



Sunborn London Oyj: HALF YEAR REPORT FOR JULY - DECEMBER 2020

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Sunborn London Oyj

STOCK EXCHANGE RELEASE

This is a summary of the July - December 2020 half year financial report. The complete report is attached to this release and is also available at www.sunborn.com/press/

Key Figures

| EUR thousand | 1 Jul - 31 Dec 2020 | 1 Jul - 31 Dec 2019 | 1 Jan - 31 Dec 2020 | 1 Jan - 31 Dec 2019 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Rental income | 1 208 | 1 472 | 2 675 | 2 945 |
| Settlement income | 4 757 | - | 4 757 | - |
| Operating profit | 5 080 | 649 | 5 718 | 1 336 |
| Investment property (Yacht hotel) | | | 36 402 | 37 907 |
| Total Equity | | | 28 479 | 29 128 |
| Borrowings | | | 29 307 | 29 814 |

Financial summary 1 July - 30 December 2020

London hotel operations in H2 continued under the shadow of the pandemic. As a major development during the period, management partner ISS and Sunborn concluded a settlement to transfer hotel operations from ISS to Sunborn International (UK) Ltd and the termination of ISS Management Agreement on 31st December 2020. Rental Income for the reporting period was 1.21 MEUR (1.47 MEUR) and other income contains income from management lease Settlement amounting to 4,76 MEUR for the period.

Book value of the yacht hotel as at 31 December, 2020 approximates the fair value of the yacht hotel based on income approach using discounted cash flow analyses. The management has considered the impact of Covid-19 in the fair value and continues to carefully monitor any further impact of the Covid-19.

Notable events during and reporting period after the end of the reporting period

Operator ISS Facility Services Ltd has announced a strategic decision to withdraw from UK hotel operations. Sunborn London issued a request for the bondholders to accept a Proposal which included the negotiated Settlement exit offer from ISS. The Proposal was broadly accepted by bondholders and therefore Sunborn's current operating entity in UK prepared to take over operations after the termination on 31st December 2020 from ISS management. On November 5th UK had entered into a second lockdown, hotels were restricted to limited operations and travel for non-essential reasons was prohibited for the remainder of the year. During this period the Sunborn London remained open with reduced staff serving essential workers only with a limited number of rooms.

From 1st January 2021 onwards the Bareboat charter agreement between the hotel operator, Sunborn International (UK) Ltd, and the yacht hotel owner, Sunborn London Oyj was on 29th December 2020 renewed to account for the changes of the ISS Settlement Agreement.

Bareboat charter agreement between Sunborn UK and the Company was renewed with a fixed sum of GBP 195,000 per month in lease as per the amended Bareboat Charter Agreement (dated on 29.12.2020).

Estimate future development

The underlying hotel operations are impacted by Covid-19 disruption but continued operations with limited services.

Short-term risks and uncertainties

Prolonged Covid-19 restrictions could further impact the Company's business through continued negative impact on the operator. The impact of the unprecedented crisis is difficult to predict, and it is unknown when the recovery of the affected businesses will take place. Prolonged crisis could also in the long term impact the fair value of the yacht hotel.

Due to Brexit the volatility in pound sterling versus euro is expected to continue while Sunborn Group has implemented certain currency hedges to alleviate but not completely remove the risk of a further declining pound versus euros.

Sunborn London Oyj
Board of Directors

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Sunborn Group in brief

Sunborn is over 40 years old, privately owned company based in Finland, with decades of experience in the hospitality sector. Our focus is on the development of luxury spa and yacht hotels, restaurants and other high-quality property.

Sunborn is present at the moment in Finland, Denmark, United Kingdom and Gibraltar. Operations vary from spa resorts and residential communities to hotels and yacht hotels, restaurants, and catering operations in the best locations.

www.sunborn.com

Disclaimer

The information contained in this release shall not constitute an offer to sell or the solicitation of an offer to buy securities of Sunborn London Oyj in any jurisdiction.

Attachments

- [Download announcement as PDF.pdf](#)
- [Sunborn London Oyj_H2 2020.pdf](#)