FINANCIAL STATEMENTS Q1 2019
29/05/2019

sunborn

Key Figures (IFRS) - Issuer Sunborn Finance Oyj

EUR thousand	1 Jan- 31 Mar 2019 (3 months)	1 Nov 2017 - 31 Mar 2018 (5 months)	1 Nov 2017 - 31 Dec 2018 (14 months)
Revenue	907	1 451	4 136
EBITDA	651	1 197	3 295
Investment property (Spa Hotels)	63 500	63 500	63 500
Total equity	5 485	8 735	6 374
Bond	48 922	48 596	48 883

Key Figures (FAS)- Operator Sunborn Saga Oy

EUR thousand	1 Jan- 31 Mar 2019	1 Jan- 31 Mar 2018	1 Jan - 31 Dec 2018
Revenue	5 110	4 926	25 672
EBITDA before rent and group admin	170	25	4 115

Executive Director, Hans Niemi

The year for Sunborn Finance Oyj and underlying operations in Naantali and Ruissalo Spa hotels commenced positively in line with management expectations. Total revenue increased +3.7 % and EBITDA for Q1 increased by 0,15 M euros. The properties have undergone significant renovations in FY 2018 and management is now focused on materializing increased RevPar and profitability and fine tuning of operational departments.

General

Sunborn Finance Oy owns Naantali Spa hotel located in Naantali by the Baltic Sea and Ruissalo Spa Hotel located in Turku by the scenic archipelago. Both properties have been leased to hotel operator Sunborn Saga Oy. The hotel operations of the spa hotels are run by management company Sunborn Saga Oy under a lease contract. Naantali Spa Resort has 214 rooms and 40 ancillary time share apartments and Ruissalo Spa Hotel 171 rooms. Both hotels also offer various ancillary facilities and services, such as conference and ball room facilities, spa facilities with treatment rooms and a pool complex with saunas, fully equipped fitness center, rehabilitation facilities, restaurants, bars, cafes and lounges.

Sunborn Finance was established 1 November, 2017 the company’s operations consist of acting as a lessor of the spa hotels and also providing property and IT related facility services. Sunborn Finance has four employees.

Sunborn Finance Oy Financial summary 1 January – 31 March 2019

Sunborn Finance revenue consists of fixed lease income from the operator and other service income. Lease income 1-3/2019 was 0.85 M€. The other services income refers to personnel costs for facility services and is a cost/income neutral line item. Costs were in line with previous year.

The value of the Spa hotels is at Naantali Spa 54 M€ and at Ruissalo Spa 28.5 M€ (1/3 in Sunborn Finance assets) according the valuation reports.

Sunborn Saga Oy Financial summary 1 January – 31 March 2019

Turnover 1-3/2019 vs 1-3/2018 was 5,1 M€ (4,9 M€), +4% increase.

Room capacity in Naantali Spa was lower in Q1 vs Q1/2018 due to unexpected delays in material supplies and contractors warranty repairs. In January the capacity was 30 rooms lower per day in the respective month in 2018. After the renovations were finished in February and March all kpis showed positive development. In February and March revPAR growth was +4%.

Corporate segment demand continued at a lower level whereas leisure segment started to grow especially in February and March. F&B sales increased in comparison to 2018, whereas treatments and rehabitation sales decreased due to lower demand.

Leisure and corporate room revenue in Ruissalo Spa increased magnificiently, +7% in Q1 2019. Specially FIT leisure clients increased by 15% in comparison to 2018. Growth in rehab and health care segment revenue in Ruissalo was 10%.

OCC-% in Ruissalo increased by 15%. OCC % in Naantali is not comparable due to room renovations.

Eastern period in March and weekends in general were successful in Q1 in both properties, whereas demand on weekdays was lower in whole market area. Unfortunately Naantali did not have total capacity to offer on peek days in January when the demand was higher on Fridays and Saturdays.

Refurbishment and renovation

Q1 sales in Naantali Spa as expected was influenced by the room renovations impacting on the amount of total visitors and capacity. Due to delays and problems in material supplies the renovations program was behind schedule and works continued in January and in March. A refurbishment of a number of suites will be undertaken during Q2 2019. Renovations will also continue in 2019 in the public areas eg. in the lobby, but these projects are expected to have little impact in room sales and revenue. Feedback concerning the renovated rooms has been excellent and customer satisfaction figures and NPS score have increased significantly. Management expects and has budgeted for increases in ADR and revenue for 2019 as a result of the completed works.

