

sunborn
YACHT HOTELS

“SUNBORN LONDON”

LUXURY YACHT HOTEL

Valuation Report



06th of July 2021



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INDEX

1. PURPOSE OF THIS REPORT	1
2. VESSEL PARTICULARS	3
2.1 General description	3
2.2 Main characteristics	4
2.3 Main dimensions	4
2.4 Certificates and classification	5
2.5 Capacities and services on board	5
2.6 Building areas	6
2.7 Main machinery and services	7
2.8 Accommodation	10
2.9 Fire fighting	17
2.10 Mooring equipment	18
2.11 Video surveillance and access control	19
3. UPGRADING WORKS	20
4. VALUATION. Cost approach technique	21
4.1 General market analysis	21
4.2 Market circumstances	23
4.3 Luxury large yachts and cruises	24
4.4 Additional comments	25
4.5 SHIP VALUE (Cost approach)	26
5. VALUATION. Net Present Value technique	28
5.1 Net present value technique	28
5.2 Calculations and assumptions	28
5.3 SHIP VALUE (NPV technique)	31
6. VESSEL/HOTEL VALUE	32
7. FINAL REMARKS	33

Disclaimer

This analysis has been carried out with the information received from SUNBORN, the designer or some of the main suppliers involved in the construction and operation of the yacht hotel. Any mistake in the wording or failures of any kind in the documents or information given in this analysis cannot in any matter be any cause for responsibility or liability whatsoever for ALTUM, Ingeniería y Servicios, S.L. ALTUM specifically disclaims all warranties, express or limited, derived of incorrect or hidden information or misunderstanding of some of the used documents for the preparation of this valuation.

Confidentiality

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1. PURPOSE OF THIS REPORT

This report is carried out on the request of the present shipowner of the floating yacht hotel, the Finnish firm **Sunborn London Plc** (hereunder “**Sunborn**”) (www.sunborn.com).

Sunborn International Holding – part of the Finnish based **family enterprise** Sunborn Corporation – currently **owns two Super Yacht** properties (*Sunborn Gibraltar & Sunborn London*) and has implemented an **expansion plan** with locations in several other major cities in the **Americas, Asia and Europe**.

Sunborn is over 40 years old, privately owned company, with decades of experience in the hospitality sector. Finnish company is focused on the development of luxury spa and yacht hotels, restaurants and other high-quality properties.

Since 2009, several valuation reports have been developed by ALTUM according to variations of market situation, new locations, agreement with Danish company ISS Facility Services, Ltd., etc., and additionally to upgrades and onboard investments carried out by shipowner, which in some cases justify variations of asset's value.

Finnish group took over the management of the hotel past March 1st, 2021, which was previously operated by ISS.

The floating hotel remains since 2014 moored at London, on the waterfront at the western end of the Royal Victoria Dock, within a short walk of the main entrance of ExCel London. SUNBORN LONDON is 7 minutes' drive from London City Airport and a 6-minute drive from the iconic Canary Wharf.

The floating hotel was towed to its location in London on April 2014, after several upgrading works carried out at Damen Schelde Shipyard, Vlissingen (The Netherlands).

This valuation is the result of combining two techniques; by considering the hotel as a vessel, and calculating depreciation from an initial value (cost approach), and secondly with NPV (Net Present Value) to determine all future cash flows generated by the floating yacht hotel.

New onboard inspection has not been considered necessary for this valuation, and information for this report has been supplied by client.

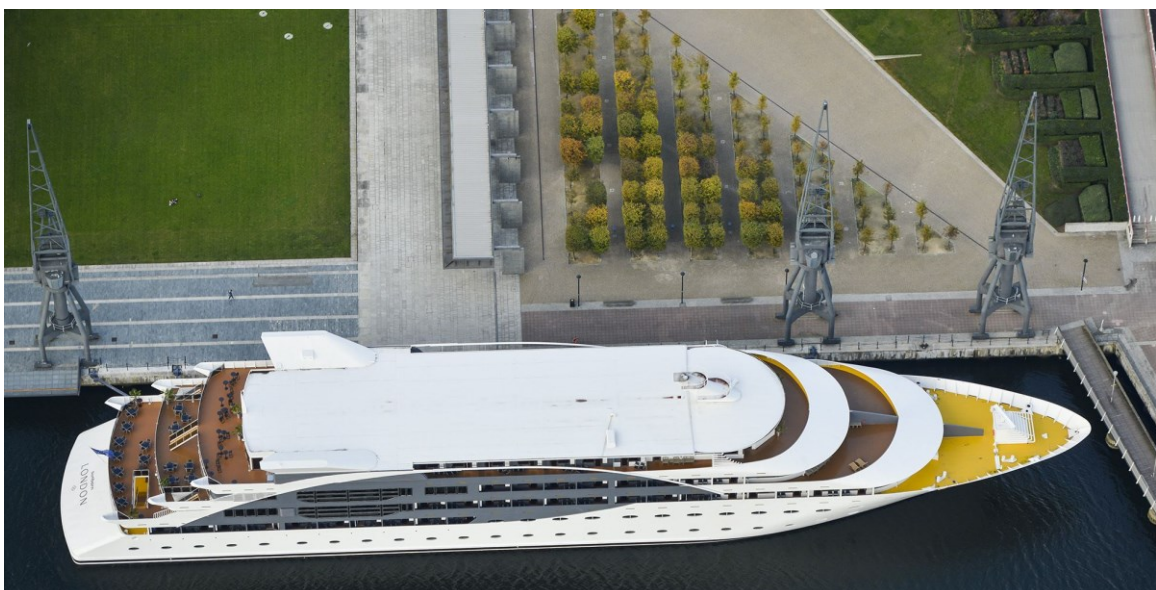
For valuation, SUNBORN has provided several information, regarding to asset and estimates and projections with respect to the anticipate performance of London yacht rental operations.

