



SUNBORN GIBRALTAR LTD: INTERIM REPORT FOR JULY - SEPTEMBER 2023

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STOCK EXCHANGE RELEASE

This is a summary of the Q3 2023 interim financial report. The complete report is attached to this release and is also available at www.sunborn.com/press/

GBP thousand	Q3 2023	Q3 2022	YTD 2023	YTD 2022	FY 2022
Rental income	1 320	795	3 520	2 385	3 180
EBITDA	1 237	744	3 312	2 278	3 034
Investment property (Yacht hotel)			77 628	78 257	78 707
Total equity			5 635	1 881	5 742
Bond			50 304	51 033	51 170

Issuer Sunborn Gibraltar Ltd Financial summary 1 July - 30 September 2023

The Issuer Sunborn Gibraltar Ltd lease income in Q3 2023 from the Operator increased to £1,320M to support higher financing costs. Operational costs were in line with previous year, but interest expenses have increased significantly.

The fair value of the Yacht hotel is at €108.6 Million based on the latest valuation report dated May 2023.

Operator Financial summary 1 July - 30 September 2023

The operator Q3 revenue was level with last year and corresponds well to pre-pandemic years, £3.05M (£M 3.08). Operator profitability is under significant pressure from stagnant tourism and business travel combined with major increases in minimum wage, mooring fees and goods and services. Management focus is on increased revenues and profitability to support higher financing costs but improvements in market conditions and flight volumes are sought.

Business environment

YoY comparing with Q3 period, the corporate segment decreased by -20 % due to local fintech and gaming companies significantly reducing business travel. Sales campaigns during the period led to Leisure (FIT) increasing +66 % YoY, however, MICE was down -36 % with less events and incentives. The Government segment increased +85 % attributed to National Day (Sept 10) attendance from various gov't bodies.

The number of flights decreased to 25 flights per week winter schedule (from 40 flights during summer) as per expected schedule. However, the number of flights still remains well below the years of 2015-2019. The availability, consumer cost and volume of flights into Gibraltar correlates strongly with our hotel room bookings as most Sunborn hotel clients fly into Gibraltar.

Short let apartments in the jurisdiction have increased exponentially in the past two years from approximately ~100 to ~420. In the market where there are 590 hotel rooms, the short-let market has a significant effect on hotel market trading levels and will continue to impact performance unless regulation is introduced.

In May 2023, the hotel was inspected and received the continued AA-rating of Five Star for the hotel and 2 Rosettes for the main restaurant.

Notable events during and after the end of the reporting period and estimate future development

The war in Ukraine continues to impact prices of various items, particularly in food and beverage such as grain related items as well as various supplies which are reliant upon fuel prices that have increased. Management is adapting to the

price increases.

Short-term risks and uncertainties

According to the approved amendment proposal, the final maturity date of the bonds was extended by 18 months to 5 March 2024. The Company has engaged advisors and is in progress of pursuing refinancing in advance of maturity. The current high yield market conditions coupled with jurisdictional environment are clearly challenging and negotiations with potential lenders for refinancing solutions continue.

Floating interest rate risk has not been hedged. High interest rates impact negatively and materially on Sunborn Gibraltar's liquidity.

Continued UK inflationary pressure may cause significant increases in cost of materials and labour, consequently requiring faster than expected price development for our sales and short-term fluctuations in profit margins as the business adapts to volatile market conditions.

Sunborn Gibraltar Ltd
Board of Directors

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Sunborn Group in brief

Sunborn is privately owned and 50 years old group of companies headquartered in Finland. 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 Gibraltar Plc in any jurisdiction.

Attachments

- [Download announcement as PDF.pdf](#)
- [Financial Statements Sunborn Gibraltar Ltd Q3 2023 FINAL.pdf](#)