

### 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 2023

#### QUOTE

The Company’s Board of Directors met on 30<sup>th</sup> April 2024 at 10.30am and duly considered and approved the Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2023, which are available for viewing on the Company’s website:

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

The Company is setting out below the directors’ report on the following variances which arise when comparing the Consolidated Audited Financial Statements for the financial period 31st December 2023 with the 2023 forecasts published on the Company’s website (as per the above link) as explained in company announcements MSE REF: BLF59

#### Fixed Assets:

During 2023, the vessel underwent maintenance costs that in order to obtain the RIna certification. Since these costs were incurred for this reasoning, these costs were capitalised. The consolidated financial statements show a higher fixed assets costs compared to the forecasts due to these maintenance costs incurred.

#### Cost of Sales:

Cost of sales in the audited consolidated financial statements are lower compared to what was forecasted in the 2023 FSF. The main reason for this was the capitalisation of maintenance expenses and that less and less maintenance costs were needed since a higher cost was incurred during 2022.

#### Depreciation charge:

As explained above, at the end of the year due to the higher capitalised costs the depreciation charge was higher than forecasted.

#### Gross profit:

The increase in gross profit between the consolidated financial statements and the forecasts was mainly due to the capitalisation of costs as mentioned in previous points. Although sales were lower than what was forecasted, the forecasted expenses were higher than the difference in sales and hence why the gross profit was higher.



## **Profit after taxation:**

A reduction in profit after tax between the consolidated statements and the FSF was due the higher depreciation charge for the year and higher administrative expenses incurred mainly in relation to wages due to higher turnover and more costs incurred by agents to replace the crew and higher costs to attract crew members.

## **Taxation**

A change in tax treatment to the company has reduced the tax charge for the year compared to that previously forecasted. This treatment will continue to be applied for subsequent years.

## **Current assets:**

Current assets are lower in the consolidated financial statements when being compared to the 2023 FSF as intra company balances are getting repaid.

## **Current liabilities:**

Current liabilities in the consolidated financial statements are equivalent to what was forecasted in the FSF for 2023.

## **Annual General Meeting Results**

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 2023 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 30th April 2024.

- (i) The Company has approved Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2023;
- (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

30<sup>th</sup> April 2024

Reference No: BLF66