SUNBORN LONDON OYJ

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FINANCIAL STATEMENTS 2024

28 April 2025

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Key Figures – Sunborn London Oyj

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Rental income	3 471	3 223
EBITDA	3 183	2 930
Operating profit	1 675	1 421
Investment property (yacht hotel)	30 517	32 026
Total Equity	24 570	25 873
Borrowings	23 820	24 185

Key Figures – Operator Sunborn International (UK) Ltd

GBP thousand	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023
Revenue	10 598	10 548
EBITDAR	3 589	3 652

Financial summary 1 January - 31 December 2024

Sunborn London Oyj ("The Company") continued to be a SPV with no other purpose than owning and leasing out the Sunborn London yacht hotel to Sunborn International (UK) Ltd, a sister company to the Company.

Rental income for the reporting period was 3.471 MEUR (3.223 MEUR). Rental income in EUR was slightly affected by exchange rate fluctuations. Operating costs were in line with the previous year.

The operations under the sister company Sunborn International (UK) Ltd were highly successful and again achieved strong market performance measured in all key metrics - ADR, Occupancy and RevPar. The monthly charter cost was increased with inflation to GBP 234,000 per month from 1.1.2023 onwards and to GBP 246,000 from 1.1.2024 onwards to account for updated capital cost, planned bond repayments, vessel insurance and classification costs.

During the period, the company made a repayment of 0.675 MEUR, and the outstanding nominal value of bond on 31 December 2024 was 23.825 MEUR.

Book value of the yacht hotel as of 31 December 2024 approximates the fair value of the yacht hotel based on income approach using discounted cash flow analyses.

Business environment

Hotel operations under Sunborn International (UK) Ltd demonstrated revenue growth across all departments. Both turnover and profitability exceeded management expectations. Strong performance in H2 compensated for the slower start to the year, which was impacted by changes in the ExCeL exhibition center's event calendar. Sunborn has achieved a strong market performance measured in all key metrics - guest satisfaction, ADR, Occupancy and RevPar.

Notable events during and after the reporting period

Sunborn International Holding Oy, the parent company of Sunborn London Oyj, announced on December 5, 2024, that it plans to merge with Rush Factory Oyj with the goal of listing the company's shares on Helsinki's Nasdaq First North market in spring 2025 and securing subscription commitments of approximately 11.8 MEUR for the capital increase. The listing if successfully complete will strengthen the company's capital stack and enable the financing and development of new projects, including the planned replacement of Sunborn London yacht hotel.

On 5th September 2024 Sunborn London Oyj successfully obtained bondholder approval for amendments to the terms of its Senior Secured Bonds (ISIN NO0011099772). The approved amendments include an extension of the bond maturity to 5 February 2026. The resolution was passed according to the required voting thresholds, and Nordic Trustee AS implemented the changes. As part of the agreement, bondholders received an amendment fee of 1% of the nominal bond amount, which was paid 19 September 2024.

Estimated future development

Management believes the property will continue successful operations and Sunborn London Oyj’s financial performance and debt service capacity to remain stable.

Management expects the Royal Docks area to continue positive development and to meet robust demand for hotel rooms and services. London Excel is also developing new operations in the vicinity of the hotel, the new Immerse LDN, set to be UK’s largest immersive entertainment district. Parts of this development already opened in Q3 2024 located on the waterfront promenade of Excel, in front of the hotel vessel. The additional footfall and hub of activity in the direct vicinity of the hotel is estimated already to positively impact revenue and visitor numbers.

Short-term risks and uncertainties

The Company´s financial risks related to business are market risk (including interest rate risk and foreign currency risk), credit risk, liquidity risk and refinancing risk.

Floating interest rate risk has not been hedged and may negatively and materially impact Sunborn London Oyj liquidity.

The Company is exposed to foreign currency risk through rental receivables and future cash flows arising from the lease contract of the Yacht hotel that is denominated in GBP. The management of the company closely monitors the development of the GBP/EUR exchange rate and aims to protect the Company against unfavourable developments at the group level.

The Company´s financial risk management aims to protect it against unfavourable developments in the financial markets and ensure the performance. The management reviews financial risks on regular basis to secure the financial risk position and decide on necessary actions.

Incidents relating to environmental or public health may cause the Operator potential business interruptions.

Company’s shares

The number of shares has been 200 shares since the establishment of the Company. Shares have no nominal value.

Corporate Governance

Sunborn London Oyj's ownership, corporate structure, operational activities and related party transactions are described in notes to the financial statements.

The governance of Sunborn London Oyj is based on the Finnish Limited Liability Companies Act and Sunborn London Oyj's articles of association. The Company's shares are not listed for public trading. Sunborn London Oyj has issued a secured bond that is listed by NASDAQ Helsinki Oy, and the company complies with its rules and regulations for listed bonds, the Securities Markets Act as well as the Financial Supervisory Authority's regulations.

The Annual General Meeting is the highest decision-making body in Sunborn London Oyj, deciding on matters laid down in the Finnish Limited Liability Companies Act. The AGM is held once a year, in June at the latest, on a date determined by the company's Board of Directors.

The Board of Directors of Sunborn London Oyj consists of four ordinary members, elected by the AGM for one year at a time. The Board of Directors decides on significant matters concerning the company strategy, investments and finance. In 2024 the Board had two meetings.

Members of the Board of Directors in 2024 were Ritva Niemi, Pekka Niemi, Hans Niemi and Jari Niemi. There has not been any remuneration for the Board of Directors in 2024. Sunborn London Oyj has no committees.

Sunborn London Oyj’s Board of Directors appoints the Chief Executive Officer. The CEO Hans Niemi is responsible for the Company's financial performance and for organizing business operations and administration according to legislation as well as instructions and orders issued by the Board.

The Annual General Meeting elects the authorized public accountants until further notice. Sunborn London Oyj auditors are Grant Thornton Oy with Timo Helle, APA, as principal auditor.

Proposal for profit distribution

The Board of Directors proposes to the Annual General Meeting that the funds are carried forward to retained earnings.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR thousand	Note	1 Jan -31 Dec 2024	1 Jan -31 Dec 2023
Rental income from group companies	5,13	3 471	3 223
Depreciation	9	-1 508	-1 508
Other operating expenses	6	-288	-293
Operating profit		**1 675**	**1 421**
Finance income	7,13	2 319	2 169
Finance costs	4,7	-2 973	-2 613
Finance income and costs, net		-654	-445
Profit before taxes		**1 021**	**977**
Income tax expense	8	0	0
Change in deferred tax	8	-204	-195
Profit for the period		**817**	**781**
Total comprehensive income for the period		**817**	**781**
Profit attributable to			
Shareholders of the Parent company		817	781

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET (IFRS)

EUR thousand	Note	31 Dec 2024	31 Dec 2023
Assets			
Non-current assets			
Investment property	9	30 517	32 026
Receivables from group companies	13	25 150	24 138
Total non-current assets		**55 667**	**56 164**
Current assets			
Trade receivables from group companies	4,13	-	1
Trade and other receivables		15	21
Cash and cash equivalents		9	234
Total current assets		**24**	**255**
Total assets		**55 691**	**56 419**
Equity and liabilities			
Equity			
Share capital	11	80	80
Reserve for invested unrestricted equity		600	600
Retained earnings		23 890	25 193
Total equity		**24 570**	**25 873**
Liabilities			
Non-current liabilities			
Borrowings	4,12	23 120	-
Deferred income tax liabilities	10	5 950	6 276
Total non-current liabilities		**29 070**	**6 276**
Current liabilities			
Borrowings	4,12	700	24 185
Payables to group companies	13	1 272	-
Trade and other payables		29	26
Accrued expenses		50	58
Total current liabilities		**2 051**	**24 270**
Total liabilities		**31 121**	**30 546**
Total equity and liabilities		**55 691**	**56 419**

The above balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS)

EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings	**Total equity**
Equity at 1.1.2023	80	600	26 318	**26 998**
Profit for the period			781	781
Total comprehensive income	0	0	781	781
Transactions with owner:				
Group contribution net of tax			-1 905	-1 905
Total contributions by and distributions to owners of the parent, recognised directly in equity	0	0	-1 905	-1 905
Equity at 31.12.2023	80	600	25 193	**25 873**
Equity at 1.1.2024	80	600	25 193	**25 873**
Profit for the period			817	817
Total comprehensive income	0	0	817	817
Transactions with owner:				
Group contribution net of tax			-2 120	-2 120
Total contributions by and distributions to owners of the parent, recognised directly in equity	0	0	-2 120	-2 120
Equity at 31.12.2024	80	600	23 890	**24 570**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR thousand	Note	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023
Cash flows from operating activities			
Profit before tax		1 021	977
Adjustments for			
Depreciation	9	1 508	1 508
Finance income and costs, net	7	654	445
Change of working capital			
Change in trade and other receivables		7	116
Change in trade and other payables		1 275	-1 171
Net cash flows from operating activities		**4 465**	**1 874**
Cash used in investing activities			
Capital Expenditure		-	-46
Net cash flows used in investing activities		**-**	**-46**
Cash used in financing activities			
Repayment of borrowings	12	-675	-500
Contribution from/to Sunborn group companies	13	-1 361	-119
Transaction / loan agent costs		-325	0
Interest and finance costs paid		-2 318	-2 175
Net cash used in financing activities		**-4 679**	**-2 794**
Cash and cash equivalents at the beginning of period		234	1 162
Effects of exchange rate changes on cash and cash equivalents		-11	37
Change in cash and cash equivalents		**-224**	**-929**
Cash and cash equivalents at the end of period		**9**	**234**

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS (IFRS)

1. General information

Sunborn London Oyj is a public limited liability company ("the Company") incorporated in Finland. The registered address of Sunborn London Oyj is Juhana Herttuan puistokatu 23, Turku, Finland. Sunborn London Oyj was established on April 30, 2016, through a demerger of Sunborn International Oy. Sunborn London Oyj owns a luxury yacht hotel "Sunborn London" docked at Royal Victoria Dock in London, the UK ("Yacht hotel"), which it has leased to its sister company Sunborn International (UK) Limited ("Sunborn UK").

The Yacht hotel is equipped with 138 cabins, including five suites, conference and auditorium facilities for up to 200 delegates, restaurant and two bars. The Company had no employees in 2024 and 2023. Sunborn London Oyj's ultimate parent company Sunborn Oy provides management and administrative services to the Company. Sunborn UK's sole operations consist of acting as the lessee and operator of the Yacht hotel.

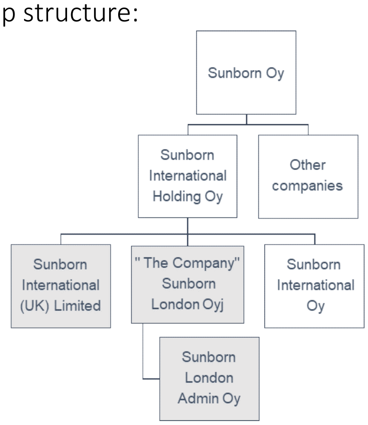
Sunborn International Holding Oy is the parent company of Sunborn London Oyj owning 100 % of the shares of the Company, as well as Sunborn International UK. Sunborn International Holding Oy is owned by Sunborn Oy, a family-owned company based in Finland. Sunborn Group focuses on the development of luxury spa and yacht hotels, restaurants and other high-quality properties, and has over 50 years of experience in the hospitality sector. Sunborn Oy had altogether 15 subsidiaries as at December 31, 2024 ("Sunborn Group"). Sunborn Oy prepares consolidated financial statements under Finnish Accounting Standards. The copies of the consolidated financial statements as well as the Company's standalone financial statements are available at the parent company's head office, Juhana Herttuan puistokatu 23, Turku, Finland.

Sunborn London Oyj owns a dormant subsidiary for administrative purposes and is the parent company of the group ("Group"). The consolidated financial statements have been prepared in accordance with the basis of preparation and accounting policies set out below.

These financial statements have been published in accordance with the European Single Electronic Format (ESEF) reporting requirements. The ESEF financial statements have not been audited.

These financial statements were approved for publication at the Sunborn London Oyj board meeting on April 14, 2025. According to the Finnish Companies Act, the annual general meeting can change or reject the financial statements.

Sunborn Group structure:



2. Summary of significant accounting policies

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming with the IAS and IFRS standards as well as SIC and IFRIC interpretations applicable as per December 31, 2024. International Financial Reporting Standards refer to the standards and interpretations applicable by corporations set out by the Finnish accounting ordinance and other guidance set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the financial statements also comply with the Finnish accounting and corporate legislation complementing the IFRS standards. There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company's financial statements.

These financial statements have been prepared primarily under the historical cost convention unless otherwise indicated.

Preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The financial statements are presented in thousands of euros unless otherwise stated. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Company is euro, which is also the presentation currency of these consolidated statements.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All foreign exchange gains and losses are presented in the income statement within finance income or costs.

Investment property

The Company presents as investment property its investment in a Yacht hotel that is leased out under operating lease, and it is operated as Yacht hotel "Sunborn London" by Sunborn UK. The Yacht hotel has the physical characteristics of a building. It is a non-propelled vessel that is permanently moored along the quayside at Royal Victoria Dock in London, the UK. The Yacht hotel, as it is lacking propels and other standard equipment of a ship, is not readily movable and the future rental cash flows to be earned from the Yacht hotel depend largely upon its permanent location.

An investment property is measured initially at its cost. Directly attributable transaction costs are included in the initial measurement. The Company measured the investment property at fair value as at 1 January 2015, as the Company applied the exemption provided in IFRS 1 to use the fair value of the investment property as deemed cost at the date of transition to IFRS. Any improvement costs for the renovation and repair that add value to Yacht hotel are capitalized as additions to the Yacht hotel and depreciated over the shorter of the improvements' estimated useful lives or that of the Yacht hotel.

Subsequently, the investment property is carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the cost to the residual value over their estimated useful lives. The estimated useful life of the Yacht hotel divided to its significant components is presented in the table below:

Yacht	40 years
Yacht, short term components (interior and fittings)	10 years

The Yacht hotel's residual value is estimated to be EUR 5 million. The residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Transfers to and from investment property are made if there is a change in use. Investment property is derecognised on disposal or when the asset is withdrawn from use and no future economic benefits are expected.

Impairment of investment property

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Financial assets

The group classifies all its financial assets as financial assets measured at amortised cost. The group's financial assets comprise lease receivables and loan receivables and are held within a business model whose objective is to collect the contractual cash flows, and the financial assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost are recognised initially at fair value, including any transaction costs incurred. They are subsequently carried at amortised cost less provision for impairment. Interest income is recognised in the income statement using the effective interest method. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the group transfers the financial asset or the group of financial assets in question.

The group's financial assets are included in current assets, expect for maturities greater than 12 months after the end of the reporting period in which case they are classified as non-current assets. The financial assets comprise non-current loan given to Sunborn International Holding Oy, a parent company of Sunborn London Oyj, current trade and other receivables which include mainly rental receivable from the lessee Sunborn UK, related party, and cash and cash equivalents, which includes deposits held at call with banks.

Impairment of financial assets at amortised cost

The group assesses on a forward-looking basis the expected credit losses associated with the receivables which are carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If there is no significant increase in credit risk, 12 month expected losses are recognised in profit or loss. Otherwise, the lifetime expected credit losses are recognised.

The group assesses expected losses based on the historical payment profiles and the corresponding historical credit losses experienced within the current period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for a period of greater than 360 days past due.

Financial liabilities

Financial liabilities of the group consist of borrowings and accounts and other payable. A financial liability is derecognized when it is extinguished – that is when the obligation is discharged, cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in profit or loss.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement as interest expense over the period of the borrowings using the effective interest method. The group's borrowings consist of senior secured bonds which the Company withdrew during 2021.

Accounts payable and other payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables consist of interest and tax accruals. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at fair value and subsequently measured at amortised cost.

Current tax and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to group contribution that is recognised directly in equity. In this case, the tax is also recognised directly in equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group entities operate and generate taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Recognition of rental income

The Company recognises rental income from renting out the Yacht hotel "Sunborn London" to Sunborn UK based on fixed monthly payments determined in the lease contract. The lease of the Yacht hotel is classified as operating lease since the Company retains a significant share of risks and rewards of ownership. Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income on the loan to the parent company Sunborn International Holding Oy is recognised using the effective interest method and presented within finance income in the statement of comprehensive income.

Group contribution

Group contribution given under Finnish Group Contribution Act 1986/825 to the entities in the Sunborn Group in Finland is recognised as a liability or receivable in the consolidated financial statements in the period to which it relates to. Group contribution is deducted directly from equity net of taxes.

Segment reporting

The Group only has one operation (owning and leasing the Yacht hotel), so it constitutes a single operating segment. The chief operating decision maker is determined as the Board of Directors of the Company who monitors the result of the group after its establishment based on the rental income generated from the lease agreement less operating expenses.

3. Critical accounting estimates and management judgement

The preparation of financial statements in compliance with IFRS requires making estimates and assumptions. Application of accounting policies requires making judgements. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions, and judgements are based on historical experience and various other factors, including projections of future events, which are believed to be reasonable under current circumstances.