The work for the new strategy of the company for 2019-2021 was finalized in Q1 and launched to supervisors in March. Implementation to whole personnel will take place in Q2. Sunborn Saga focuses on improving customer experience in form of new products and better service. Strategic growth organically is one of the key targets. Naantali Spa seeks growth by increasing the number of foreign visitors especially from Scandinavia, Russia and Asia and by attracting more corporate clients, whereas Ruissalo Spa will increase business in the rehabilitation segment. The long-term continued success of the company is enabled by committed employees. The financial target is to reach a higher than five per cent annual average organic net sales growth and comparable EBIT of higher than 10 per cent of net sales.

Notable events during and after the end of the reporting period

The issuer completed the listing of the Senior Secured Floating Rate Bond to Nasdaq Helsinki on 8 February, 2019.

Business environment

No notable changes in the business environment.

Issuer is a SPV with no other purpose than owning the Naantali and Ruissalo spa hotel properties. The hotels are leased out to Sunborn Saga Oy through a lease agreement. Sunborn Saga Oy pays Sunborn Finance Oy a fixed sum of 281 600 € per month in lease.

Guest satisfaction continues to be good in Naantali reflected by Booking.com rating of 8.0/10, Hotels.com rating of 8.2/10, Expedia.com 4.1/5 and in Ruissalo by Booking.com rating of 7.8/10, Hotels.com rating of 7.8/10, Expedia.com 3.7/5.

Estimated future development

The company estimates that its financial performance and debt service capacity will remain stable.

Short-term risks and uncertainties

The Company´s financial risks related to business are market risk (including interest rate risk), credit risk, liquidity risk and refinancing risk. Floating interest rate risk has not been hedged.

Financial risk management carried out by the management of the Company aims to protect the Company against unfavorable 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.

Sunborn Finance Oyj
INTERIM REPORT 1 January - 31 March 2019

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

EUR thousand	Note	1 Jan - 31 Mar 2019	1 Nov 2017 - 31 Mar 2018	1 Nov 2017 - 31 Dec 2018
Revenue	3	907	1 451	4 136
Changes in fair value of investment property	4	-1 101	-	-2909
Personnel expenses		-60	-76	-319
Operating expenses		-195	-177	-523
Operating result		**-450**	**1 197**	**386**
Interest expenses on borrowings		-662	-2 408	-4 548
Profit before taxes		**-1 111**	**-1 211**	**-4 162**
Change in deferred tax		222	242	832
Result for the period		**-889**	**-969**	**-3 330**

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

CONSOLIDATED BALANCE SHEET (IFRS)

EUR thousand	Note	31 Mar 2019	31 Mar 2018	31 Dec 2018
Assets				
Non-current assets				
Investment property	4	63 500	63 500	63 500
Total non-current assets		**63 500**	**63 500**	**63 500**
Current assets				
Receivables from related parties	6	289	29	25
Other receivables		-	1 404	497
Cash and cash equivalents		1 405	3 835	2 110
Total current assets		**1 694**	**5 268**	**2 631**
Total assets		**65 194**	**68 768**	**66 131**

EUR thousand	Note	31 Mar 2019	31 Mar 2018	31 Dec 2018
Equity and liabilities				
Share capital		80	3	3
Reserve for invested unrestricted equity		6 638	6 716	6 716
Retained earnings		-1 233	2 017	-344
Total equity		5 485	8 735	6 374
Liabilities				
Non-current liabilities				
Borrowings	5	48 922	48 596	48 883
Lease liabilities	2,4	643	-	-
Deferred income tax liabilities		9 357	10 169	9 579
Total non-current liabilities		**58 920**	**58 765**	**58 462**
Current liabilities				
Lease liabilities	2, 4	17	-	-
Trade and other payables		307	844	118
Payables to related parties	6	22	-	730
Accrued expenses		442	424	447
Total current liabilities		**789**	**1 268**	**1 295**
Total liabilities		**59 709**	**60 033**	**59 757**
Total equity and liabilities		**65 194**	**68 768**	**66 131**

