

Company Announcement

The following is a company announcement issued by Borgo Lifestyle Finance p.l.c. (the “**Company**”) bearing company registration number C 88245 and having its registered address situated at Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta issued in terms of the Rules of Prospects MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange.

Financial Sustainability Forecasts for 2022

QUOTE

Further to company announcements MSE REF: BLF42 the Company would like to inform its investors that the Financial Sustainability Forecasts for the year 2022 have been approved by the Board of Directors and are available for viewing on the Company’s website:

<https://borgolifestylefinance.mt/investor-relations-section>

These Financial Sustainability Forecasts have been prepared on the basis of the following assumptions, which have been reviewed, taking into account the experience acquired during the twelve-month period ended 31st December 2021.

Annual revenues and costs have been forecasted based on management experience and management’s expectation regarding future business growth.

A) Revenues:

The revenue is expected to increase from 2021 considering the COVID-19 pandemic is nearing the end with 14 charters already booked for 2022 and another possible charter in the pipeline. Bookings for 2022 have been confirmed in 2021 which indicate that the 2022 revenues will be as projected. The additional revenue stream which was heavily promoted in 2021 is expected to start generating more revenue in 2022.

B) Direct costs:

Staff budget: these are expected to increase since more charters will be realised in 2022 together with the additional revenue streams. Higher costs of living are also expected meaning higher wage costs and staff expenses.

Other direct costs are also expected to rise with increase of prices globally. The additional revenue streams will also incur further direct costs.

Managing Cost: rising oil prices globally means higher diesel prices to operate the charter.

C) Operating costs:

Yacht running costs are expected to be higher mainly due to the fact that the yacht will be chartered more in 2022 and repairs and maintenance are expected to rise as the yacht gets older.

Administrative expenses have been foreseen on the basis of management experience and are in line with what has been planned.

D) Provision for depreciation

The provisions for the amortisation of Satori have been calculated on the basis of the expected useful life assumed in twenty-four years and taking into account a residual value at the end of the period of €2,400,000.

E) Bond Proceeds

The bond income was used to provide interest-bearing loans to related parties who in turn used the funds for financing and investment activities in line with the original plans. The interest rate on the bond has been set at 5% per annum while the interest charged on the loans is 7% per annum. The management of Big Blue Cruising Limited is of the opinion that the performance of the business is adequate to meet the payment of the bond interest that must be repaid from the operating cash flows at annual intervals together with the repayment of the expired loans at the end of the period.

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Dr Jeremy Debono

Company Secretary

Date: 13th May 2022

Reference No: BLF45