Useful life and residual value of the Yacht hotel

The Yacht hotel has been built as permanently floating real estate and hull and structure is designed to have a technical lifespan of over 70 years, subject to normal maintenance and upkeep over the lifespan. In addition to the high technical specification of the hull and its protection systems, the hotel is typically moved only once every 10 to 15 years for refitting and is not normally subjected to adverse sea conditions, salt water, and friction. As a non-moving vessel, it will not be impacted by encounters with land or vessels. The management of the Company has made estimates on the depreciation period and residual value of the Yacht hotel. The management has estimated that the useful life of the Yacht hotel is 40 years for the hull and structure and 10 years for the interior and fittings. The residual value is estimated to be EUR 5 million. Should certain factors or circumstances cause the management to revise its estimates of the Yacht hotel's useful lives or projected residual values, depreciation expense could be materially higher or lower. If the estimated average Yacht hotel useful life had reduced or increased by one year, depreciation expense for 2024 would have increased by approximately EUR 0.1 million / decreased by 0.1 million. If the Yacht hotel was estimated to have no residual value, depreciation expense for 2024 would have increased by approximately EUR 0.13 million.

Determination of the functional currency of the Company

Determination of the functional currency of the Company requires critical judgement. The management of the Company has prepared the financial statements based on the judgement that the functional currency is the Euro. Management's view is that the Company acts as an extension of its ultimate parent entity Sunborn Oy, whose functional currency is euro.

Impairment of the long-term loan receivable from the parent entity

The management has applied judgement in considering that the credit risk of the loan receivable from the parent entity has not increased significantly. If the credit risk for a loan receivable is not significantly increased, the impairment loss is recognized based on 12 month expected losses. If the credit risk is significantly increased, the impairment is recognized based on lifetime expected losses. This might have a significant impact on the profit for the period.

4. Financial risk management

The financial risks related to business are market risk (including interest rate risk and foreign currency risk), credit risk, liquidity risk and refinancing risk. Financial risk management carried out by the management aims to protect the group against unfavourable developments in the financial markets and ensure the performance. The management review financial risks on regular basis to manage financial risk position and decide on necessary actions.

Foreign exchange risk

The objective of foreign exchange risk management is to reduce the uncertainty caused by fluctuations in foreign exchange rates in the group's profit and loss, cash flows and balance sheet to an acceptable level. The Group is exposed to foreign currency risk through rental receivables and future cash flows arising from the lease contract of the Yacht hotel that is denominated in GBP.

The management of the company closely monitors the development of the GBP/EUR exchange rate and aims to protect the Company against unfavourable developments at the group level.

The GBP denominated receivables and cash balances on the balance sheet in the periods presented are as follows:

EUR thousand	31 Dec 2024	31 Dec 2023
Lease receivables	-	1
Cash and cash equivalents	1	198
Total	**1**	**199**

At December 31, 2024, if the GB Pound strengthened/weakened by 15 % against the euro, post-tax profit for the year would have been EUR 0 thousand (2023: EUR 26 thousand) higher/lower.

Interest rate risk

The Company has issued senior secured bonds during year 2021 whose interest is bound to 3-month Euribor. The nominal value of the bonds is EUR 23.825 million in total and they carry interest at rate of 8.34 % as of December 31, 2024 consisting of margin of 5.5 % plus 3-month Euribor at 2.84 %. Cash and cash equivalents do not carry significant interest. The loan receivable, amounting to EUR 25 million from the parent of the Company Sunborn International Holding Oy, carries floating interest rate based on 3-month Euribor, being 8.34 % as of December 31, 2024.

If the Euribor had increased 100 basis points higher or lower during the periods presented, that would have had EUR 0.25 million impact on the interest expense or interest income. Possible future fluctuations in interest rates would be mainly offset by the opposite impacts of the changes in interest rates on the receivable and liability. The management of the Company monitors changes in the interest rate level and its possible impact on future cash outflows. The need for any hedging activity is assessed continuously.

Credit risk

Credit risk is the risk that the other party to the loans and receivables will cause a financial loss for the group by failing to discharge an obligation. Credit risk arises from rental receivables from its sister company Sunborn UK, loan to Sunborn International Holding Oy, the parent company, and cash and cash equivalents held at banks.

The Company assesses on a forward-looking basis the expected credit losses associated with these receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If there is no significant increase in credit risk, 12 month expected losses are recognized in profit or loss. Otherwise, the lifetime expected credit losses are recognized.

The Company has leased the Yacht hotel to its sister company Sunborn UK. The company had no lease receivables from Sunborn UK on 31.12.2024 (EUR 1 million on 31.12.2023). Sunborn UK makes the lease payments according to the contract, and the management has assessed that there is no significant increase in the credit risk of the receivables. The management has assessed that the 12-month expected loss on the lease receivables is not material.

The most significant receivable is the loan granted to the parent Sunborn International Holding Oy. The loan carries normal credit risk related to intra-group receivables. The credit quality of the loan depends on the financial performance of the parent company. Financial activities of the Sunborn Group companies are directed by common management. The amounts and terms and conditions of the receivables and payables from group companies are presented in note 13.

The management considers that there has not been a significant increase in credit risk since initial recognition of the loan receivable. Accordingly, impairment based on 12 month expected losses is recognised. The management of the Company has made the assessment and concluded that there is no material impairment loss to be recognised.

Cash and cash equivalents are held in reputable Nordic banks, whose credit ratings are strong. While cash and cash equivalents are also subject to the same impairment requirements as other receivables, the management has assessed that the impairment loss for them is immaterial.

The calculations of expected credit loss for financial assets are based on assumptions about risk of default and expected loss rates. The management uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Liquidity risk and refinancing risk

Liquidity risk is the risk that existing funds and borrowing facilities become insufficient to meet the Company's business needs or high extra costs are incurred for arranging them. Refinancing risk is the risk that refinancing of the existing borrowings and/or raising new funding will not be available or is available at high price.

Prudent liquidity risk management implies maintaining sufficient cash, and the availability of adequate funding. In the long run the principal source of liquidity is expected to be the cash flow generated by the lease agreement. The Group's liquidity position is monitored by the management.

The bond terms include an interest cover ratio, which requires the Company to generate EBITDA minimum of 1.1 times the net finance charge to maintain profitability and the covenant for maintain liquidity in an amount exceeding the aggregate amount of six months of interests. The financial covenants are measured semi-annually. Since the Issuer made a significant loan repayment and Amendment Fee just before the year-end, the Issuer did not meet the minimum cash covenant under the Maintenance Test at the testing point 31.12.2024. As the Liquidity Covenant was not met, the parent company has provided the deficit 28 k€ as an Equity Cure to ensure compliance with the H2 minimum cash covenant.

A summary table with maturity of the financial liabilities is presented below. The amounts disclosed in the tables below are the contractual undiscounted cash flows including the interest payments. The interest payments are calculated based on the interest rate level on the balance sheet dates presented.

31 Dec 2024

EUR thousand	< 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Payables to group companies	1 272	-	-	-	1 272
Trade and other payables	29	-	-	-	29
Senior secured bond	700	23 120	-	-	23 820
Senior secured bond, interest payments	2 295	1 920	231	-	4 446
Total	4 296	25 040	231	-	**29 567**

31 Dec 2023

EUR thousand	< 1 year	1 to 2 years	2 to 3 years	3 to 5 years	Total
Payables to group companies	-	-	-	-	-
Trade and other payables	26	-	-	-	26
Senior secured bond	24 500	-	-	-	24 500
Senior secured bond, interest payments	1 762	-	-	-	1 762
Total	26 288	-	-	-	**26 288**

Capital management

Capital of the group as monitored by the management consists of borrowings and equity as shown in the balance sheet.

Capital management is based on the evaluation of essential risks concerning the group. The management of the Company monitors equity ratio. Capital is managed through group contributions or equity instalments. In accordance with the terms of bonds issued by the Company and guaranteed by Sunborn UK, as described in note 12 Borrowings, the Company is not permitted to raise new external debt, however intra-group financing is allowed if needed either in form of equity or debt instruments.

The bond terms include an asset cover ratio covenant, which requires the Company, together with the guarantor, to maintain the asset cover ratio of a minimum 120.0 %. The covenant is calculated based on the market value of the yacht hotel calculated by approved shipbroker appointed by the Company and approved by the bond trustee, divided by financial indebtedness of the Company. The financial covenant is measured semi-annually, and the Company has not breached the covenant.