Sunborn is set to grow its fleet in the coming years and is investing further in developing the yacht hotel concept.

2. VESSEL PARTICULARS

Following sections will describe the current main characteristics of the Yacht Hotel.

2.1 General description



2.2 Main characteristics

Name _____	SUNBORN LONDON
Type of vessel _____	Non propelled barge yacht hotel
Shipyard _____	Kvaerner, Rostock (C-404)
Year of built _____	2003
Shipowner _____	Sunborn London Plc
Hotel operator _____	Sunborn International UK Ltd.
Port of registry _____	Naantali (Finland)
IMO n° _____	8971853
Call Sign _____	OJHF

2.3 Main dimensions

Length overall _____	119,02	metres
Breadth _____	18,40	metres
Height (to deck 2) _____	5,95	metres
Gross tonnage _____	7264	GT
Net tonnage _____	2420	NT
Displacement _____	2.750	m ³
Hull material _____	Steel	



2.5 Capacities and services on board

Accommodation _____	136 cabins (131 staterooms + 5 suites)
N° of decks _____	5 decks
Tank capacities _____	Sewage 238 m ³ Ballast water 497 m ³ Oil tank 24,2 m ³
Ambient conditions _____	Summer OUTSIDE: +44 °C SEAWATER: +30 °C Winter OUTSIDE: -25 °C SEAWATER: 0 °C
Electric voltage _____	3 x 400 V – 50 Hz <i>for power generation and main consumers</i> 230 V – 50 Hz <i>for lighting and smaller consumers</i> 24 V – DC <i>for automation, alarms and safety.</i>

2.6 Building areas

Hotel _____	4.500	m ²
Restaurant _____	600	m ²
Kitchens _____	80	m ²
Conference _____	400	m ²
Reception & office _____	70	m ²
Common areas _____	1.000	m ²
Technical / storage _____	1.600	m ²
 TOTAL _____	 8.250	 m²

2.7 Main machinery and services

Most of machinery installed onboard is fitted at zero deck (heat exchange room, electrical mains board, sprinkler system, AC and ventilation machinery, etc)

2.7.1.HEATING SYSTEM

Every space on board (cabins, public areas, zero deck, etc.) is equipped with a warm water radiator, with a heating connection ashore.

As well, a reservation has been made for alternative heating source through an integrated boiler of approximately 1.900 kW fitted on zero deck.

2.7.2.AIR CONDITIONING AND HEATING SYSTEM

The yacht hotel is equipped with water cooled Carrier AC system with cooling and electrical heating capability.

2.7.3.LIFTS

3 SEMAG elevators/lifts are installed by Schindler.

Two hydraulic elevators are for customers with a total capacity for each one of 1000 Kg. /13 persons. These two elevators serves from 1st to 5th deck and are decorated in brass, mirrors and Axminster carpets.

One service elevator serving from 0 deck to 5th deck and with same capacity of others.



2.7.4.POWER DISTRIBUTION

The vessel is designed with voltage 230/400V distributed to the main electrical centre of the vessel through on-shore power connection supply 3-PHASE 400/230V, 50Hz. A reservation for on-board generators exists. Cabling is 400/230V, 50 Hz, 5-wire shore connection cable. The electrical connection is equipped with alarm against faulty connection. Distribution boards are:

- Main switchboard 400/230V, 50Hz
- Distribution boards for power and lighting 400/230V, 50Hz
- Distribution boards for lifts 400/230V, 50Hz
- Distribution boards for cabins 400/230V, 50Hz
- Connection box for auxiliary generator (n/a)

The main electrical centre has 630A and is located on the deck 0 in a main electric room. The connection centre to the landside network is located on deck 2. Electric main switch board is arranged behind the reception. The connection to landside is a 5-cable system. Each deck has two separate distribution centres. Each room has its own electrical group centre in the service triangles including relays for steering the lighting and fuse box.

Distribution centrals are arranged in each level in the room adjacent to the service elevator AC 440 V, 60 Hz, 3 phases for large equipment. Sockets for welding machines are provided in main linen room workshop and on deck 5 aft. AC 230 V, 50 Hz, 3 phases for general equipment. In main switchboard layout preferential overload tripping functions are built-in with remote alarm indication to reception office and connection to landside maintenance room.

