

BORGO LIFESTYLE FINANCE P.L.C. – C88245

Interim Financial Statements

For the period from 1 January 2022 to 30 June 2022

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## 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 1 January 2022 to 30 June 2022.

### 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 €8,671

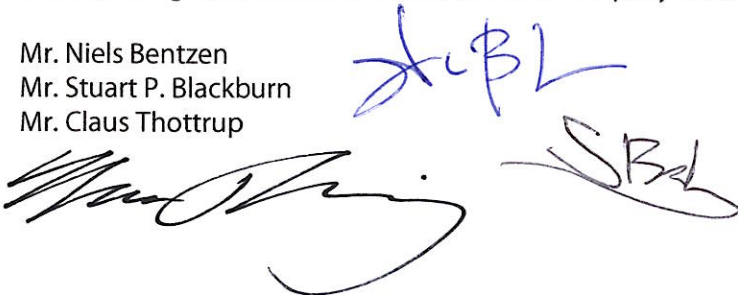
The subsidiary's activities are seasonal, and income is usually expected in the second half of the calendar year.

The directors expect that the activities of the Company are to remain consistent for the foreseeable future in line with the projected inflows and outflows.

### 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



By order of the Board

31 August 2022

### Condensed Interim Statement of Comprehensive Income

	Period covering 1 January 2022 to 30 June 2022 (unaudited) €	Period covering 1 January 2021 to 30 June 2021 (unaudited) €
Revenue	174,519	143,412
Administrative expenses	(59,217)	(31,160)
<b>Operating profit</b>	<b>115,302</b>	<b>112,252</b>
Finance costs	(123,973)	(124,246)
<b>Loss for the period before tax</b>	<b>(8,671)</b>	<b>(11,994)</b>
Tax expense	-	-
<b>Loss for the period</b>	<b>(8,671)</b>	<b>(11,994)</b>
Earnings per share	0	0

**Condensed Interim Statement of Financial Position**

	Notes	As at 30 June 2022 (unaudited) €	As at 30 June 2021 (unaudited) €
<b>ASSETS</b>			
Investments in subsidiary		170,000	170,000
Loan to subsidiary and related party	2	4,820,000	4,820,000
Other receivables		541,391	173,133
Cash and cash equivalents		-	-
<b>Total assets</b>		<b>5,531,391</b>	<b>5,163,133</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		171,200	171,200
Accumulated losses		(157,966)	(138,053)
Debt in issue	3	5,000,000	5,000,000
Other payables		438,415	35,983
Short term borrowings		35,432	80,283
Taxation		44,310	13,720
<b>Total equity and liabilities</b>		<b>5,531,391</b>	<b>5,163,134</b>

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### Condensed Interim Statement of Changes in Equity

	Share Capital €	Accumulated losses €	Total €
<b>Period ended 30 June 2021</b>			
Balance as at 1 January 2021	171,200	(126,509)	45,142
Loss for the period	-	(11,994)	(11,994)
<b>Balance as at 30 June 2021</b>	<u>171,200</u>	<u>(138,053)</u>	<u>33,148</u>
<b>Period ended 30 June 2022</b>			
Balance as at 1 January 2022	171,200	(149,296)	21,904
Loss for the period	-	(8,671)	(8,671)
<b>Balance as at 30 June 2022</b>	<u>171,200</u>	<u>(157,967)</u>	<u>13,233</u>

## Condensed Interim Statement of Cash Flows

	Period covering 1 January 2022 to 30 June 2022 (unaudited) €	Period covering 1 January 2021 to 30 June 2021 (unaudited) €
Net cash used in operating activities	30,807	(82,679)
Net cash used in investing activities	-	-
Net cash generated from/(used in) financing activities	(30,590)	82,873
Movement in cash and cash equivalents	<u>217</u>	<u>194</u>
Cash and cash equivalents at the beginning of the period	<u>(217)</u>	<u>(411)</u>
Cash and cash equivalents at the end of the period	<u>-</u>	<u>(217)</u>

## 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

	30/06/2022	30/06/2021
	€	€
Loans receivable from subsidiary	2,000,000	2,000,000
Loans receivable from related party	2,820,000	2,820,000
	4,820,000	4,820,000

Loans receivable from subsidiary and related party are unsecured, subject to an interest rate of 7%. Repayment of the principal and interest accrued shall not be demanded prior to the 18 February 2025. The principal amount of the loans remained the same since last year.

### 3. Debt in issue

	30/06/2022	30/06/2021
	€	€
Issue of €5,000,000 5% bonds	5,000,000	5,000,000

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

	30/06/2022	30/06/2021
	€	€
5% Bonds 2026-2029	5,000,000	5,000,000
Issue costs	116,010	116,010
Amortisation of bond costs	(35,427)	(27,070)
Net bond costs	80,583	88,940
Total borrowings	4,919,417	4,911,060