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 Nov, 2017	3	6 716	2 986	**9 704**
Result for the period	0	0	-969	**-969**
Equity at 31 Mar, 2018	**3**	**6 716**	**2 017**	**8 735**
Equity at 1 Apr, 2018	3	6 716	2 017	**8 735**
Result for the period	0	0	-2 361	**-2 361**
Equity at 31 Dec, 2018	**3**	**6 716**	**-344**	**6 374**
Equity at 1 Jan, 2019	3	6 716	-344	**6 374**
Result for the period	78	-78	-889	**-889**
Equity at 31 Mar, 2019	**80**	**6 639**	**-1 234**	**5 485**

Share capital was increased from reserves of the invested unrestricted equity by EUR 77 500 in January 2019. After this transaction, the Company’s share capital amounts to EUR 80 thousand.

CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS)

EUR thousand	Note	1 Jan - 31 March 2019	1 Nov 2017 - 31 March 2018	1 Nov 2017 - 31 Dec 2018
Cash flows from operating activities				
Result before tax		-1 111	-1 211	-4 162
Adjustments for				
Change in fair value of investment property	4	1 101	0	2 909
Interest expenses on borrowings		662	2 408	4 548
Change of working capital				
Change in trade and other receivables		233	-832	79
Change in trade and other payables		-504	-4	11
Net cash flows from operating activities		**380**	**362**	**3 384**
Cash used in investing activities				
Capital Expenditure	4	-451	0	-2 909
Net cash flows used in investing activities		**-451**	**0**	**-2 909**
Cash flows from financing activities				
Proceeds from borrowings		-	50 000	50 000
Repayment of borrowings from parent company		-	-44 028	-44 028
Transaction costs paid		-	-2 648	-2 648
Interest paid		-633	-1 179	-3 018
Net cash flows from financing activities		**-633**	**2 146**	**306**
Cash and cash equivalents at the beginning of period		**2 110**	**1 328**	**1 328**
Change in cash and cash equivalents		**-705**	**2 507**	**782**
Cash and cash equivalents at the end of period		**1 405**	**3 835**	**2 110**

NOTES TO THE FINANCIAL STATEMENTS (IFRS)

1. General information

Sunborn Finance Oyj is a public limited liability company ("the Company") incorporated in Finland. The registered address of Sunborn Finance Oyj is Juhana Herttuan puistokatu 23, Turku, Finland. Sunborn Finance Oyj was established on November 1, 2017 through a partial demerger of Sunborn Oy. Sunborn Finance owns spa hotel "Naantali Spa" and approximately 30% of the "Ruissalo Spa" (together "hotels") properties located in south west Finland. Naantali Spa has 218 and Ruissalo Spa 171 hotel rooms with several event rooms, restaurants, bars, café's and lounges, spa facilities, pools and fitness centre. The Company was established for purpose of owning the hotels. The hotel operations of the spa hotels Naantali Spa and Ruissalo Spa, (together "Spa hotels"), are operated by Sunborn Saga Oy ("Sunborn Saga"), a subsidiary of Sunborn Oy, in accordance with a lease contract between Sunborn Finance and Sunborn Saga. Sunborn Finance provides also property management and IT support services and has four employees. Two of these employees were transferred to the Company in connection with the partial demerger and two were transferred from Sunborn Saga at the beginning of the year 2018.

Sunborn Finance is wholly owned by Pekka Niemi, Ritva Niemi, Hans Niemi and Jari Niemi (together, the "Niemi Family"). The Niemi Family also controls the Sunborn Group, Sunborn Oy being the parent company of the Group. Sunborn Group's focus is on the development of luxury spa and yacht hotels, restaurants and other high-quality property in the hospitality sector. Sunborn Group currently has operations in Finland, Denmark, UK, Germany, Spain, Malaysia and Gibraltar, and operates under several individual brands. Sunborn Saga's operations consist of hotel, spa and restaurant operations in the Spa hotels and in other restaurants.

As at 27 December 2018 Sunborn Finance Oy acquired dormant subsidiary for administrative purposes thus became the parent company of the group ("the group", "Sunborn Finance").