2.7.5.AUTOMATION SYSTEM

The vessel is equipped with Honeywell EXCEL Building Supervisor XPS – property management system. The XPS is controlled from computer station DELL Optiplex 755 located in central technical office on zero deck. The XPS functions to:

- Control, measuring and indication of HVAC systems
- Control, measuring and indication of PUMPS
- Control and indication of FIRE DOORS
- Control of general and deck LIGHTING
- Control, measuring and indication of BALLAST TANKS
- Indication of ALARMS FROM LIFTS

2.7.6.WASTE HANDLING

The sewage water from all showers, wash basins, toilets and kitchen is discharged into three grey water tanks by gravity. Septic collecting tanks are of following capacities: Stern 60.7 m³, Midship main 133.9 m³ and Bow Auxiliary 44.6 m³ (in total 238.0 m³). The aft and aux tanks are pumped via the midship tank into landside systems. Every pump has a spare auxiliary pump. The three (+3 spare ones) septic pumps are used synchronized. The aft and bow pumps have capacity of 30 m³/h-2 bar/each. The main pumps pumping out to main sewage line have capacity of 60 m³/h-2 bar/each. The Sanitary discharge is to be pumped into an existing system on shore. Holding tank has a capacity for a week on average use.



2.8 Accommodation

2.8.1. THE CABINS

There are 136 cabins on board, including 5 suites or high class cabins. All rooms are outside type and includes bathroom.

Standard Rooms and Suites are both decorated with high class materials to suit demanding taste. Features include custom made wooden cabinets and drawers decorated in veneer intarsia/inlay made in Italy with an exclusive design, specially designed Brinton's carpeting and top-line fabrics for soft furnishings. The vessel is extremely well insulated and this reflects in better than average noise protection.

Room doors are B-15 (*fire retardant*) certified also reducing corridor noises. All windows are Scandinavian standard double / triple glazing. The rooms have individual air-conditioning convectors by Carrier and two separate heating systems.



<i>Room type</i>	<i>Surface (m²)</i>	<i>Quantity</i>	<i>Nº persons</i>	<i>Total capacity</i>
Royal suite	61,5	2	4	8
Owner's suites	43,3	2	4	8
Wheel house suite	56,7	1	2	2
State rooms w/bathroom	30,1	70	4	280
Executive state rooms w/bathroom	25,0	14	2	28
Staterooms w/bathroom and balcony	27,2	47	4	200
TOTAL		136		526



2.8.2. PUBLIC AREAS

Auditorium. Sited at the fore part of the vessel and along two decks (1st and 2nd decks). Designed to accommodate between 50-60 guests, the auditorium is equipped with the latest conference and communications technology to facilitate smooth presentations and information-sharing activities. The conference room is air conditioned and can be darkened using electrically controlled curtains. There are also cabinets for storing the necessary equipment and arranging buffet for snacks/coffee. From the conference room there is a door leading to the balcony outside.



Conference room. Sited on deck 4, can be combined into one larger conference room by opening the sliding wall. Room can also be opened to the restaurant.



Lounge bar.

Has a capacity for maximum 193 persons, and the terrace has further capacity of approximately 50 persons. T



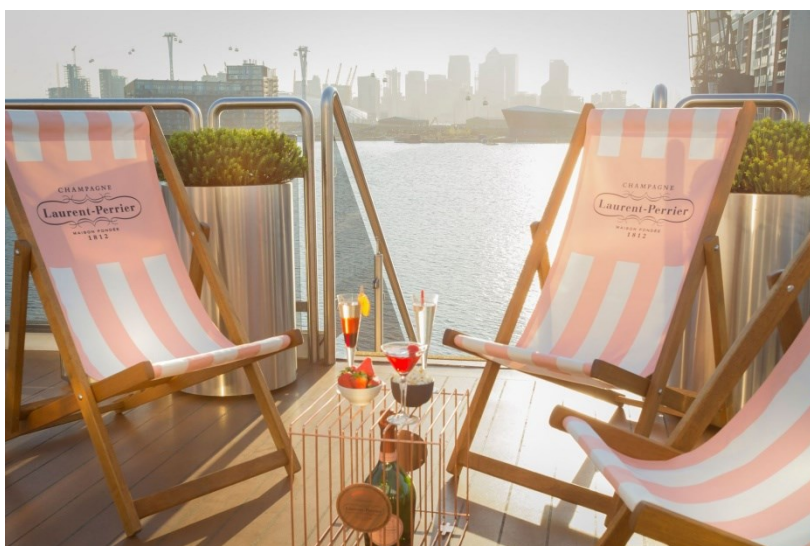
Restaurant. Located on the 4th deck, it has been designed for high quality fine dining. The restaurant in normal set-up can seat up to 100 persons in the dining lounge. The lounge is connected to conference room 2 and 3, thus allowing extension of dining facilities for up to 150 seats



5th deck cocktail area (ex-Captain's club).