5. Rental income from related parties and other income

The Group’s rental income consists of rental income from Sunborn UK. The bareboat charter agreement is in force until terminated by either party subject to six months' prior notice. Rental income relates to investment property, see note 9 for details.

The monthly charter cost was increased with inflation to GBP 246,000 (2023: GBP 234,000) per month from 1.1.2024 onwards to account for updated capital cost, planned bond repayments, vessel insurance and classification costs.

Future minimum lease payments from the lease contract translated at exchange rate prevailing on each balance sheet date are as follows:

EUR thousand	31 Dec 2024	31 Dec 2023
Within 1 year	1 780	1 698
Between 1 and 2 years	-	-
Between 2 and 3 years	-	-
Between 3 and 4 years	-	-
Between 4 and 5 years	-	-
Later than 5 years	-	-
Total	**1 780**	**1 698**

6. Operating expenses

Operating expenses are presented in the table below:

Operating expenses

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Insurance	112	111
Repair and maintenance	0	6
Professional services	43	46
Management fee	78	90
Administrative expenses	55	40
Total	**288**	**293**

Auditor's fee

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Statutory fees	10	17

7. Finance income and costs

Finance income and costs are presented in the table below:

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Finance income:		
Interest income on loan given to parent company	2 301	2 116
Foreign exchange gains	18	52
Total finance income	2 319	2 169
Finance expenses:		
Interest expenses on borrowings	-2 704	-2 598
Amendment fee	-245	0
Foreign exchange losses	-24	-15
Total finance costs	-2 973	-2 613
Finance income and costs, net	**-654**	**-445**

Foreign exchange differences relate mainly to the lease receivables from Sunborn UK which are denominated in GBP. Terms and conditions on loan given to the parent company is described in note 13 Related party transactions.

8. Income tax expense

The effective tax rate in 2024 and in 2023 was 20 %.

Income tax expense

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Current tax	0	0
Change in deferred taxes	-204	-195
Total	**-204**	**-195**

Tax charge

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Profit before income tax	1 021	977
Tax calculated at Finnish tax rate (20%)	-204	-195
Tax recognized in profit loss	**-204**	**-195**

9. Investment property

The Group presents as investment property its investment in a Yacht Hotel that is leased out under operating lease, and it is operated as Yacht hotel Sunborn London by Sunborn International UK Ltd. The investment property is carried at cost less any accumulated depreciation and any accumulated losses.

The Yacht hotel is registered in Finland but located in London, United Kingdom, where it is leased under a bareboat charter agreement to Sunborn UK. Sunborn UK is also responsible for the management.

Fair value measurement of the Yacht hotel

Fair value of the yacht hotel as of 31 December 2024 has been estimated to be EUR 37 million (31.12.2023: EUR 37 million). The fair value has been determined based on income approach using discounted cash flow analyses. The fair value measurement is based on unobservable inputs and accordingly, is classified in Level 3 in the fair value hierarchy. The volatility in the fair value is due to the impact of estimated cash flows and the fluctuation of the GBP/EUR exchange rate. Fair value of the yacht hotel as at 31, December 2024 exceeds the book value of the yacht hotel. The value of the Yacht hotel is 49.9 MEUR based on the latest valuation report dated March 2025 by an external evaluator.

The calculation considers different scenarios for determining the residual value after the contractual lease term: its estimated terminal value at the end of the lease term and assumed continuation of the lease contract after the contractual fixed period. Discount rate of 7 % is based on hotel yields in London added by average yearly inflation of 2 %. The payments for the extrapolated period include adjustment for risk of 1 %.

The fair value measurement is prepared using unobservable inputs based on the management estimation. The cash flows in the discounted cash flow calculation are based on the fixed payments in the lease contract less estimated operating expenses. If the discount rate used in the calculation would be one percentage point lower/higher, the fair value would have been approximately 4.3 million higher / 3.6 million lower.

Changes in the carrying amount of investment property

EUR thousand	Yacht hotel
Cost at January 1, 2024	45 574
Cost at December 31, 2024	**45 574**
Accumulated depreciation at January 1, 2024	13 548
Depreciation	1 508
Accumulated depreciation and impairment at December 31, 2024	**15 056**
Net book value at January 1, 2024	32 026
Net book value at December 31, 2024	30 517

EUR thousand	Yacht hotel
Cost at January 1, 2023	45 432
Additions	141
Cost at December 31, 2023	**45 574**
Accumulated depreciation at January 1, 2023	12 040
Depreciation	1 508
Accumulated depreciation and impairment at December 31, 2023	**13 548**
Net book value at January 1, 2023	33 393
Net book value at December 31, 2023	32 026

Rental income and direct operating expenses related to Yacht hotel recognised in the comprehensive income statement are as follows:

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Rental income	3 471	3 223
Direct operating expenses from property that generated rental income	112	117

10. Deferred tax assets and liabilities

EUR thousand	1 Jan - 31 Dec 2024	1 Jan - 31 Dec 2023
Deferred tax liabilities:		
Depreciation difference on investment property	5 949	6 251
Measurement of the borrowings using effective interest method	1	25
Total	5 950	6 276
At January 1	6 276	6 557
Recognized in income statement	-326	-281
Book value at December 31	5 950	6 276
Deferred tax assets and liabilities, net	**5 950**	**6 276**

The Company has recognised directly in equity income tax liability related to group contribution EUR 0.530 (2023: EUR 0.476) million.

11. Equity

Number of the shares has been 200 shares since the establishment of the Company. Shares have no nominal value. The Company has not distributed any dividend and the bond agreement set some restrictions for distribution of dividend. However, group contributions are allowed. The group contribution recognised directly in equity amounted to EUR 2.120 (2023: EUR 1.905) million net of tax.

12. Borrowings

EUR thousand	31 Dec 2024	31 Dec 2023
Non-current:		
Senior secured bond	23 120	-
Current:		
Senior secured bond	700	24 185
Total	**23 820**	**24 185**

The bonds are denominated in euros and mature by 5 February 2026. The bonds have been repaid by the Company in small instalments and the remaining amount will be fully redeemed on maturity date at nominal amount in addition to 1 % call premium. The contractual interest is 5.5 % plus 3-month Euribor. The effective interest rate is 8.26 %.

The management estimates that the fair value of the bond payable approximates the carrying amount as credit standing of the Company has not changed significantly from the issue date.

A summary table with maturity of all financial liabilities is presented in note 4 Financial risk management.

Collaterals and guarantees given

The bonds are secured by a 1st lien mortgage in the Yacht hotel. In addition the security package includes a pledge over shares of Sunborn London Oyj and Sunborn International (UK) Ltd, a pledge granted on Subordinated Loans, Parent loan, intra-group loans, pledged Accounts and other bank accounts held by the Issuer, a floating charge over relevant assets, rights and revenues of the Issuer, an assignment by the Issuer of all rights, titles and interests, under the Bareboat Agreement, including step-in rights for the Trustee, a floating charge granted by the Guarantor creating security over all relevant assets, rights and revenues of the Guarantor and a pledge granted by the Guarantor of the Guarantor's Receivable and any Intra-Group Loans from time to time, an assignment by the Guarantor of any relevant insurances related to the Barge and an on demand guarantee (In Norwegian: "påkravsgaranti').

The bond terms include an asset cover ratio of a minimum of 120.0 % to maintain the market value to adjusted financial indebtedness, an interest cover ratio covenant of EBITDA to net finance charges of no less than 1.10:1.00 to maintain profitability and the covenant for maintaining liquidity in an amount exceeding the aggregate amount of six months of interests. The financial covenants are measured semi-annually. Since the Issuer made a significant loan repayment and Amendment Fee just before the year-end, the Issuer did not meet the minimum cash covenant under the Maintenance Test at the testing point 31.12.2024. As the Liquidity Covenant was not met, the parent company has provided the deficit 28 k€ as an Equity Cure to ensure compliance with the H2 minimum cash covenant. The financial covenants are further described in note 4 Financial risk management.

Changes in liabilities from financing activities:

EUR thousand	Borrowings due within 1 year	Borrowings due after 1 year	Total
Liabilities as at January 1 2023	500	23 773	24 273
Cash flows - repayment (-) / withdrawal (+) of bonds	-500	0	-500
Amortisation using effective interest method	0	412	412
Other changes	24 185	-24 185	0
Liabilities as at December 31 2023	24 185	0	**24 185**
Liabilities as at January 1 2024	24 185	0	24 185
Cash flows - repayment (-) / withdrawal (+) of bonds	-675	0	-675
Amortisation using effective interest method	315	-5	310
Other changes	-23 125	23 125	0
Liabilities as at December 31 2024	700	23 120	**23 820**

13. Related parties

Transactions with related parties

Related parties are the ultimate parent company Sunborn Oy, the direct parent company Sunborn International Holding Oy, other Sunborn Group entities, the board of directors and key management of the Group and the Board of Directors and management of the parent company, together with their close family members, and companies controlled by these individuals.