The financial information presented in interim financial statements for the 3-month period ended March 31, 2019 and 5-month period ended March 31, 2018 are based on actual figures of Sunborn Finance Oyj as an independent company after the consummation of the demerger as at November 1, 2017.

These interim financial statements are unaudited.

2. Summary of significant accounting policies

Basis of preparation

This condensed interim financial report for three months ended March 31, 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 *interim Financial Reporting*, as adopted by the European Union.

The condensed interim year financial report does not include all the information and notes that are presented in the annual financial statements.

The accounting policies and measurement principles remain unchanged in comparison with as has been presented in Note 2 in the Annual Report 2018, except for the adoption of IFRS 16 Leases as set out below.

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.

IFRS 16 Leases

On January 1, 2019, the group adopted IFRS 16, “Leases”. The Company applied the modified retrospective approach and did not restate comparative figures for prior periods. IFRS 16 defines the recognition, measurement, presentation and disclosure requirements on leases.

The standard introduces a single lessee accounting model requiring lessees to recognize assets and liabilities for all leases, unless the lease term is 12 months or less, or the underlying asset has a low value.

Lessor accounting remains largely unchanged from IAS 17.

Sunborn Finance as Lessor

Currently, the group leases the Naantali Spa and Ruissalo Spa hotels to Sunborn Saga, which is a related party of the group. The management has assessed that the adoption of IFRS 16 will not have material impact on lessor accounting, and that the contracts will continue to be accounted for as operating lease.

Sunborn Finance as Lessee

The group only has lease contracts related to land and water areas from the city of Naantali which are impacted by the adoption of IFRS 16. The leases of land and water area will end in 2055 and 2035 respectively. On adoption of IFRS 16, the group recognised a lease liability in relation to these leases.

These liabilities are measured initially at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. Due to the similar characteristics of these two leases, the Group used a single discount rate of 6,34 % to discount the future cash flows, based on management estimation. The associated right of use asset is presented as investment property and is at 1 January 2019 initially recognised at the amount equal to the lease liability. Subsequently, the right of use assets are measured as part of the investment property at fair value in accordance with the Group’s accounting policy for investment property. The land is subleased to Sunborn Saga and is classified as operating lease.

A reconciliation between operating lease commitments as at 31 Dec 2018 and opening balance of lease liabilities is provided as below:

	2019
	EUR thousand
Operating lease commitments disclosed as at 31 December 2018	1 580
Discounted using the incremental borrowing rate corresponding the lease liability at 1 Jan 2019	649
Of which non-current lease liabilities	643
Od which current lease liabilities	6

3. Critical accounting estimates and management judgement

Preparation of the 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, 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.

Fair value measurement of the Spa hotels

The Company applies fair value model to its investment property. The fair value of the Spa hotels is determined by a professional external valuator. The fair value is measured under income approach and reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

In making the valuations, the investment property is considered in its highest and best use. The fair value of the new part of the Ruissalo Spa is based on the fair value of the property as a whole and has been separated from the total fair value of the Ruissalo Spa based on management estimation which is based on the relative surface areas of the new part and the old part. The management estimation has also been supported by independent valuator.

Fair valuations are divided to levels 1-3 in fair value hierarchy depending on to what extent the value is based on observable inputs. Fair values of the group's investment property are classified in level 3, because the inputs in the valuation models are based on unobservable information. There have not been any changes in the inputs or the relevant market during the periods presented. Accordingly, there have not been any material changes to the fair values of the spa hotels.

Main inputs in the fair valuation model are:

Input	**Value 31 Dec 2018**		**Value 31 Oct 2017**	
	Naantali	**Ruissalo**	**Naantali**	**Ruissalo**
Fair value (mEUR)	54.0	9.5	54.0	9.5
Yield	7.4 %	8.1 %	7.5 %	8 %
Net yearly income	EUR 3.9 million	EUR 2.3 million	EUR 3.9 million	EUR 2.3 million

Based on the valuation report provided by the third party valuator, if the net yearly income for Ruissalo Spa is changed between 2.1 – 2.4 million EUR and the yield -/+ 0,5 percentage points, the value of the new part of Ruissalo Spa would vary between EUR 8.1 million – 10.7 million.