Situated at the theoretical wheelhouse (deck 5), is a private lounge with a separate sauna area. The lounge has comfortable leather furniture for 14 people arranged around 2 coffee tables with inlay design. The walls are panelled with wooden panels in marine motif. The lighting is tastefully arranged with halogen lights and table lamps. There is a cabinet system with conference equipment for smaller gatherings, refrigerator for beverages and space for other necessary items. There is a TV cabinet with VCR and radio/CD sound system.

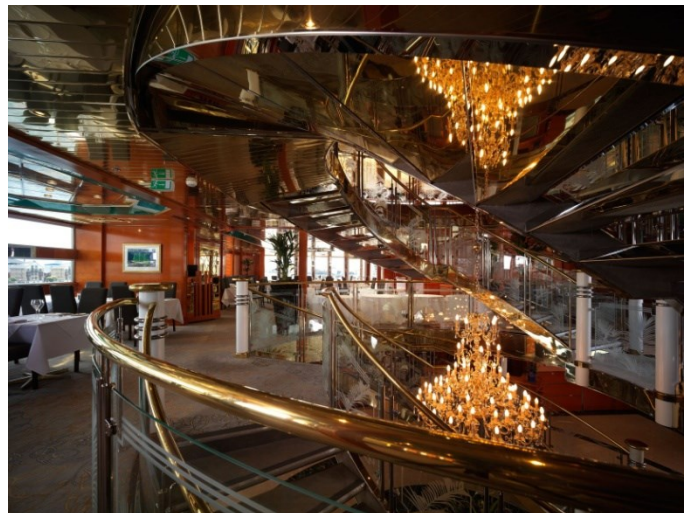
The lounge has access to a private stern terrace with outdoor furniture. The lounge includes two separate bathrooms. The dressing room has space for 14 people. It is decorated in alder panelling. It is equipped with floor heating for comfort. There are 5 wardrobes and hooks with shelves for changing into bathing gear. There is a mirror with table beneath it with hair dryer. An inlay table with marine motif is an ideal decoration.



At 5th deck there is also a spa area "Symphony Spa", offering guests with a relaxing break and all spa treatments.

The Sauna is panelled in apache wood. The Sauna stove is in the middle of the room with fibre optic lights arranged above it. The Sauna has large panorama windows in triple glass.





2.10 Mooring equipment

The vessel has welded bollards, chocks and one emergency fore anchor located on Starboard-side Bow.

This anchor is only for an emergency situation, but not for standard anchoring, as the vessel does not fit mooring equipment (windlass or capstan).

For mooring the vessel at shore, two possibilities can be arranged.

- Conventional mooring with ropes
- By means of mooring dolphins (The barge includes places where introduce the dolphins through over)





3. UPGRADING WORKS

Since last valuation report developed on May 2018, and according to information supplied by shipowner, following investment was carried out onboard:

Description	Amount (€)
• Refurbishment	€ 63.953,49
<i>Decorating Painting</i>	
• Drainage System Deep Clean	€ 29.069,77
<i>New waste management system</i>	
• Electrical Works	€ 48.837,21
<i>Electrical upgrades in rooms, new energy saver system, electrical board upgrade</i>	
• Electrical Materials/Parts	€ 18.604,65
<i>LED light conversion</i>	
• Glazing	€ 32.558,14
<i>New thermal glazing</i>	
• BMS	€ 75.581,40
<i>BMS System Upgrade</i>	
• Onity	€ 46.511,63
<i>New locking system replacement</i>	
• Sunborn Oy	€ 5.232,56
<i>Parts</i>	
• A/C	€ 11.627,91
<i>honeywell system replacement</i>	
• French Polisher	€ 48.837,21
<i>New fixed furniture for public areas</i>	
• Flooring	€ 11.627,91
<i>Replacement of carpet with wood floor</i>	
• Fire System	€ 52.325,58
<i>New upgraded Siemens fire system/fire panels</i>	
• Lifts	€ 69.767,44
<i>Lift system renovation and new motor and pump systems</i>	
• Extraction system	€ 17.441,86
<i>Additional Extraction system in the Kitchen</i>	
• Luggage room	€ 11.627,91
<i>Modification to the luggage room</i>	

From total cost and investment, we have considered approximately 300,000€ which directly can be attributed to vessel's value.

4. VALUATION. Cost approach technique

This technique is based on considering cost of building of the hotel/vessel and applying corresponding cumulative depreciation.

First of all, an overview to market is developed, with special focus on luxury sailing cruises (which are the most similar units to our yacht hotel).