The following table summarises the group’s transactions and outstanding balances with related parties during or at the end of the years presented:

	1 Jan – 31 Dec 2024			1 Jan – 31 Dec 2023		
EUR thousand	Rental income from the operating lease	Management fee	Interest income	Rental income from the operating lease	Management fee	Interest income
Ultimate parent - Sunborn Oy	-	-58	-	-	-55	-
Parent - Sunborn International Holding Oy	-	-100	2 301	-	-25	2 116
Sunborn International Oy	-	-	-	-	-10	-
Sunborn UK	3 471	-	-	3 223	-	-
Total	**3 471**	**-158**	**2 301**	**3 223**	**-90**	**2 116**

	31 Dec 2024		31 Dec 2023	
EUR thousand	Receivables	Liabilities	Receivables	Liabilities
Ultimate parent - Sunborn Oy	-	-	-	-
Parent - Sunborn International Holding Oy	25 150	-	24 138	-
Sunborn UK	-	1 272	1	-
Total	**25 150**	**1 272**	**24 139**	**-**

The rental income arises from the Bareboat Charter agreement related to the Yacht hotel with Sunborn UK. This agreement is in force until terminated by either party subject to six months' prior notice.

The Group has paid management fee to Sunborn Oy and Sunborn International Holding Oy during the period, previously also to Sunborn International Oy, and received interest income from Sunborn International Holding Oy. The interest income arises from the receivable from the parent company as described below.

The intercompany receivable from the parent company Sunborn International Holding Oy matures in September 2026, however subject to the occurrence of certain events in the bond terms receivable mature and become immediately due. The loan receivable accumulates interest income, which is recognised as receivable from the parent company. The interest is in line with the interest of external financing and is at 8.34 % on 31 Dec 2024. Fair value of the loan receivable approximates it’s carrying amount, as the management estimates that the credit standing of the debtor has not changed significantly from the issue date, and it carries interest rate based on market rate.

Sunborn UK and Sunborn International Holding Oy have guaranteed the senior secured bonds of the Company. Detailed information on the guarantee is described in note 12 Borrowings.

14. Events after the balance sheet date

Sunborn International Holding Oy, the parent company of Sunborn London Oyj, announced on December 5, 2024, that it plans to merge with Rush Factory Oyj with the goal of listing the company's shares on Helsinki's Nasdaq First North market in spring 2025 and securing subscription commitments of approximately 11.8 MEUR for the capital increase. The listing if successfully complete will strengthen the company's capital stack and enable the financing and development of new projects, including the planned replacement of Sunborn London yacht hotel.

The Company’s bond is maturing for repayment on February 5, 2026. In the future, financing is anticipated to be arranged through the parent company. At the same time, the company's loan receivable from the parent company will be eliminated.

SIGNATURES FOR THE FINANCIAL STATEMENTS

SUNBORN LONDON OYJ

Turku, April 14, 2025

___________________________	___________________________
Ritva Niemi	Pekka Niemi
Chairman of the Board	Board member
___________________________	___________________________
Jari Niemi	Hans Niemi
Board member	Board member and Chief Executive Officer (CEO)

THE AUDITOR’S NOTE

A report on the audit performed has been issued today.

Turku, the date of electronic signature

Grant Thornton Oy

Authorized Public Accountant Firm

____

Timo Helle

KHT

Authorized Public Accountant

COMPANY NUMBER 03843168

SUNBORN INTERNATIONAL (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS OF THE FINANCIAL STATEMENTS

COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2024

Directors:	Hans Niemi Karen Thomson Javier Bordes
Secretary:	Goodwille Limited
Registered office:	1 Chapel Street Warwick United Kingdom CV34 4HL
Registered number:	03843168 (England and Wales)
Independent Auditor:	Shaw Gibbs (Audit) Limited Statutory Auditor Salatin House 19 Cedar Road Sutton Surrey SM2 5DA

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors of Sunborn International (UK) Limited ("the Company") present Strategic report for the year ended 31 December 2024.

FAIR REVIEW OF THE BUSINESS

Sunborn International (UK) Limited ('the Company') is a private Company limited by share capital incorporated in England and Wales under the Companies Act. Its ultimate parent and holding Company is Sunborn Oy, an undertaking incorporated in Finland. Sunborn International (UK) Limited ("Sunborn UK") is acting as a charterer for a luxury yacht hotel "Sunborn London" docked at Royal Victoria Dock in London, the UK ("Yacht hotel"), which it is own by its sister Company Sunborn London Oyj. The Yacht hotel is equipped with 138 cabins, including 5 suites, conference and auditorium facilities for up to 100 delegates, restaurant and two bars. Since 2021 operations consist of acting as the charterer and operator of the Yacht hotel.

The second half of the year started steadily, with year-over-year (YOY) revenue holding flat in July. Revenue streams Q3 and Q4 were at record breaking levels and overall performance was above expectations and a clear improvement over the first half of the year.

KEY PERFORMANCE INDICATORS

To measure the performance and progress of the group, several Key Performance Indicators (KPIs) have been established, which are monitored and analysed on a regular basis. These KPIs include, but are not limited to:

1. Total Revenue per available room (TrevPAR): This KPI calculates the TOTAL revenue generated by each available room and measures the revenue generating performance.

2. Average Daily Rate (ADR) : This KPI measures the average revenue earned for an occupied room per day highlighting the profitability of its services.

3. Occupancy rate: This KPI measures the percentage of occupied rooms in the yacht hotel at a given time designed to demonstrate efficiency and financial success.

Key performance indicator (KPI)	YoY Comparison %
TRevPAR	+0.5%
ADR	(1.4)
Occupancy rate	+1%

PRINCIPAL RISKS AND UNCERTAINTIES

The Company identifies several key business risks and uncertainties that could potentially impact its operations, including market risk, credit risk, liquidity risk and refinancing risk. To effectively manage these risks, the Company implements a robust monitoring system, utilizing various key performance indicators as part of its monthly accounting and management reporting processes. This enables the Company to proactively identify, assess, and mitigate potential risks and challenges.

FINANCIAL RISK MANAGEMENT

The Company recognises the importance of managing financial risks to ensure the stability and sustainability of its operations. Key financial risks include currency fluctuations, interest rate changes, and credit risk. The Company´s financial risk management aims to protect it against unfavourable developments in the financial markets and ensure performance. The management reviews financial risks on a regular basis to secure the financial risk position and decide on necessary actions. Further details of the financial risks are on page 27.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

FUTURE DEVELOPMENTS

Management believes the property will continue successful operations and the Company's immediate parent's, Sunborn London Oyj's, financial performance and debt service capacity to remain stable. Management expects the Royal Docks area to continue positive development and to meet robust demand for hotel rooms and services. London Excel is also developing new operations in the vicinity of the hotel, the new Immerse LDN, set to be UK's largest immersive entertainment district. Parts of this development already opened in Q3 2024 located on the waterfront promenade of Excel, in front of the hotel vessel. The additional footfall and hub of activity in the direct vicinity of the hotel is estimated already to positively impact revenue and visitor numbers.

In conclusion, the Company remains committed to supporting the growth and development of its activities, while also focusing on key strategic initiatives that will drive long-term value creation for all stakeholders. By closely monitoring its KPIs, managing financial risks, and investing in future developments, the group aims to achieve sustainable growth and success in the years to come.

The Strategic report was approved by the board on 30 April 2025 and signed on its behalf by:

....

H Niemi
Director

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024

The directors of Sunborn International (UK) Limited ("the Company") present their annual report and audited financial statements for the year ended 31 December 2024.

Principal Activity

The principal activity of the Company is that of the operation of a luxury floating hotel and restaurant from the yacht, Sunborn London.

Directors

The directors of the Company during the year and up to the approval of the financial statements were as follows:

Pekka Niemi (resigned 12 March 2024)
Javier Bordes (appointed 12 March 2024)
Hans Niemi
Karen Thomson

Dividends

No dividends were declared or paid by the Company during the current period and the directors do not propose a final dividend.

Going Concern

The directors have considered the Company's financial position, liquidity and future performance together with financial projections for the Company together with the group over the foreseeable future, being at least twelve months from the date of the approval of the financial statements. The company had a successful year and Sunborn achieved a strong market position in London. After making enquiries, the directors are satisfied that the Company has or will have sufficient resources to continue in operation for the foreseeable future, being at least 12 months from the date of the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Non Adjusting Events After the Financial Period

Sunborn International Holding Oy, the parent company of Sunborn London Oyj has confirmed its plans to merge with Rush Factory Oyj with the goal of listing the company's shares on Helsinki's Nasdaq First North market in spring 2025 and securing subscription commitments of approximately 11.8 MEUR for the capital increase. The listing will strengthen the company's capital stack and enable the financing and development of new projects, including the planned replacement of Sunborn London yacht hotel.

