

## 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 52, St Christopher Street, Valletta, VLT 1462, 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.

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### Approval of Annual Report and Financial Statements for 2022

#### **QUOTE**

The Company’s Board of Directors met on 27<sup>th</sup> April 2023 at 5pm and duly considered and approved the Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2022, which are available for viewing on the Company’s website:

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

The Board of Directors recommended to the Annual General Meeting of the Company that no dividend be declared.

The Company is setting out below the following variances which arise when comparing the Consolidated Audited Financial Statements for the financial period 31st December 2022 with the 2022 forecasts published on the Company’s website (as per the above link) as explained in company announcements MSE REF: BLF/45

#### **Fixed Assets:**

At the end of the year, a new survey on the yacht was carried out which increased the value of the yacht with the depreciation schedule also being adjusted. During the year, the yacht needed a replacement to one of its parts of which a portion was considered to be of a capital nature. The consolidated financial statements therefore show a higher fixed assets costs compared to the forecasts due to this revaluation and purchase of yacht part.

#### **Cost of Sales:**

Cost of sales in the audited consolidated financial statements are higher compared to what was forecasted. The main reason for this is the continuing increase in prices due to inflation. An unexpected repair to a yacht part was also carried out during the year which further increased the costs of sales.

#### **Depreciation charge:**

As explained above, at the end of the year, a revised survey on the yacht was held in which an adjustment to the depreciation rate on the yacht was made. This has therefore reduced the depreciation charge compared the FSF for 2022.

#### **Gross profit:**

The reduction in gross profit between the consolidated financial statements and the forecasts was due to the increase in cost of sales during the year as explained above.



# Borgo Lifestyle Finance

## **Profit after taxation:**

The slightly lower difference between the profit after tax in the consolidated statements and the FSF are due to the net effect between the higher costs of sales and tax charge for the year and the reduction in depreciation charge.

## **Current assets:**

Current assets are lower in the consolidated financial statements when being compared to the 2022 FSF as intra company balances are getting repaid.

## **Current liabilities:**

Increase in liabilities are due to the higher costs to maintain the business.

## **Cash and cash equivalents:**

The decrease in cash and cash equivalents when comparing the FSF to the consolidated financial statements are mainly due to cancellation of charters with deposits refunded back and unexpected costs incurred in the yacht maintenance.

The Company further announces that the Board of Directors resolved that the Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2022 be submitted to the shareholders for their approval at the Annual General Meeting which occurred on the same day.

The Company is further pleased to announce that the following resolutions were adopted by its shareholders during the Annual General Meeting held on the 28<sup>th</sup> April 2022.

- (i) The Company has approved Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2022;
- (ii) The Company has approved the re-appointment of Baker Tilly as the Company's auditor and authorised the Board of Directors to fix their remuneration.
- (iii) The Company has approved the re-appointment of the current directors.

The shareholders took note of the Board of Directors' resolution that no dividend be declared.

## **UNQUOTE**

Dr. Katia Cachia  
Company Secretary

27 April 2023

Reference number: BLF/58