



LLF 53

The following is a company announcement issued by Luxury Living Finance plc (the Company) pursuant to Rule 4.11.03 and 4.11.12 of the Prospectus Rules

QUOTE

The Company refers to the obligation to which Prospect MTF Companies are subject to in terms of Rule 4.11.03 and Rule 4.11.12 relating to the publication of consolidated financial information as defined in Table 1 paragraph 3 and specifically the publication and dissemination via an announcement of Financial Sustainability Forecasts including management assumptions thereon ('FSFs'). The below is a copy of the FSFs as approved by the Board of Directors on 31 October 2022 which are based on the following assumptions:

Revenues

The Luxury Living Group's projected revenue for year ending 30 June 2023 is based on the assumption that the Luxury Living Group will continue trading goods related to renewable energy to retail customers, focusing principally on expanding commercial customers the growth of which has been based on historic trends. The projections are based on the assumption that all customers (residential and commercial) will purchase photovoltaic panels through an outright sale. The projections assume that the Group will finance part of its commercial PV sales through additional finance.

Revenue generated from feed-in-tariffs, arising from photovoltaic farms energised in between FY2019 and FY2022, are based on historical trends.

During FY2022, the Rose hostel in St. Julian's opened its doors to the public. Hence the projections include revenue generated from this hostel, the growth of which has been based on figures achieved over the past year.

Furthermore, revenue includes the expansion of the Smoochies brand and the managing five restaurants around in Malta, as part of the Group's diversification and integration strategy.

Direct costs

Direct costs relating to the sale of renewable products to retail customers comprise the purchase cost of the products sold and the associated transport cost. The projections have been based on the Luxury Living Group's gross profit margins achieved to date.

Direct costs relating to the photovoltaic farms comprise maintenance cost based on historical trends.

Direct costs relating to Smoochies comprise direct costs and direct wages, whilst direct costs relating to the hostel comprise the cost of breakfast, direct wages and commissions paid to online travel agencies.

Direct costs on the restaurants mainly consists of wages and cost of food and beverage.

Administrative expenses

Administrative expenses consist primarily of payroll costs, directors' fees, marketing and distribution fees, rental costs, insurance costs, recurring admission fees, professional fees, and other corporate and general overheads. Administrative expenses are based on historical trends.

Depreciation is calculated using the straight-line method to allocate the cost of all items comprised within property, plant and equipment less their residual values over their estimated useful lives. The depreciation charge on the photovoltaic panels installed as part of the photovoltaic farms is based on a lease term of twenty years.

Amortisation cost is calculated on the value of the Develop and Operate Agreement over its term and also includes the amortisation of the right of use asset.

3.4 Finance costs

Finance costs primarily relate to amounts due on the facilities the Group has with its bankers and the interest on the Bond and unwinding of interest expense in relation to the minimum lease payments.

3.5 Taxation

Current taxation is provided at 35% of chargeable income for the period.

3.7 Working capital

The Luxury Living Group's working capital mainly comprises the net impact of trade receivables, inventory and trade payables and is based on historical trends.

Projected income statement

€'000	FY2023 Projected
Revenue	6,610
Cost of sales	(4,431)
Gross profit	2,179
Administrative expenses	(623)
EBITDA	1,556
Depreciation and amortisation	(638)
EBIT	919
Finance costs	(547)
Profit before tax	372
Tax for the year	(135)
Profit after tax	237

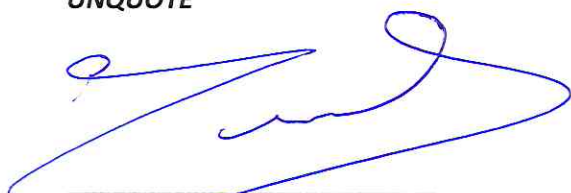
Projected statement of financial position

€'000	FY2023 Projected
Assets	
Non-current assets	
Property, plant and equipment	5,091
Intangible assets	3,115
Right-of-use-assets	1,621
Trade receivables	204
Deferred tax asset	371
Investment in subsidiary	60
Total non-current assets	10,462
Current assets	
Inventories	1,747
Trade and other receivables	4,969
Cash and cash equivalents	232
Total current assets	6,948
Total assets	17,410
Equity and liabilities	
Equity	
Share capital	2,931
Retained earnings	(1,226)
Total equity	1,705
Liabilities	
Non-current liabilities	
Borrowings	9,975
Lease liabilities	1,699
Total non-current liabilities	11,674
Current liabilities	
Borrowings	882
Bank overdraft	500
Finance liabilities	135
Amount due to subsidiaries	151
Trade and other payables	2,362
Total current liabilities	4,030
Total liabilities	15,704
Total equity and liabilities	17,410

Projected statement of cash flows

€'000	FY2023 Projected
Operating activities	
EBITDA	1,325
Add back:	
Interest paid	(443)
Tax paid	(3)
Changes in working capital	(2,601)
Net cash flows from operating activities	(1,722)
Investing activities	
Acquisition of property, plant and equipment	(13)
Cash flows used in investing activities	(13)
Financing activities	
Movement in borrowings	1,943
Net cash flows from financing activities	1,943
Movement in cash and cash equivalents	207
Cash and cash equivalents, beginning of year	(475)
Cash and cash equivalents, end of year	(268)
Overdraft balance	500
Cash and cash equivalents as per statement of financial position	232

UNQUOTE



Dr Clarence Busuttil
Company Secretary
31 October 2022