,908)**	(14,600,018)

Amounts owed to fellow subsidiary are unsecured, bear an interest of 1% and repayable on demand.

4. Share capital

	As at 30 June	As at 31 December
	2023	2022
	€	€
Authorised, issued and fully paid up		
250,002 ordinary shares of €1 each	**250,002**	250,002

Directors' statement pursuant to Capital Market Rule 5.75.3

We hereby confirm that to the best of our knowledge:

1. the condensed financial statements give a true and fair view of the financial position of the company as at 30 June 2023, and of its financial performance and its cash flows for the 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