4.1. General market analysis

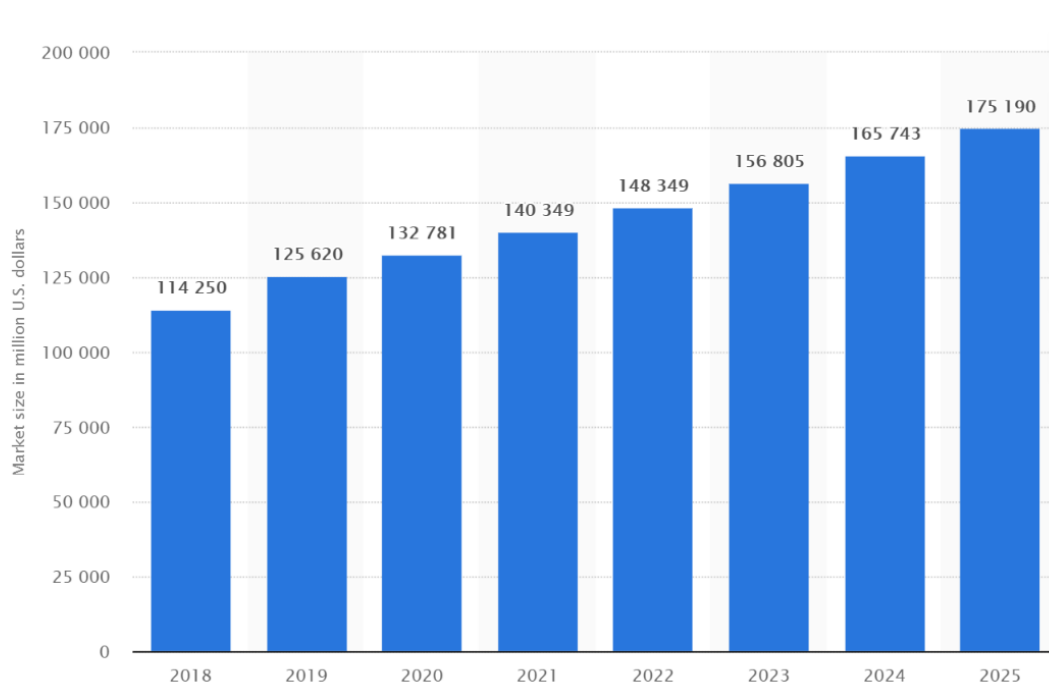
The Ship Building market was valued at USD 126 billion in 2020 and is anticipated to reach USD 167 billion by 2026, at a CAGR of more than 4%, during the forecast period (2021 – 2026).

The outbreak of COVID-19 has affected the shipbuilding sector in several countries. The negative impacts of the pandemic were seen in the global ship supply chains. Considering the longer timelines involved in the development of ships, the delays are expected to result in extra expenditures for the shipbuilders.

However global shipbuilding market is expected to grow in the future due to increasing seaborne trade and economic growth, rising energy consumption, the demand for eco-friendly ships and shipping services, and the advent of robotics in shipbuilding.

As a consequence of environmental and regulatory pressure, the shipping industry is expected to give priority to eco or super-eco designs going forward.

Following figure shows size of the global shipbuilding market in 2018 with a forecast for 2019 to 2025 (in million U.S. Dollar):



Source: STATISTA

Cruise ship contracting came to a halt following the Covid pandemic. Still, European shipbuilders enjoy a comfortable cruise orderbook stretching into the mid-2020s.

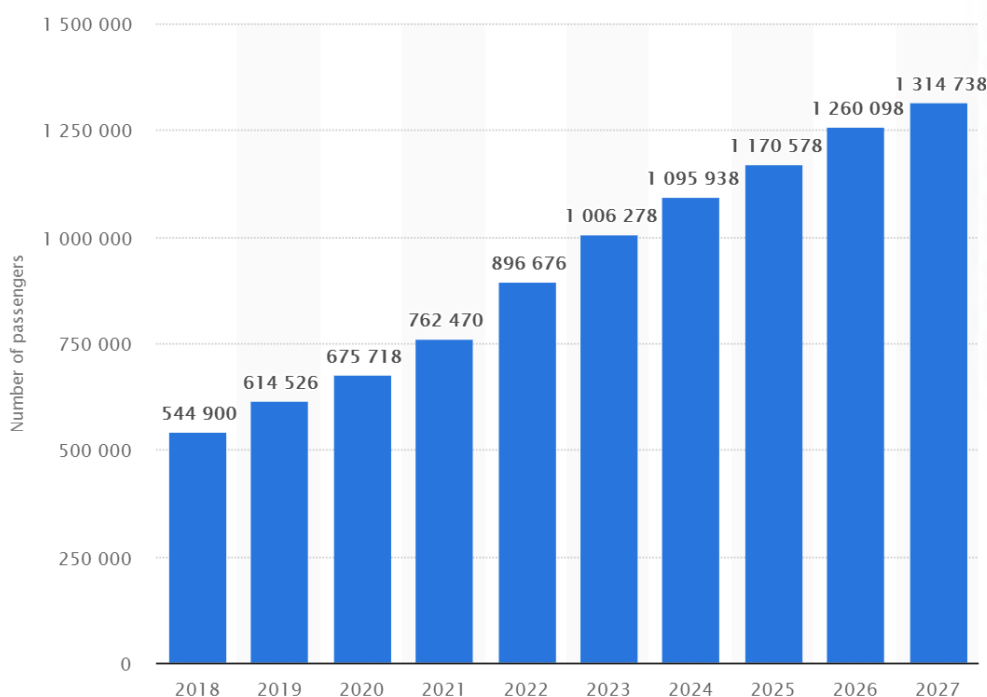
4.2. Market circumstances

The calculation of the value of a vessel is a complex matter, because is influenced by several circumstances, some of them contradictories. Those circumstances are:

