



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 Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, 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.

Approval of Annual Report and Financial Statements for 2020

QUOTE

The Company’s Board of Directors met on 30th June, 2021 at 1600hrs via teleconference facilities and duly considered and approved the Annual Report and Consolidated Audited Financial Statements for the financial period ended 31st December 2020, which are available for viewing on the Company’s website:

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

The Company is setting out below the director’s report on the following variances which arise when comparing the Consolidated Annual Financial Statements for the financial period ended 31st December 2020 with the 2020 forecasts published on the Company’s website (as per the above link) as explained in company announcements MSE REF: BLF07 and BLF08.

Revenue:

The revenue was reduced due to the effect of COVID-19. The company Big Blue Cruising had 13 cruises booked at the maximum of its potential but, because of the pandemic, only 7 of them could be realized. This has to be considered a great success because, despite the crisis, Big Blue Cruising was still able to give continuity to its business.

The cruises that were not made in 2020 have been moved to 2021 and 2022 so no customers have been lost.

Cost of Sales:

Despite the large decline in turnover, we have not seen a substantial effect of reducing the costs of sales. This is due to the fact that even the direct costs of managing the ship, once the season has started were substantially fixed costs, as the ship is still operational and the calendar of cruises that remained after the cancellation did not allow management flexibility.

Gross Profit:

Because of these contractions in revenue the Gross Operating Profit was also affected by recording a decrease compared to forecasts.

Administrative expenses

The Company can bear the same issues relating to direct costs. As for these types of expenses, the Company only has a slight reduction.

Profit after taxation

This figure is far from what was forecasted due to the natural effect of the COVID-19 outbreak on the Tourism market.

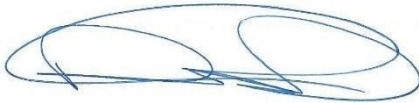
The Company would like to point out that Big Blue Cruising is a company oriented exclusively towards the tourism market and considering all the travel and tourism restrictions we went through, the result could have been worse. Therefore, the Company is satisfied with how the group has responded to this type of emergency and crisis.

Current Assets

The main difference concerning this item is the decrease in the advances that are periodically paid, for the normal activities of the Big Blue Cruising company, which in 2020 were not paid to act on the liquidity lever.

Fixed Asset

The difference clearly concerns the negative economic result of the period for which the reserves and profits of previous years were used to manage the loss for the year.

UNQUOTE

Dr Jeremy Debono
Company Secretary

Date: 30th June 2021
Reference No: BLF 20/2021