Since the end of the reporting period, there have been no other matters or circumstances not otherwise dealt with, within the financial statements that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the period subsequent to the year ended 31 December 2024.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Financial Instruments

Details of financial instruments and their associated risks are given in note 21 to the financial statements.

Statement as to Disclosure of Information to Auditor

Each of the current directors who held office at the date of approval of this directors' report confirms that:

- so far as the director is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Reappointment of Auditors

Following a merger of Harmer Slater Limited with Shaw Gibbs (Audit) Limited in November 2024, Harmer Slater Limited resigned as the company's auditors and Shaw Gibbs (Audit) Limited were appointed to act as the company's auditors. Shaw Gibbs (Audit) Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Information included in the Strategic Report

The company has chosen in accordance with Companies Act 2006. s. 414C(11) to set out in the company's strategic information relating to: Financial risks and Future Developments of the business required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch. 7 to be contained in the directors' report.

The directors' report was approved by the board on 30 April 2025 and signed on its behalf by:

....
H Niemi
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the directors to prepare financial statements for each financial year.

Under that law the directors have prepared the group and company financial statements in accordance with UK-adopted international accounting standards.

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUNBORN INTERNATIONAL (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2024

OPINION

We have audited the financial statements of Sunborn International UK Limited (the 'Company') for the year ended 31 December 2024 which comprise: the statement of comprehensive income, statement of financial position, statement of changes in equity, statements of cash flows, and the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024, and of its profit for the year then ended;
- have been properly have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUNBORN INTERNATIONAL (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2024

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUNBORN INTERNATIONAL (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2024

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements;
- we obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our cumulative audit and commercial knowledge and experience of the Company and the hospitality sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We are also required to perform specific procedures to respond to the risk of management bias and override of controls. To address this, we performed analytical procedures to identify any unusual or unexpected relationships; tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates set out in note 5 were indicative of potential bias; and investigated the business rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement to disclosures underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, analysing legal costs to ascertain if there have been instances of non-compliance with laws and regulations

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SUNBORN INTERNATIONAL (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2024

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

USE OF THIS REPORT

This report is made solely to the Company's member, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

……………………………………
Ransford Agyei-Boamah (Senior Statutory Auditor)
For and on behalf of Shaw Gibbs (Audit) Limited, Statutory Auditor
Salatin House
19 Cedar Road
Sutton
Surrey
SM2 5DA

30 April 2025

COMPANY NUMBER 03843168

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024	2023
Continuing operations		**£**	**£**
Revenue	6	10,597,875	10,547,681
Cost of sales		(5,543,400)	(5,336,031)
Gross profit		5,054,475	5,211,650
Administrative expenses	7	(4,862,408)	(4,732,988)
Operating profit		**192,067**	**478,662**
Net Finance income/(costs)	8	(7,871)	12,774
Profit/(Loss) before tax		**184,196**	**491,436**
Taxation		(18,598)	-
Profit /(Loss) for the year attributable to the shareholder		**165,598**	**491,436**
Total comprehensive profit/ (loss) for the year attributable to the shareholder		**165,598**	**491,436**

Profit / (Loss) per share

		2024	2023
		£	**£**
Basic and diluted profit/ (loss) per share	12	1.10	3.28

COMPANY NUMBER 03843168

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	2024 £	2023 £
ASSETS:			
Non-current assets			
Property, plant and equipment	13	229,316	391,366
Right-of-use asset	19	627,244	411,666
Total non-current assets		**856,560**	**803,032**
Current assets			
Inventories	14	126,804	114,774
Trade and other receivables	15	1,687,875	272,431
Cash and cash equivalents	16	762,979	2,039,905
Total current assets		2,577,658	2,427,110
Total assets		**3,434,218**	**3,230,142**
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS:			
Share capital	17	150,000	150,000
Retained earnings		608,480	442,882
Total equity		**758,480**	**592,882**
LIABILITIES:			
Non-current liabilities			
Lease liabilities	19	422,234	330,198
Total non-current liabilities		**422,234**	**330,198**
Current liabilities			
Trade and other payables	18	2,027,014	2,211,526
Lease liabilities	19	226,490	95,536
Total current liabilities		**2,253,504**	**2,307,062**
Total liabilities		**2,675,738**	**2,637,260**
Total equity and liabilities		**3,434,218**	**3,230,142**

ON BEHALF OF THE BOARD:

The financial statements of Sunborn International (UK) Limited were approved and authorised for issue by the board of directors on 30 April 2025 and signed on its behalf by:

....

H Niemi
Director

COMPANY NUMBER 03843168

STATEMENT OF CHANGES IN EQUITY

	Share capital £	Retained Earnings £	Total £
Balance at 1 January 2023	150,000	(48,554)	101,446
Profit for the year and total comprehensive income	-	491,436	491,436
Total comprehensive income for the year	-	491,436	491,436
Balance at 31 December 2023	**150,000**	**442,882**	**592,882**
Balance at 1 January 2024	150,000	442,882	592,882
Profit for the year and total comprehensive income	-	165,598	165,598
Total comprehensive income for the year	-	165,598	165,598
Balance at 31 December 2024	**150,000**	**608,480**	**758,480**

STATEMENTS OF CASH FLOWS

For the Year Ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities		
Profit / (loss) for the year	184,196	491,436
Finance cost	(19,875)	(40,661)
Finance income	27,746	27,887
Depreciation	424,420	364,775
(Increase)/decrease in inventories	(12,030)	(2,496)
(Increase)/decrease in receivables	(1,408,367)	1,193,810
Increase/(decrease) in payables	(210,000)	(3,027,118)
Interest paid	19,875	40,661
Net cash generated from/(utilised in) operating activities	**(994,035)**	**(951,706)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(215,501)	(281,614)
Released at disposal	92,918	-
Net cash used in investing activities	**(122,583)**	**(281,614)**
Cash flows from financing activities		
Repayment of lease liabilities	(160,308)	(135,434)
Net cash used in financing activities	**(160,308)**	**(135,434)**
Net increase/(decrease) in cash and cash equivalents	(1,276,926)	(1,368,754)
Cash and cash equivalents at beginning of the year	2,039,905	3,408,659
Cash and cash equivalents at end of the year	**762,979**	**2,039,905**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. Reporting entity and nature of operation

Sunborn International (UK) Limited ('the Company') is a private Company limited by share capital incorporated in England and Wales under the Companies Act. Its ultimate parent and holding Company is Sunborn Oy, an undertaking incorporated in Finland. The address of the Company's registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on page 2.

Sunborn International (UK) Limited ("Sunborn UK") is acting as a charterer for a luxury yacht hotel "Sunborn London" docked at 'at Royal Victoria Dock in London, the UK ("Yacht hotel"), which it is own by its sister Company Sunborn London Oyj. The Yacht hotel is equipped with 138 cabins, including 5 suites, conference and auditorium facilities for up to 100 delegates, restaurant and two bars. Since 2021 operations consist of acting as the charterer and operator of the Yacht hotel.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted IAS. Details of the Company's accounting policies, including changes during the year, are included in note 4.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the financial statements and their effects are disclosed in note 5.

2.1 Statement of compliance

As a result of the UK leaving the EU, the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685) require all companies with accounting periods beginning on or after 1 January 2024 to apply UK-adopted IAS. In the previous year the Company applied International Financial Reporting Standards as adopted in the European Union (EU-adopted IFRS). Prior year comparatives have not been restated for this change.

On 1 January 2024 UK-adopted IAS and EU-adopted IFRS were identical. Since this date timing differences in endorsement have arisen, however no amendments would be required to these financial statements if they were to be prepared in accordance with EU-adopted IFRS as at 31 December 2024.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments, as described in the accounting policies set out below.

3. Functional and presentational currency

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are summarised below. They have all been applied consistently throughout the year and the preceding year.

4.1 Going concern

The directors have considered the Company's financial position, liquidity and future performance together with financial projections for the Company together with the group over the foreseeable future, being at least twelve months from the date of the approval of the financial statements. The company had a successful year and Sunborn achieved a strong market position in London. After making enquiries, the directors are satisfied that the Company has or will have sufficient resources to continue in operation for the foreseeable future, being at least 12 months from the date of the approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

4.2 Revenue recognition

Revenue represents amounts receivable for food, drinks, accommodation and events provided in the normal course of business, net of value added tax. The Company's revenue comprises the provision of hotel accommodation and events, sale of food and beverage and other revenue. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities. Revenue from accommodation is recognised when rooms are occupied. Revenue from events when the events takes place, revenue from food and beverages is recognised is recognised when these are sold.