- ▶ Economic general situation: the shipping market follows the offer and demand laws, which are affected by the economic situation of the different countries. 2020 and 2021 are suffering impact of COVID-19 pandemic, and book rate have decreased dramatically.

But if we attend to 2019 estimations, the global market capacity of luxury cruise ships was expected to increase from about 615,000 passengers in 2019 to over 1.3 million passengers in 2027.

Obviously, these figures should be reviewed to account effect of pandemic, but in any case, shows an exponential growth in the next years, will for sure will get back once pandemic is controlled.



Estimated passenger capacity of luxury cruise ships worldwide from 2018 to 2027

Source: STATISTA

4.3. Luxury large yachts and cruises

We have previously analysed the general cruise vessel market, but special attention must be paid to the luxury sailing vessels, which has some main difference from others:

- 100% of first class cabins onboard
- All cabins are outside cabins (with window or balcony)
- Higher space ratios than large cruise vessels.
- Personalized service
- Less than 200 passengers capacity
- Unique experience for sailing enthusiasts (offer an intimate atmosphere with the opportunity for a genuine sailing experience).
- all-inclusive beverages, including fine wines and champagnes as well as spirits
- For modern vessels, diesel electric propulsion, ensuring noise and vibration reduction onboard.

It is expected that 40 new luxury ships will debut in the next seven(7) years.

The luxury cruise market is changing. It is becoming younger, more active and adventurous, offering access to new exotic destinations, and delivering the service and quality they are known for on brand new elegant and sophisticated purpose built ships.

Clients are now requiring a higher level of service, elevated cuisine, better quality, and a more sophisticated cruise experience – and they are willing to pay for it.

The sophisticated cruiser wants to forget the water slides and bumper cars, crowded pool decks, and just average food. They aren't looking for gimmicks. They are rethinking cruising. For them the ship is a vessel to take them to new exotic destinations which offer experiences they've only dreamed of (or maybe hadn't even thought of before talking with us).

4.4. Additional comments

SUNBORN LONDON can also be considered as a hotel (and not as a floating unit or yacht).

For this case, several approaches or techniques can be selected, by using information as occupancy rates, average rate, RevPAR, etc.

But is ALTUM's consideration that **SUNBORN LONDON** is closer to a yacht, than to a conventional hotel, taking into account following factors:

- It was designed as a vessel, complying with maritime regulations and according to international standards.
- Yacht is equipped with anchoring&mooring equipment (bollards, chocks, anchor, etc.), to fixed **SUNBORN LONDON** to any quay.
- Yacht can be towed and transported to any location, looking for optimal site in terms of business, market demand, etc.

Therefore, value of **SUNBORN LONDON** based on market real state, has not been considered in this document.



4.5. SHIP VALUE (Cost approach)

For the appraisal of the Floating Yacht Hotel, we will base our analysis on previous reports developed on 2009, 2014, 2018,2019 and 2020.

In 2009, before upgrading works, valuation was in a gap of 41.5 - 44 millions of Euros.

In 2014, after upgrading works (complete overhaul refurbishment carried out at *Damen Schelde Shipyard*), value of vessel was estimated in 43 millions of Euros. SUNBORN decided to refit the floating hotel for the new location at London.

In addition, we will also consider for the initial vessel value the total investment of 2019, estimated in 300,000€, and therefore, initial value considered for depreciation calculations is 43,300,000 €.

For this valuation following factors are considered:

- ▶ Type of depreciation: **CONSTANT**

For selecting constant depreciation, following considerations have been taken into account:

- Vessel is not a conventional sailing vessel, and will be permanently moored along quayside.
- Vessel is not equipped with usual equipments onboard as main engine, generators, propeller, shaft line, which are in most of case those to have excellent maintenance and need to be overhauled periodically.
- SUNBORN Hotels is a leader company at luxury market, where permanent upgrading of rooms and public spaces is required.

In fact, for SUNBORN LONDON, constant depreciation gets closer to real scenario, considering an equal amount of an asset's cost to each year of its expected useful life.

- ▶ Residual value: **15%**
With similar previous arguments, we must remark that depreciation of the asset will not be the same as a sailing vessel.
- ▶ Years: **30**
For a vessel built in 2003 and refurbished in 2014, 30 years of period meets with current status..

