

BORGO LIFESTYLE FINANCE P.L.C.

Interim Accounts

For the period 11 September 2018 to 30 June 2019

C 88245

BORGO LIFESTYLE FINANCE P.L.C.
Interim Financial Statements – 30 June 2019

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Interim Financial Statements – 30 June 2019

Interim Directors` Report

This 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 €203,476. This loss mainly results due to initial administration expenses in connection to the bond issue which exceeds the total interest receivable from the intra-group loans.

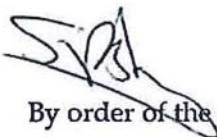
Directors

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 2019 is limited to 1 ordinary share having a nominal value of €1 held by Claus Thottrup.


By order of the Board





22nd August 2019

BORGO LIFESTYLE FINANCE P.L.C.

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Condensed Interim Statement of Comprehensive Income

	11 Sep 18 to 30 Jun 19 (unaudited) €
Revenue	92,424
Administrative expenses	<u>(147,464)</u>
Operating Loss	(55,040)
Finance costs	<u>(148,436)</u>
Loss for the Period before Taxation	(203,476)
Tax expense	<u>-</u>
Loss for the Period	<u>(203,476)</u>
Earnings per share	0

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Condensed Interim Statement of Financial Position

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



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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	<u>-</u>	<u>(203,476)</u>	<u>(203,476)</u>
Balance at 30 June 2019	<u><u>171,200</u></u>	<u><u>(203,476)</u></u>	<u><u>(32,276)</u></u>

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Condensed Interim Statement of Cash Flows

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

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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

11 Sep 18
to
30 Jun 19
€

Loans receivable from subsidiary
Loans receivable from related party

2,038,991
2,873,433

4,912,424

Loans receivable from subsidiary and related party are unsecured, subject to an interest rate of 5.2%. Repayment of the principal and interest accrued shall not be demanded prior to the 18th February 2025.

3. Debt in Issue

11 Sep 18
to
30 Jun 19
€

Issue of €5,000,000 5% Bond

5,147,945

On the 25th January 2019 the company issued a prospectus for the issue of €5,000,000 5% secured callable bonds having a nominal value of €100 each issued at par.

The bond issue was admitted to trading on Prospectus MTF on 12th February 2019 and trading commenced on 13th February 2019. Interest on the bond issued is payable annually in arrears on the 11th February of each year with first interest payment falling due on 7th February 2020.

The bonds have been fully subscribed and closed on 6th February 2019.

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Notes to the Condensed Interim Statement of Cash Flows

3. Debt in Issue - Continued

Use of proceeds

The proceeds from the Bond Issue, net of Bond Issue expenses are used for the following purposes in the following amounts and order of priority:

- an amount of €2,000,000 channelled to Big Blue Cruising Limited as an interest-bearing loan. This will be used to refinance existing debt (totalling €2.3 million) which was undertaken to finance the construction of the Vessel;
- an amount of €2,820,000 channelled to Relais Borgo Santo Pietro srl as an interest-bearing loan. This will be used to partly finance the upcoming upgrading project of the Borgo Hotel. The total cost of the Borgo Hotel project is of €7.3 million, which will be financed by bond proceeds (€ 2,820,000), an equity injection by the shareholders (€ 1,980,000) and by bank finance (€ 2,500,000). Both loans will be repayable within the 10 year bond period.