



Reference: LLF 03-2018

The following is a company announcement issued by Luxury Living Finance p.l.c. (“LLF” or “the Company”), pursuant to rule 4.11.14 of the Prospectus Rules.

QUOTE

The Company’s audit committee, through its oversight of Luxury Living Technologies Limited (the Guarantor), noted that a material variance resulted between the projections that were published in Section 8 as well as by way of Annex E to the Company’s Admission Document issued on 3 July 2018, and actual results registered for the financial year. Furthermore, as the Guarantor changed its accounting year end from 28 February to 30 June, the Board of Directors of Luxury Living Technologies Limited on 28 September 2018 approved the Audited Financial Statements of Luxury Living Technologies Limited for the four month period ending 30 June 2017 and for the financial year ended 30 June 2018. As Luxury Living Finance p.l.c. was incorporated on 25 April 2018 as a 100% subsidiary of the Guarantor, and up to 30 June 2018 did not perform any trading activity, the audited financial statements of the Guarantor represent the consolidated financial statements for the group.

The projections had projected a loss before tax of €105k for the sixteen month period ending 30 June 2018. However, the Guarantor generated a profit for the financial year ending 30 June 2018 of €153k. This positive variance in the Guarantor’s Income Statement is mainly driven by higher margins (projections: 32% vs actual: 50%) generated during the period following a restructuring exercise undertaken by the Guarantor which resulted in sourcing its key materials from alternative suppliers at better rates.

The FY2018 projections were based on the expectation that the Guarantor would write off a bad debt of €118k. The Guarantor reassessed this debt during the year, and the Board of Directors of the Guarantor agreed that the recoverability of this debt was not impaired. As a result, the bad debt was not written off.

Going forward, the Board of Directors of the Guarantor expect that the actual results of the Luxury Living Group will be in line with the projections included in the Company Admission Document issued on 3 July 2018, given that the increase in projected revenues will compensate for a decrease in the margins achieved to date. The principal objective for Luxury Living Group is to strengthen and expand its core business by investing in photovoltaic farms generating less than 1 MW, as well as operate an 80-bed hostel situated in St. Julian’s, by virtue of a Develop and Operate Agreement dated 25 April 2018.

UNQUOTE



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