YEAR	CONSTANT
2014	43.300.000,00 €
2015	42.073.166,67 €
2016	40.846.333,33 €
2017	39.619.500,00 €
2018	38.392.666,67 €
2019	37.165.833,33 €
2020	35.939.000,00 €
2021	34.712.166,67 €
2022	33.485.333,33 €
2023	32.258.500,00 €
2024	31.031.666,67 €
2025	29.804.833,33 €
2026	28.578.000,00 €
2027	27.351.166,67 €
2028	26.124.333,33 €
2029	24.897.500,00 €
2030	23.670.666,67 €
2031	22.443.833,33 €
2032	21.217.000,00 €
2033	19.990.166,67 €
2034	18.763.333,33 €
2035	17.536.500,00 €
2036	16.309.666,67 €
2037	15.082.833,33 €
2038	13.856.000,00 €
2039	12.629.166,67 €
2040	11.402.333,33 €
2041	10.175.500,00 €
2042	8.948.666,67 €
2043	7.721.833,33 €
2044	6.495.000,00 €

Approximate price for SUNBORN LONDON (in June 2021) is:

34,712,000 €
**(THIRTY-FOUR MILLION SEVEN HUNDRED
TWELVE THOUSAND EUROS)**

Cost approach technique

5. VALUATION. Net Present Value technique

5.1. *Net present value technique*

This technique is based on the principle that the value of a property is indicated by its net return, or what is known as the "*present worth of future benefits*". The future benefits of income-producing properties, such as hotels, are the net income estimated by a forecast of income and expense along with the anticipated proceeds from a future sale. These benefits can be converted into an indication of market value through a capitalization process and discounted cash flow analysis.

5.2. *Calculations and assumptions*

The calculations presented are based on the material received from Sunborn and information obtained from financial information databases and other public sources. ALTUM has assumed that the financial and other information used by it regarding the vessel/hotel is correct and complete.

The income approach has been applied by using a discounted cash flow (DCF) method. The income approach is based on future expectations and earning power of the development company and is sensitive to changes in particular assumptions as shown in the sensitivity analysis conducted as a part of calculations.

In other words, DCF analysis attempts to figure out the value of a company or an asset today, based on projections of how much money it will generate in the future.

In this section, valuation is based solely in future bareboat charter incomes, and therefore no vessel value is accounted.

The net present value analysis of the vessel/hotel does not include any income tax. However, calculations for the net present value of the vessel include taxes (UK corporate tax rate) to highlight the market determined approach for the cash flows.

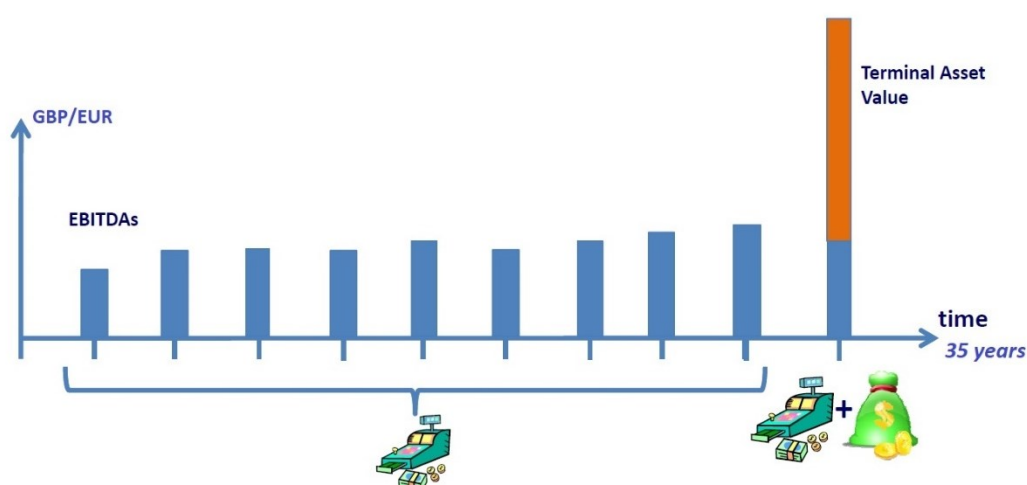
▶ Calculation of NPV

The total NPV is assumed to comprise from three parts;

- i. NPV of the bareboat charter incomes (01/01/2021 – 30/04/2049)
2340 GBP/year
- ii. NPV of the future leases (01/05/2049 – 31/12/2054)
- iii. NPV of the residual value (€5 million, based on SUNBORN estimations). The terminal value is discounted by using the same discount rate as within the forecast period.