Based on the valuation report provided by the third party valuator, if the net yearly income for Naantali Spa is changed between 3.5 - 4.3 million EUR and the yield -/+ 0,25 percentage points, the value of the properties would vary between EUR 45.3 million – 59.9 million.

4. Revenue

The revenue consists mainly of rental income from group's related party Sunborn Saga. In addition, the group derives service revenue from property management and IT support services.

EUR thousand	**1 Jan - 31 Mar 2019**	**1 Nov 2017 – 31 Mar 2018**	**1 Nov 2017 – 31 Dec 2018**
Rental income from operating leases with related party	845	1 391	3 894
Service income from related parties	62	60	242
	907	**1 451**	**4 136**

5. Investment property

The Company presents the Spa hotels as investment property and measures them using the fair value model. The valuation has been prepared by an independent and recognized professional valuator. Based on the valuation report, fair value of the spa hotels is approximately EUR 63.5 million. The fair value measurement is based on non-observable inputs and accordingly, is classified in Level 3 in the fair value hierarchy. The most significant assumptions used in the calculations have not been changed. Refer to significant estimation and judgement as disclosed in note 3 above.

EUR thousand	**Spa hotels**
Fair value at November 1, 2017	63 500
Fair Value at March 31, 2018	**63 500**

EUR thousand	**Spa hotels**
Fair value at January 1, 2019	63 500
Impact of IFRS 16	649
Additions	451
Changes in Fair Value	-1 100
Fair Value at March 31, 2019	**63 500**

The Spa hotels have had an ongoing major renovation since before the Company's establishment on 1 November 2017. The renovations will continue in year 2019.

6. Borrowings

EUR thousand	**31 Mar 2019**	**31 Mar 2018**	**31 Dec 2018**
Senior secured bond	48 922	48 596	48 883
Total	**48 922**	**48 596**	**48 883**

As at February 9, 2018 the Company issued senior secured bonds ("the bonds") with nominal amount of EUR 50 million (less transaction costs of EUR 1.3 million) to certain qualified institutional investors mainly to refinance the existing debt. The remaining proceeds are used for the capital expenditure purposes. The Company completed the listing of the Senior Secured Floating Rate Bond to Nasdaq Helsinki on 8th February, 2019.

The bonds are denominated in euros and mature on 9 February 2023. The bonds shall be fully redeemed on maturity date at nominal amount. The Company has the right to early repayment also. The contractual interest is 4.85 % plus 3-month Euribor. The effective interest rate is 5.41 %.

Before the issuance of the bonds the Company had short term bridge financing, which had contractual interest consisting of cash interest 7.0 % plus 3-month Euribor (min 1.0 %) and capitalised interest 3.5 %. The facility, together with the capitalised interest, was repaid when bond was issued.

The management estimated that the fair value of the borrowings approximates the carrying amounts of the bonds.

Collaterals and guarantees given

The bonds are secured by a 1st lien mortgage in the Spa hotels. Moreover, the Company has pledged all cash flows generated by the lease agreement on the Spa hotels, as well as the lease receivables. Insurance proceeds are also assigned to bond holders. The normal bank accounts of the Company have been pledged to secure the bond repayments, however they can be used by the Company in the ordinary course of business if no event of default occurs. The bond agreement sets some restrictions on the activities of the Company.

The Company's obligations of the bonds are secured with an on demand guarantees from Sunborn Saga and Sunborn Oy. Sunborn Oy's guarantee is limited to an amount corresponding the dividend or other contribution paid by Sunborn Saga to Sunborn Oy. Furthermore Sunborn Saga's and Sunborn Oy's guarantee is limited in the mandatory provisions of the Finnish Companies Act.

The bonds are also secured by a 1st lien floating charge (in Finnish: yrityskiinnitys) registered on the Company’s and Sunborn Saga's movable assets in accordance with the Floating Charge Act. Sunborn Saga’s cash flows, as well as its bank accounts have been pledged and insurance proceeds are assigned to bond holders as security of the bonds.

Moreover, Niemi Family has pledged its shares in the Company and Sunborn Oy has pledged its shares in Sunborn Saga to secure the repayment of the bonds. Pekka and Ritva Niemi have pledged all the existing and future lease receivables which they have from Sunborn Saga Oy.

