

Company Announcement

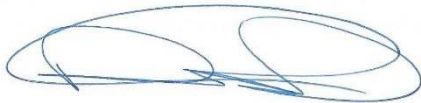
The following is a Company Announcement issued by Borgo Lifestyle Finance plc (the “**Company**”) bearing company registration number C88245 and having its registered address situated at Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta, in terms of the Rules of Prospects MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (‘Prospects MTF Rules’).

Approval of Interim Unaudited Financial Statements

Quote

In a meeting held earlier today, the Board of Directors of the Company duly considered and approved the Company’s Interim Unaudited Financial Statements for the period ending 30th June 2020. The Interim Unaudited Financial Statements are available as part of this announcement

Unquote



Dr Jeremy Debono
Company Secretary

Date: 11th August 2020
Reference No: BLF 08/2020

BORGO LIFESTYLE FINANCE P.L.C.

Interim Accounts
For the period 01 January to 30 June 2020

C 88245

BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

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BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

Interim Directors` Report

This half-yearly report has been prepared in accordance with IAS 34 `Interim Financial Reporting` Standards and in terms of Rule 4.11.12 of Prospects operated and regulated by the Malta Stock Exchange plc. The financial information presented has been extracted from the company`s unaudited accounts for the period from incorporation to 30 June 2019.

Principal Activities

The company`s principal activities are to act as a holding and finance company to related companies.

Performance Review

During the period under review the Company incurred a loss of €23,446.

The subsidiary`s activities are seasonal and income is usually expected in the second half of the calendar year, however due to COVID-19 the majority of the charters for 2020 have been postponed. Even though the subsidiary is in the process of obtaining a loan to enable a better cash flow, the loan amounts payable to Borgo Lifestyle Finance p.l.c. are being received in a regular manner.

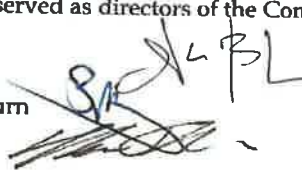
Directors

The following have served as directors of the Company during the period under review:

Mr. Niels Bentzen

Mr. Stuart P. Blackburn

Mr. Claus Thottrup



Directors` interest

The directors` beneficial interest in the shares of the Company as at 30 June 2020 is limited to 1 ordinary share having a nominal value of €1 held by Claus Thottrup.

By order of the Board

BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

Condensed Interim Statement of Comprehensive Income

	01 Jan 20 to 30 Jun 20 (unaudited) €	11 Sep 18 to 30 Jun 19 (unaudited) €
Revenue	143,412	92,424
Administrative expenses	(41,372)	(147,464)
Operating Profit/(Loss)	102,040	(55,040)
Finance costs	(125,485)	(148,436)
Loss for the Period before Taxation	(23,445)	(203,476)
Tax expense	-	-
Loss for the Period	(23,445)	(203,476)
Earnings per share	0	0



BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements – 30 June 2020

Condensed Interim Statement of Financial Position

		30 Jun 2020 (unaudited) €	30 Jun 2019 (unaudited) €
ASSETS	Notes		
Investments in subsidiary		170,000	170,000
Loans to subsidiary and related party	2	4,820,000	4,912,424
Other receivables		136,466	63,797
Cash and bank balances		<u> </u>	<u>1,279</u>
Total Assets		<u>5,126,466</u>	<u>5,126,466</u>
EQUITY AND LIABILITIES			
Share capital		171,200	171,200
Accumulated losses		(95,753)	(203,476)
Debt in issue		5,000,000	5,147,945
Other payables	3	42,721	3,500
Short term borrowings		8,298	<u>28,331</u>
Total Equity and Liabilities		<u>5,126,466</u>	<u>5,147,500</u>

BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

Condensed Interim Statement of Changes in Equity

	Share Capital €	Retained Earnings €	Total €
Period ended 30 Jun 2019			
Issue of share capital	171,200	-	171,200
Loss for the period	-	(203,476)	(203,476)
Balance at 30 June 2019	<u>171,200</u>	<u>(203,476)</u>	<u>(32,276)</u>
Period ended 30 Jun 2020			
Balance as at 1 January 2020	171,200	(72,306)	98,894
Loss for the period	-	(23,446)	(23,446)
Balance at 30 June 2020	<u>171,200</u>	<u>(95,752)</u>	<u>(75,448)</u>

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BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

Condensed Interim Statement of Cash Flows

	01 Jan 20 to 30 Jun 20 (unaudited) €	11 Sep 18 to 30 Jun 19 (unaudited) €
Net Cash from/(used in) Operating Activities	37,962	(263,773)
Net Cash used in Investing Activities	0	(170,000)
Net Cash generated from Financing Activities	<u>(39,652)</u>	<u>435,052</u>
Movement in Cash and Cash Equivalents	(1,690)	1,279
Cash and Cash Equivalents at Beginning of Period	<u>1,279</u>	<u>0</u>
Cash and Cash Equivalents at End of Period	<u>(411)</u>	<u>1,279</u>



BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements - 30 June 2020

Notes to the Condensed Interim Financial Statements

1. Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Companies Act, 1995 enacted in Malta, which require adherence to International Financial Reporting Standards (IFRSs), as adopted by the EU, and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements are prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

2. Loans to Subsidiary and Related Party	01 Jan 20 to 30 Jun 20 €	11 Sep 18 to 30 Jun 19 €
Loans receivable from subsidiary	2,000,000	2,038,991
Loans receivable from related party	<u>2,820,000</u>	<u>2,873,443</u>
	<u>4,820,000</u>	<u>4,912,424</u>

Loans receivable from subsidiary and related party are unsecured, subject to an interest rate of 6%. Repayment of the principal and interest accrued shall not be demanded prior to the 18th February 2025. The principal amount of the loans remained the same since last year, the change in the loan amounts is due to the classification of interest receivable on the loans which has been reclassified with accrued income under "other receivables".

3. Debt in Issue	01 Jan 20 to 30 Jun 20 €	11 Sep 18 to 30 Jun 19 €
Issue of €5,000,000 5% Bond	<u>4,899,459</u>	<u>5,147,945</u>

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Interim Financial Statements - 30 June 2020

Notes to the Condensed Interim Financial Statements

3. Debt in Issue - Continued

Bond issue costs amounting to €116,010 are being amortised over the term of the bond.

	30 Jun 2020
	€
5% Bonds 2026-2029	5,000,000
Issue costs	116,010
Amortisation of Bond costs	<u>(15,469)</u>
Net Bond Costs	100,541
Total Borrowings	<u>4,899,459</u>