▶ DCF (discounted cash flow) approach;

- i. It is assumed a holding period of 35 years.
- ii. We assume a sale at the end of year 35 (terminal asset value)



▶ Calculation INPUTs;

- i. Exchange rate (GBP/EUR) 1,18
- ii. Index increase from 2021 1,8%
- iii. Insurance 114,000 GBP/year
- iv. Operating expenses 53,000 GBP/year

NPV of cash flows attributing to SUNBORN LONDON

GBP'000	2021	2022	2023	2024	2025	2026	2027	...	2051	2052	2053	2054
Bareboat Charter income	2.340	2.382	2.425	2.469	2.513	2.558	2.604		3.996	4.068	4.141	4.216
Total revenues	2.340	2.382	2.425	2.469	2.513	2.558	2.604		3.996	4.068	4.141	4.216
Maintenance reserve	(61)	(62)	(63)	(65)	(466)	(67)	(68)		(104)	(106)	(108)	(110)
Insurance	(114)	(116)	(118)	(120)	(122)	(125)	(127)		(194)	(198)	(202)	(205)
Other operating expenses	(53)	(54)	(55)	(56)	(57)	(58)	(59)		(90)	(92)	(93)	(95)
EBITDA	2.112	2.150	2.189	2.228	1.868	2.309	2.351		3.607	3.672	3.738	3.805
Discount factor	0,95	0,91	0,86	0,82	0,78	0,75	0,71		0,22	0,21	0,20	0,19
Present value of EBITDA (£)	2.012	1.950	1.891	1.833	1.464	1.723	1.671		795	771	747	724

NOTE: Assume the cash flow occurs in the middle of the year instead of the end of the year

Valuation (A)

Valuation based on balance sheet residual vessel value

NPV of EBITDA backlog	37.994	
Residual value discounted	15.638	▼
Vessel value	53.633	GBP

Valuation (B) based on terminal value of charter contract

NPV of charter payments	37.994	
NPV of new leases	3.855	
Terminal value	2.529	▼
Vessel value	44.378	GBP

5.3. SHIP VALUE (NPV technique)

We will use average value from both valuations (A and B), which are previously converted into Euros and according to change rate of 30th of June 2021.

For conversion from GBP to EUR, we will use data from European Central Bank:

Pound sterling (GBP)

30 June 2021
GBP 1 = EUR 1.1654 +0.0019(+0.2%)

Change from 30 June 2021 to 30 June 2021

Min (30 June 2021)	Max (30 June 2021)	Average
1.1654	1.1654	1.1654

Select: GBP vs. EUR

Period: 30/06/2021 01/07/2021 Zoom: 1m 6m 1y 10y all

Source: European Central Bank

Vessel valuation (€)

A. Valuation based on balance sheet residual vessel value	€ 62.504
B. Valuation based on terminal value of charter contract	€ 51.718
	€ 57.111

In addition, we will apply sensitivity analysis to our calculations:

<u>Vessel valuation (€)</u>	<u>Value (€)</u>	<u>Sensitivity</u>	<u>Value (€)</u>
A. Valuation based on balance sheet residual vessel value	€ 62.504	25%	€ 15.626
B. Valuation based on terminal value of charter contract	€ 51.718	75%	€ 38.789
	€ 57.111		€ 54.415

Based on the sensitivity analysis the net present value of SUNBORN LONDON is approximately 54,4 M€.

54,415,000 €
(FIFTY-FOUR MILLION FOUR HUNDRED FIFTEEN THOUSAND EUROS)

NPV technique

6. VESSEL/HOTEL VALUE

As explained in this document, two (2) different techniques have been applied to estimate value of SUNBORN LONDON.

There are some additional techniques, that are used in valuation of hotels: sales comparison approach, market comparison approach, economic added value, etc.

But as stated in several references and publications, *“the income capitalization approach generally provides the most persuasive and supportable conclusions when valuing a lodging facility”*.

Therefore, we will assign different weight to each valuation technique as follows:

	Value (€)	Technique	Weight (%)
A	34,712,000 €	<i>cost approach</i>	35%
B	54,415,000 €	<i>NPV</i>	65%

And obtain a value of 47,518,950 €.

We can conclude that on **30th of June 2021**, value of the vessel is:

47,415,000 €
***FORTY-SEVEN MILLION FOUR HUNDRED
 FIFTEEN THOUSAND EUROS***

7. FINAL REMARKS

This report has been drawn up with the information supplied by shipowner (SUNBORN), and based on the experience of the author, but without accepting responsibility neither for any incorrect, incomplete or non provided information, nor for the results of their evaluation or any possible unintended errors committed in its preparation.

Finally, the Author of this Report is a Senior Naval Architect with more than 20 years of experience, collaborating with shipowners and shipyards in all kind of vessels. As Managing Director of ALTUM, I am leading a team of professionals, with several years of experience at maritime field.

ALTUM, Ingeniería y Servicios is an engineering and consultancy company established in 2003 by recognized professionals, offering a diverse range of services for marine sector. At present we have offices in Huelva and Madrid (SPAIN).

ALTUM has a large background working for insurance companies, shipping brokers, shipyards, shipowners, banks, etc. Our company prepares pre-purchase inspections, valuation reports, market reports, etc. as requested by the clients.

As well, our personnel is certified as Claim's Agents (Spanish Merchant Marines Professional Association and Lloyds Academy) for all kind of averages.

Madrid, 6th of July of 2021

Daniel Santos

MSC in Naval Architect & Marine Engineering