4.3 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

4.4 Short term and long term employee benefits

An expense relating to contributions for defined contribution retirement benefit plans is recognised when employees have rendered the service entitling them to the contributions. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company has no obligation to fund any shortfall between the value of these assets and the return that the employees were hoping to earn.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4.5 Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

4.6 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

- Furniture and fittings — 3 years straight line
- Improvements to property — 10 years straight line

4.7 Impairment of assets

Depreciable assets are assessed to determine any decrease in value resulting from events or changes in circumstances indicating that the carrying amount might not be recoverable. An impairment loss is recognised in the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the fair value of the asset less selling expenses and value in use. In assessing impairment loss, assets are grouped at the lowest levels at which there are separate identifiable

cash flows (cash-generating units). For assets that have been previously impaired, testing is conducted on each balance-sheet date on whether reversal should be done.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4.8 Leases

Company as a lessee

At inception of the contract, the Company assesses whether a contract is, or contains, a lease. It recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The right-of-use assets and the lease liabilities are presented as separate line items in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. It is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made on or before the commencement day, less any lease incentives received and plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recognized using the straight-line basis so as to write the cost of assets over the lease term.

Company as a lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as finance lease. The Company recognises a lease receivable at the net present value of the lease payments receivables and derecognises the right-of-use asset when the Company becomes an intermediate lessor in accordance with IFRS 16.

4.9 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.10 Trade and other receivables

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

4.11 Cash and cash equivalents

Cash and cash equivalents comprise bank current account and cash balances. Bank overdrafts that are repayable on demand and form an integral part of the cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows where applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

4.12 Trade and other payable

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

5. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The risk associated with going concern as explained in note 4.1 is considered by management to be the only critical judgement and estimate for investors to understand when considering some of the processes and reasoning that go into the preparation of the Company's financial statements, providing some insight also to uncertainties that could impact the Company's financial results.

6. Revenue

	2024	2023
	£	£
Accommodation and events	6,183,161	5,018,955
Food and beverages	3,726,012	3,601,486
Other revenue	688,702	1,927,240
	10,597,875	**10,547,681**

7. Expenses by Nature

	2024	2023
	£	£
Employment costs	3,142,191	2,714,325
Depreciation & amortisation	424,420	364,775
Legal & Professional	63,194	41,764
Repairs & maintenance	187,708	165,869
Advertising & marketing	180,881	138,426
Bank charges	209,309	204,324
Management fees	-	87,106
Other costs	634,830	1,016,399

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

8. Finance Income/(Cost)

	2024	2023
	£	£
Other interest income	19,875	40,661
Other interest (payable)	(27,746)	(27,887)
	(7,871)	**12,774**

9. Operating Profit for the year

The profit for the year is stated after charging:	2024	2023
	£	£
Depreciation of owned assets	284,634	257,384
Depreciation of right to use assets	139,786	107,391
(Gain)/loss in relation to Sale & Leaseback transactions	(19,198)	-
Auditor's remuneration:		
Audit of these financial statements	9,000	8,500
Other services	8,500	7,200

10. Personnel expenses (including Directors' remuneration)

The average number of employees during the period, including directors were as follows:

	2024	2023
Operations	127	119

The aggregate staff costs of Company employees were as follows:

	2024	2023
	£	£
Wages and salaries	2,835,439	2,795,938
Social security costs	257,095	225,361
Pension costs – defined contribution plans	49,657	53,975
	3,142,191	**3,075,274**

A director charged the Company £24,000 (2023: £25,000) during the year for his services. All other directors were remunerated by other group undertakings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

11. Income tax expense

Recognised in the income statement

	2024	2023
	£	£
Current tax expense		
UK Corporation tax	18,598	-

Reconciliation of effective tax rate	2024	2023
	£	£
Profit / (Loss) before tax	184,196	491,436
Income tax using the UK corporation tax rate of 25% (2023: 19%)	46,049	93,373
Depreciation in excess of capital allowances and depreciation	12,770	48,903
Depreciation in excess of disallowable expense	2,902	3,004
Tax losses (utilised)/carried forward	(38,323)	(161,829)
Tax increase/(decrease) due to profit on disposal of assets	(4,800)	-
Income tax charge	18,598	-

The Company has unrelieved tax losses of £Nil (2023: £153,293) carried forward at 31 December 2024. These unrelieved tax losses are available for tax utilisation against future trading profits. No deferred tax asset is recognised in the Statement of Financial Position in respect of these losses.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 31 December 2024 the tax rate was 25% (2023: the weighted averaged tax rate was 23.5%).

12. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December 2024 was based on the profit attributable to ordinary shareholders of £143,636 (2023: of £491,436) and a weighted average number of ordinary shares outstanding during the period ended 31 December 2024 of £150,000 (2023: £150,000) calculated as follows:

Profit attributable to ordinary shareholders

	2024	2023
	£	£
Profit for the period	165,598	491,436
Profit attributable to ordinary shareholders	165,598	491,436

Weighted average number of ordinary shares

	2024	2023
	Number	Number
Number of shares in issue at beginning of year	150,000	150,000
Weighted average number of ordinary shares in issue for the year	150,000	150,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	2024	2023
	£	£
Earnings per share	1.10	3.28

Diluted earnings per share is the same as basic earnings per share as there were no dilutive instruments.

13. Property, plant and equipment

	Improvements to property	Fixtures & fittings	Total
	£	£	£
Cost			
Balance at 1 January 2023	1,299,904	143,749	1,443,653
Additions	59,138	222,476	281,614
Balance at 31 December 2023	1,359,042	366,225	1,725,267
Balance at 1 January 2024	1,359,042	366,225	1,725,267
Additions	75,130	140,371	215,501
Disposals	(64,000)	(48,115)	(112,115)
Balance at 31 December 2024	1,370,172	458,481	1,828,653
Depreciation			
Balance at 1 January 2023	1,057,874	18,643	1,076,517
Depreciation charge for the period	164,606	92,779	257,385
Balance at 31 December 2023	1,222,480	111,422	1,333,902
Balance at 1 January 2024	1,222,480	111,422	1,333,902
Depreciation charge for the period	116,654	167,987	284,641
Released at disposal	(11,398)	(7,808)	(19,206)
Balance at 31 December 2024	1,327,736	271,601	1,599,337
Net book value			
At 31 December 2023	**136,562**	**254,803**	**391,366**
At 31 December 2024	**42,436**	**186,880**	**229,316**

In order to improve the cashflow of the company the company entered into Sale & Leaseback arrangements during the year.

The hiring of the assets will start on the commencement date and the minimum lease period is 3 years under each agreement. On expiry or termination of the hiring of the assets for any reason , the Lessee shall return the assets to the Lessor. All rentals due under the lease agreement shall be paid by the relevant due dates. Provided that the Lessee is not in default in the payment of any sum payable under or otherwise in breach of the provisions of the lease agreements, the Lessee is entitled to use the assets for the lease term. The cashflow effect is set out on page 14 of the Cashflow Statement.

14. Inventories

	2024	2023
	£	£
Food & Beverage	126,804	114,774
	126,804	**114,774**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

15. Trade and other receivables

	2024	2023
	£	£
Trade receivables	167,409	81,987
Amounts due from group undertakings	1,054,673	-
Other receivables	465,793	190,444
	1,687,875	**272,431**

The carrying value of trade and other receivables classified as loans and receivables approximates fair value. The average credit period for trade receivables is 14 days. The directors consider that the carrying value of trade receivables approximates to their fair value.

The amounts due from group undertakings disclosed as falling within one year are secured, payable on demand and non-interest bearing.

Included within other receivables is a loan of £110,000 and £47,000 to cover the payment of operational expenses to a related party, Sunborn Energy Limited, which is a company registered in the UK and is majority owned by one of the directors of the Company therefore under common control. These amounts due from this related party are disclosed as falling due within one year are secured, payable on demand and non-interest bearing.

16. Cash and cash equivalents

	2024	2023
	£	£
Bank balances	761,579	2,038,405
Petty cash	1,400	1,500
	762,979	**2,039,905**

17. Share capital

	2024		2023	
	No.	£	No.	£
Authorised, allotted, called up and fully paid shares of £1 each	150,000	150,000	150,000	150,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The Company has one class of share capital which carries no right to fixed income.

