

TUMAS INVESTMENTS p.l.c.

Half-Yearly Report
30 June 2019

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Half-yearly directors' report

This Half-Yearly 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 2019 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 half-yearly report has not been audited or reviewed by the Group's independent auditors.

Trading performance

The company

During the six-month period ending June 2019, finance income in the form of interest receivable and ancillary income from Spinola Development Company Limited amounted to €1.19million (2018: €1.19million). Finance costs largely interest payable on the outstanding bond issues, together with amortization of related issue costs amounted to €1.11million (2018: €1.11million). Administrative costs totalling €66,564 were €3,970 over last year largely due to bank charges and audit fees.

The guarantor

Spinola Development Company Limited, as the guarantor of the bonds, and the Company to which Tumas Investments advances the proceeds of the bond issues, has also gone through another positive performance, although during the year under consideration, the one-time sale proceeds from real estate will not reoccur as these proceeds represented the finite sale of practically all the Laguna Apartments and the transfer by to third parties of the office block adjacent to the Portomaso Business Tower on a percentage of completion basis. In 2018 this mainly related to the property title, structure and external finishes.

When compared to budget, both the hospitality arm and the property development and rental operations are forecast to make the budgeted results. During the course of the year, the property segment will continue recognising revenue and related costs on a percentage of completion basis on the property noted above which in 2019 would be internally finished and hence, revenue will be recognised accordingly. During the course of the year, two Laguna Apartments will also be delivered. On the other hand, the guarantor which had already acquired title to property annexed to Portomaso has also extended title to other areas. Cumulatively, to date, purchases in this respect, amounted to €3.5million.

Revenue from rental operations should also be on budget and better than last year as an area beneath the new office block which was out of operation during construction reopened at the end of 2018 after an extensive refurbishment. Otherwise, all office and commercial space at Portomaso is taken up and areas which are vacated at the end of the individual lease contract are taken up at short notice.

The hotel and ancillary operations should perform close to budget although the first six months have been more challenging to make the forecast figures, despite the fact that Malta still enjoys a favourable inflow of tourism on the same lines as the recent past years. The Marina car park and the lounge bar should perform on the same lines of last year and on budget.

Complex management operations which cover the management of the whole Portomaso Complex which includes landscaping, maintenance, cleaning and security of common areas, together with fees related to the management and supply of utilities, should also be on the same lines as last year although 2019 is the first year we acquire the extended complex area to the Laguna Apartments that comes into operation following the delivery of the said units.

Half-yearly directors' report - continued

Trading performance - continued

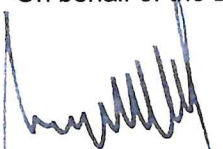
The guarantor - continued

All in all, we estimate that the full year results for 2019 of the Guarantor should be close to budget and except for the lack of property stock for sale, the operational units should return a similar performance to 2018.

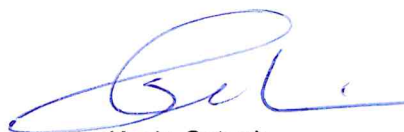
Dividends

The directors do not recommend the payment of an interim dividend (2018: €Nil).

On behalf of the Board



Raymond Fenech
Director



Kevin Catania
Director

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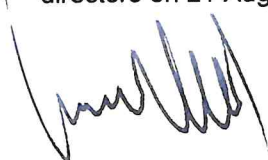
21 August 2019

Condensed statement of financial position

	As at 30 June	As at 31 December
	2019 € (unaudited)	2018 € (audited)
ASSETS		
Non-current assets	50,000,000	50,000,000
Current assets	2,003,918	1,513,875
Total assets	52,003,918	51,513,875
EQUITY AND LIABILITIES		
Total equity	641,435	629,756
Total non-current liabilities	49,667,073	49,645,462
Total current liabilities	1,695,410	1,238,657
Total liabilities	51,362,483	50,884,119
Total equity and liabilities	52,003,918	51,513,875

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 9 were authorised for issue by the board of directors on 21 August 2019 and were signed on its behalf by:



Raymond Fenech
Director



Kevin Catania
Director

Condensed statement of comprehensive income

		Six-months ended 30 June	
	Note	2019 € (unaudited)	2018 € (unaudited)
Finance income	2	1,190,993	1,191,501
Finance costs		(1,106,461)	(1,105,431)
Net interest income		84,532	86,070
Administrative expenses		(66,564)	(62,594)
Profit before tax		17,968	23,476
Tax expense		(6,289)	(8,217)
Profit for the period – total comprehensive income		11,679	15,259

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

Condensed statement of changes in equity

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2018	250,002	371,343	621,345
Comprehensive income			
Profit for the period - total comprehensive income	-	15,259	15,259
Balance at 30 June 2018	250,002	386,602	636,604
Balance at 1 January 2019	250,002	379,754	629,756
Comprehensive income			
Profit for the period - total comprehensive income	-	11,679	11,679
Balance at 30 June 2019	250,002	391,433	641,435

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

Condensed statement of cash flows

	Six-months ended 30 June	
	2019 € (unaudited)	2018 € (unaudited)
Net cash used in operating activities	(25,733)	(79,680)
Net cash generated from financing activities	-	-
Movement in cash and cash equivalents	(25,733)	(79,680)
Cash and cash equivalents at beginning of period	262,966	394,953
Cash and cash equivalents at end of period	237,233	315,273

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

Notes to the half-yearly report

1. Significant accounting policies

The accounting policies applied in the preparation of the half-yearly report are consistent with those of the annual financial statements for the year ended 31 December 2018, 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	
	2019	2018
	€	€
Income from services		
Interest receivable from fellow subsidiary	1,109,555	1,109,555
Facility charges from fellow subsidiary	81,438	81,946
	1,190,993	1,191,501

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
	2019	2018
	€	€
Non-current		
Loans to fellow subsidiary	50,000,000	50,000,000
Current		
Net amounts owed by fellow subsidiary	216,324	230,982
Net amounts owed to fellow subsidiary	(2,500)	-

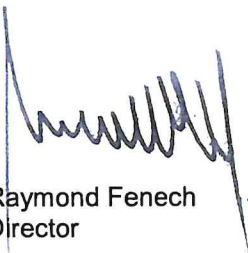
3. Share capital

	As at 30 June	As at 31 December
	2019 €	2018 €
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 half-yearly report gives a true and fair view of the financial position of the company as at 30 June 2019, 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