The bond terms include an asset cover ratio covenant, which requires the Company to maintain the asset cover ratio of minimum 130.0 %. The covenant is calculated based on the market value of the Spa hotels calculated by approved valuator appointed by the Company and approved by the bond trustee, divided by financial net indebtedness of the Company.

The bond terms include also a cash requirement covenant, which requires the Company to maintain the cash minimum of upcoming 3 months interest payment. The bond terms include an interest cover ratio covenant, which requires the Company to generate EBITDA minimum of 1.1 times the interest and a lease payment coverage covenant, which requires Sunborn Saga to generate EBITDA (before lease and internal management fees) minimum of 1.0 times the lease payment. The covenants are tested on a quarterly basis.

7. Transactions with related parties

The Company is owned by Niemi Family. Company’s related parties are entities under the common control of Niemi Family, the board of directors and key management of the Company, together with their close family members, and companies controlled by these individuals. Sunborn Group is controlled by Niemi Family.

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

	1 Jan - 31 Mar 2019		**31 Mar 2019**	**31 Mar 2019**
EUR thousand	**Rental income from the operating lease**	**Service income**	**Receivable**	**Payable**
Sunborn Saga Oy	845	20	265	22
Other related parties	-	42	24	0
Total	**845**	**62**	**289**	**22**

	1 Nov 2017 - 31 Mar 2018		**31 Mar 2018**	**31 Mar 2018**
EUR thousand	**Rental income from the operating lease**	**Service income**	**Receivable**	**Payable**
Sunborn Saga Oy	1 391	20	20	0
Other related parties	-	40	9	0
Total	**1 391**	**60**	**29**	**0**

The rental income of the Company arises from a lease contract related to the Spa hotels. Sunborn Finance has leased the Spa hotels to Sunborn Saga with a long term operative non-cancellable lease contract with a maturity date on November 1, 2027. A new 10-year lease contract for the Spa hotels was signed between Sunborn Saga and the Company as at November 1, 2017. The rent in the contracts is set at market level.

The Company has paid management fee to Sunborn Oy as presented in the table above.

Sunborn Saga has guaranteed the senior unsecured bonds of the Company. Detailed information on the guarantee is given in note 6. Borrowings.

Appendix 1 SUNBORN SAGA (FAS)

Sunborn Saga Oy
INTERIM REPORT 1 January - 31 March 2019
(FAS)

Sunborn Saga's interim financial report has been prepared in accordance with the Finnish Accounting Standards (Finnish Accounting Act and Ordinance and related instructions and statements issued by the Accounting Board operating under the auspices of the Ministry of Economic Affairs and Employment). For the purposes of this interim financial information profit and loss statement, balance sheet and cash flow statement of Sunborn Saga have been presented as required by the terms of the bond issued by Sunborn Finance. Sunborn Saga is the guarantor of the bond.

SUNBORN SAGA OY
INCOME STATEMENT, EUR

	1.1.-31.3.2019 3 months		1.1.-31.3.2018 3 months		1.1.-31.12.2018 12 months	
TURNOVER		5 109 852		4 926 575		25 672 227
Other income from business operations		56 842		30 950		316 723
Materials and services						
Purchases during the financial period	700 287		694 425		3 661 644	
Change in inventories	42 426		57 975		99 776	
External services	339 540	1 082 253	369 831	1 122 232	2 957 188	6 718 608
Personnel expenses						
Wages and salaries	1 690 619		1 486 782		6 536 359	
Mandatory pension costs	238 656		462 979		1 081 097	
Other social security costs	68 183	1 997 458	137 141	2 086 901	237 307	7 854 764
Other operating charges		1 917 425		1 722 986		7 300 971
Rents paid to Sunborn Finance Oy		834 456		834 456		3 337 824
Administrative expenses paid to Sunborn Oy		167 636		164 834		659 336
		==========		==========		==========
EBITDA		-832 534		-973 884		117 447
Depreciation						
Depreciation according to the plan		160 902		176 525		706 100
Financial income and expenses						
Interest income and financial income	39		39		351	
Interest expenses and financial expenses	-542	-502	-102	-63	-1 521	-1 170
		==========		==========		==========
RESULT BEFORE ADJUSTMENT ITEMS AND TAXES		-993 938		-1 150 472		-589 823
Adjustment items						
Group contribution received(+) / paid(-)		0		0		655 000
Income taxes		-2 224		-2 569		-1 066
		==========		==========		==========
RESULT FOR THE PERIOD		-996 162		-1 153 041		64 111

