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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 Prospects 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 |

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Dr Clarence Busuttil
Company Secretary
31 October 2022