



**sunborn**

## ***SUNBORN FINANCE OYJ AND SUNBORN SAGA ADAPTING OPERATIONS DUE TO THE IMPACTS OF COVID-19 CRISIS***

26 Mar, 2020 | 18:20 CET

**The spread of the coronavirus (COVID-19) has led to unprecedented and worsening business situation in the hospitality sector all over the world including Finland. Since 12th March, Sunborn Group has been reacting to the unprecedented and sudden change in market conditions and seen through substantial cost reductions to adapt its operations to the situation. This includes closures of several outlets and business operations along with significant reductions in manning levels.**

Between 12th and 25th March 2020 Finnish government issued measures for restrictions of public functions and gatherings, travel and free movement, cessation of government health programs for the working aged and closure of restaurants and bars. The borders of the country have been effectively closed since the announcement of state of emergency on 19th of March.

It is evident that despite a record January and February performance in Sunborn Saga, overall sales during Q1 will be substantially lower than estimated due to the sudden cessation of normal business and that sales development over Q2 will be negative before gradually improving during the H2. Management strategy has been to reduce all possible costs in the immediate term and for the duration of Q2 as we prepare for and anticipate the beginning of a recovery phase, expected Q3-Q4. Sunborn has carried out a number of comprehensive measures to reduce costs and adapt operations to current market conditions and will be reporting on those measures in detail and their effects in due course.

### **Sunborn Finance Oyj and Sunborn Saga Oy**

The group operations in Finland have already reduced its staff by more than 95% through layoffs, both in hotel and restaurant operations and support functions. Also, certain Sunborn Hotels and Restaurants have been or will be closed temporarily or will operate with restrictions. Ruissalo Spa in Turku, Finland was closed on the 19th of March with all staff put on lay-off. Naantali Spa in Naantali, Finland closed down on the 25th of March, leaving NCA Naantali City Apartments and NSR Naantali Spa Residence operational and open for customers, however with limited services. Various Group owned or operated restaurants and event venues have been closed during the past weeks after government restriction on public functions. The outlets that remain open will continue to offer good service for guests with rigorous cleaning and hygiene procedures in place, following the current state regulations and recommendations. Some group restaurants will continue to serve clients on take away and delivery basis and also supplying preprepared meals to be sold in grocery stores.



# sunborn

With these measures in place, Sunborn estimates that the company's running and variable costs will be reduced by more than -92% from April and fixed costs by -56%. We are working intensively to implement further cost reductions and to secure our cash flow and reserves. Investments and ongoing projects have been put on hold and tax payments have been deferred in line with tax deferral programs as per tax office and government bulletins. Property owners have been approached to agree temporary rent payment or deferral solutions to adapt rents to the current market situation.

Sunborn Group management is preparing a detailed information package to our investors on the actions and procedures so far taken and planned for the future. We are preparing to host investor updates over the next weeks.

ENDS

**For more information, please contact:**

Hans Niemi, Group Director  
Email: [hans.niemi@sunborn.com](mailto:hans.niemi@sunborn.com)  
Phone: +358 2 4454 511

This information is information that Sunborn Gibraltar Ltd. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 18:20 on 26<sup>th</sup> March 2020

**About Sunborn Group**

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](http://www.sunborn.com)