



Sunborn London Oyj: HALF YEAR REPORT FOR JANUARY - JUNE 2021

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Sunborn London Oyj

STOCK EXCHANGE RELEASE

This is a summary of the January - June 2021 half year financial report. The complete report is attached to this release and is also available at www.sunborn.com/press/

Financial summary 1 January - 30 June 2021

Rental Income for the reporting period was in line with the renewed bareboat charter agreement 1.34 MEUR (1.47 MEUR).

Hotel operations were successfully transferred from ISS to Sunborn International (UK) Ltd and performance has been largely in line with management forecast. Hotel occupancy rebounded from mid-May after the relaxation of UK restrictions on hospitality.

In line with the Amendments to the Bond Terms, Sunborn London made an early bond repayment of 5.0 MEUR on the 17th February 2021.

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

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

UK Hospitality Covid 19 restrictions ended in May and the Amendments to the Bond Terms included early repayment of the outstanding bond by 5.0 MEUR, which took place on the 17th February 2021.

Estimate future development

The management has, prior to entering into the Settlement agreement, carefully planned the future business operations including the expected impact and continuation of pandemic restrictions on the hotel's operations and ability to pay rent. Despite the obvious challenges of the pandemic, management believes the property will continue successful operations under the current management and the hotel to be placed in an excellent location, benefitting from the ongoing and continued growth and development of the Royal Docks area and the Excel center.

Despite the Covid-19 pandemic the Sunborn London Oyj's financial performance and debt service capacity is expected to remain stable.

Short-term risks and uncertainties

The Covid -19 outbreak has severely and negatively affecting the tourism market globally. Prolonged Covid -19 restrictions could further impact the Company's business through continued negative impact on the operator. Prolonged crisis could also in the long term impact the fair value of the yacht hotel the Company holds as investment property.

The Company's bond is maturing for repayment on 29th September 2020. Management views the current high yield market conditions to be less favorable due to the higher industry risk and ongoing pandemic risk but financing to be available subject to terms and conditions. ISS Settlement improved the credit metrics of the Issuer, lowering the loan to value and interest payment cover ratio, however also removing a long-term third-party lease agreement, which may impact the terms and conditions and availability of certain types of financing.

Sunborn London Oyj

Board of Directors

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Sunborn Group in brief

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

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

www.sunborn.com

Disclaimer

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

Attachments

- [Download announcement as PDF.pdf](#)
- [Sunborn London-Financial Statements-H1 2021.pdf](#)