Reserves

The retained earnings reserve represents cumulative profit or losses net of dividends and other adjustments.

Capital management

The Company is not subject to either internally or externally imposed capital requirements. The Company's objective when managing capital is to provide sufficient resources and to safeguard the Company's ability to continue as a going concern, so that it can continue to increase the value of the entity for the benefit of its shareholder.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

The Company manages capital by regularly monitoring its current and expected liquidity requirements rather than using debt/equity ratio analyses. No changes were made in the objectives, policies and processes during the current or previous year.

The directors consider the Company's capital as follows:

	2024	2023
	£	£
Cash and cash equivalents	762,979	2,039,905
Net cash	762,979	2,039,905
Equity	**758,480**	592,881
Total capital	**1,521,459**	**2,632,786**

18. Trade and other payables

	2024	2023
	£	£
Current Liabilities		
Trade payables	227,029	276,766
Amounts owed to group undertakings	-	65,668
Corporation tax payable	18,598	
Other payables	1,364,332	1,558,375
Accruals	417,055	310,717
	2,027,014	**2,211,526**

Trade payables and accruals comprise amounts outstanding for trade purchases and ongoing costs. The average credit period for trade purchases is 70 days. No interest is charged on overdue amounts.

The directors consider that the carrying value of trade and other payables approximates to their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. Leases

Company is the lessee

On adoption of IFRS 16, the Company recognised a right of use asset and a lease liability related to mooring rights.

Right- of – use assets

	Mooring rights	Other assets	TOTAL
	£	£	£
Cost			
Balance at 1 January 2023	921,275	-	**921,275**
Additions	-	-	**-**
Balance at 31 December 2023	921,275	-	**921,275**
Balance at 1 January 2024	921,275	-	**921,275**
Additions	83,139	272,225	**355,364**
Balance at 31 December 2024	1,004,414	272,225	**1,276,639**
Depreciation			
Balance at 1 January 2023	402,218	-	**402,218**
Depreciation charge for the period	107,391	-	**107,391**
Balance at 31 December 2023	509,609	-	**509,609**
Balance at 1 January 2024	509,609	-	**509,609**
Depreciation charge for the period	129,080	10,706	**139,786**
Balance at 31 December 2024	638,689	10,706	**649,395**
Net book value			
At 31 December 2023	**411,666**	**-**	**411,666**
At 31 December 2024	**365,725**	**261,519**	**627,244**

Lease liabilities

At 31 December 2024 the Company is committed to £648,724 (2023: £425,734) in future lease payments, split between Non-current and current. The carrying amount of the lease liabilities approximate the fair value.

The future lease payments analysed as:

	2024	2023
	£	£
Non-current	526,157	330,198
Current	122,567	95,536
	648,724	425,734

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

19. Leases (continued…)

Amounts recognised in statement of comprehensive income:

	2024	2023
	£	£
Depreciation of right-of-use assets	139,786	107,391
Interest expense on lease liabilities	27,746	27,887
	167,532	135,278

Cash Flows

The total cash outflows for leases amounted to £160,308 (2023: £135,434), split as follows:

- cash payments of £132,561 (2023: £107,547) for the principal portion of the lease liabilities within financing activities; and
- cash payments of £27,746 (2023: 27,887) for the interest portion of the lease liabilities within operating activities.

20. Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £49,657 (2023: £53,975). Contributions totalling £10,261 (2023: £Nil) were payable to the scheme at the end of the year are included in other payables.

21. Financial instruments

The principal financial assets comprise: cash and cash equivalents; amounts due from group undertakings; and trade and other receivables. The financial liabilities comprise: trade payables; amount due the parent undertaking; other payables and accrued expenses. All of the financial liabilities are measured at amortised cost and their financial assets are classified as loans and receivables and measured at amortised cost. The Company held the following categories of financial instruments at 31 December 2024:

	2024	2023
	£	£
Financial assets		
Loans and receivables at amortised cost:		
Amounts owed by group undertakings	1,054,673	-
Other receivables	465,793	190,444
Cash at bank	762,979	2,039,905
Total financial assets	**2,283,445**	**2,230,349**

Liabilities at amortised cost or equivalent:	**2024**	**2023**
	£	£
Trade payables	(227,029)	(276,766)
Amount owed to group undertakings	-	(65,668)
Corporation tax	(18,598)	-
Other payables	(1,364,332)	(1,558,375)
Accruals and deferred income	(417,056)	(310,718)
Total financial liabilities	**2,027,014**	**2,211,527**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

21. Financial Instruments (continued…)

There were no financial assets and financial liabilities that are measured at fair value on a recurring basis at the current or previous year ends. In consequence, no further information has been presented about how the Company establishes the fair values of financial instruments.

The directors determine, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are liquidity risk, credit risk, market risk and interest rate risk each of which is discussed below.

Liquidity risk
Liquidity risk arises from the management of working capital and the finance and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The trade payables, other payables and accrued expenses are generally due between one and three months.

Credit risk
The principal financial assets are bank balances and cash, trade and other receivables. The credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful debts. It is Company policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the statement of financial position date there were no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements (interest rate risk). The Company is not exposed to foreign exchange rate risk as all its financial assets and liabilities are denominated in British pound. The Company has no significant exposure to price risk as it does not hold any equity securities or commodities.

Interest rate risk
Company's interest rate risk principally arises from long-term loan receivable and borrowing. As they bear variable interest rates, they expose the Company to cash flow interest rate risk. On the other hand, not having loan receivables and borrowings at fixed rates, does not expose the Company to fair value interest rate risk. Trade and other receivables and trade and other payables are interest free and with a term of less than one year, so it is assumed that there is no interest rate risk associated with these financial assets and liabilities.

Company's interest rate risk is monitored on a regular basis. Various scenarios are simulated, taking into consideration refinancing, renewal of existing positions and alternative financing sources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Fair values
In the directors' opinion there is no material difference between the book value and fair value of any of the financial instruments.

Classes of financial instruments
The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the accounts. All the Company's financial assets are categorised as receivables and all financial liabilities are measured at amortised cost.

22. Related parties

The Company's related parties are Sunborn group entities controlled by Sunborn Oy and the board of directors of the Company, the board of directors of the parent Company Sunborn Oy together with their close family members, and companies controlled by these individuals.

At the year end the Company was owed by its sister company Sunborn London Oy £1,054,673 (2023: £7,077), Sunborn Saga Oy £nil (2023: £11,366), Sunborn Energy Ltd £nil (2023: £2,995) and its immediate parent undertaking, Sunborn International Holding Oy £nil (2023: (87,106)). These amounts due from group undertakings disclosed as falling within one year are secured, payable on demand and non-interest bearing.

During the year the Company provided a loan of £110,000 and further advances of £47,000 to cover operational costs to a related party, Sunborn Energy Limited. Sunborn Energy Limited is a company incorporated in the United Kingdom and is majority-owned by one of the Company's directors, thereby placing it under common control. These amounts, disclosed as due within one year, are secured, repayable on demand, and non-interest bearing. The outstanding balance due from Sunborn Energy Limited as at the year end was £157,000.

23. Immediate and ultimate parent undertaking

The Company is a wholly owned subsidiary of Sunborn International Holding Oy. The smallest and largest group in which the results of the Company are consolidated is that of Sunborn Oy, the ultimate parent undertaking. The financial statements of which can be obtained from Juhana Hertuan Puistokatu 23, 20100 Turku, Finland.

24. Non adjusting events after the financial period

Sunborn International Holding Oy, the parent company of Sunborn London Oyj has confirmed its plans to merge with Rush Factory Oyj with the goal of listing the company's shares on Helsinki's Nasdaq First North market in spring 2025 and securing subscription commitments of approximately 11.8 MEUR for the capital increase. The listing will strengthen the company's capital stack and enable the financing and development of new projects, including the planned replacement of Sunborn London yacht hotel.

Since the end of the reporting period, there have been no other matters or circumstances not otherwise dealt with, within the financial statements that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the period subsequent to the year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

25. Application of new and revised International Financial Reporting Standards (IFRSs)

(i) New and amended standards adopted by the company:

The company has applied the following standard and amendments for the first time for its annual reporting period commencing 1 January 2024:

Standard or Interpretation	Mandatory effective date (period beginning)
Amendments to IFRS 16: Lease Liability in Sale and Leaseback	1 January 2024

(ii) New standards, interpretations and amendments not yet adopted by the company:

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and amendments is set out below:

Standard or Interpretation	Mandatory effective date (period beginning)
Amendments to IAS 21: Lack of Exchangeability	1 January 2025
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027

The Company has not adopted any Standards and Interpretations in advance of the required implementation dates. It is not expected that adoption of the Standards and Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.