SUNBORN SAGA OY
BALANCE SHEET, EUR

ASSETS	31.03.2019		31.03.2018		31.12.2018	
FIXED ASSETS						
Intangible assets						
Intangible rights	7 251		11 962		8 010	
Other capitalised long term expenditure	1 805 001	1 812 252	2 322 880	2 334 842	1 932 156	1 940 167
Tangible assets						
Machinery and equipment	341 385		297 531		377 568	
Advance payments	0	341 385	1 104 194	1 401 725	0	377 568
Investments						
Other shares and similar rights of ownership		290		290		290
CURRENT ASSETS						
Inventories						
Raw materials and supplies	151 507		178 679		151 525	
Goods	200 627	352 134	257 681	436 360	243 035	394 560
Receivables						
Non-current receivables						
Receivables from group companies	4 852 380		3 912 034		4 804 685	
Other receivables	0	4 852 380	10 000	3 922 034	0	4 804 685
Current receivables						
Receivables from group companies	64 893		212 567		91 276	
Accounts receivable	1 077 063		2 026 050		1 498 213	
Other receivables	48 296		101 045		89 079	
Prepaid expenses and accrued income	126 206	1 316 457	60 485	2 400 147	397 819	2 076 388
Cash and bank receivables		250 242		170 438		553 875
TOTAL ASSETS		**8 925 140**		**10 665 836**		**10 147 532**

LIABILITIES	31.03.2019		31.03.2018		31.12.2018	
SHAREHOLDERS' EQUITY						
Share capital	2 523		2 523		2 523	
Reserve for invested non-restricted equity	100 000		100 000		100 000	
Retained earnings	92 790		28 679		28 679	
Profit for the period	-996 162	-800 849	-1 153 041	-1 021 840	64 111	195 313
LIABILITIES						
Non-current liabilities						
Debt to group companies	500 000		122 000		0	
Other liabilities	4 721 471	5 221 471	4 859 497	4 981 497	4 566 569	4 566 569
Current liabilities						
Debt to group companies	265 760		0		421 360	
Short-term advance payments	1 539 068		2 391 754		1 912 140	
Short-term accounts payable	1 479 118		2 747 634		1 085 129	
Other liabilities	59 096		327 497		631 409	
Accrued liabilities and deferred income	1 161 476	4 504 518	1 239 294	6 706 179	1 335 612	5 385 650
TOTAL LIABILITIES		**8 925 140**		**10 665 836**		**10 147 532**

SUNBORN SAGA OY
CASH FLOW STATEMENT, EUR

	1.1.-31.3.2019 3 months	1.1.-31.3.2018 3 months	1.1.-31.12.2018 12 months
Cash flow from operations			
Profit before adjustment items and taxes	-993 938	-1 150 472	65 177
Depreciation and amortization	160 902	176 525	706 100
Income taxes	-2 224	-2 569	-1 066
Change in current receivables	759 930	-429 761	-106 001
Change in inventories	42 426	57 975	99 776
Change in current non-interest-bearing liabilities	-881 132	1 107 911	-212 618
Cash flow from operations (A)	-914 036	-240 391	551 367
Investing activities			
Change in tangible and intangible assets *	3 196	-295 777	593 481
Cash flow from investing activities (B)	3 196	-295 777	593 481
Financing activities			
Change in non-current receivables	-47 694	0	-882 651
Change in long-term borrowings	654 901	276 901	-138 026
Cash flow from financing activities (C)	607 207	276 901	-1 020 678
Change in cash and cash equivalents (A+B+C)	-303 633	-259 266	124 171
Cash and cash equivalents at beginning of period	553 875	429 704	429 704
Cash and cash equivalents at end of period	250 242	170 438	553 875

* Until 2018, capital expenditure in Spa hotels is done by Sunborn Saga, but the investments are transfered to Sunborn Finance.