



Yenokavan

Development Concept

March, 2019



Colliers International Georgia



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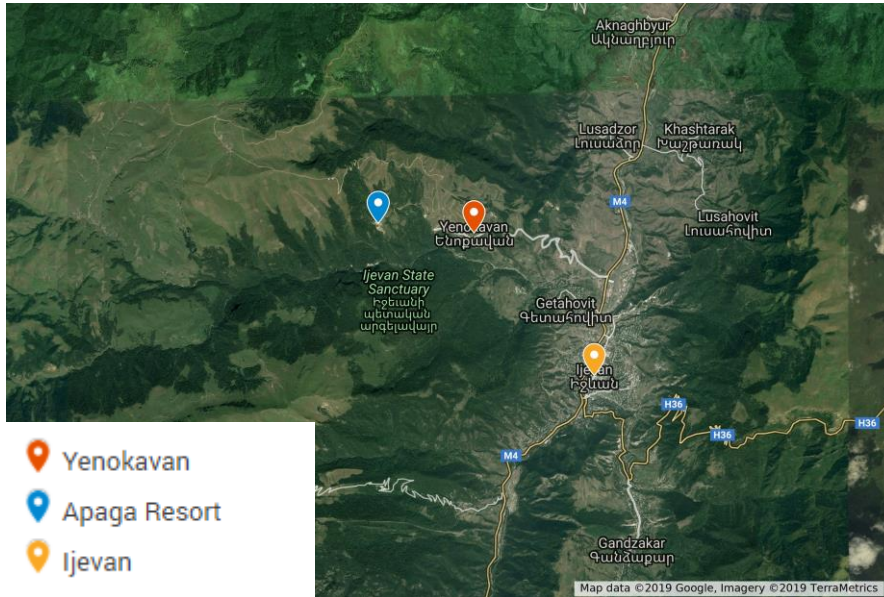
Recommendations



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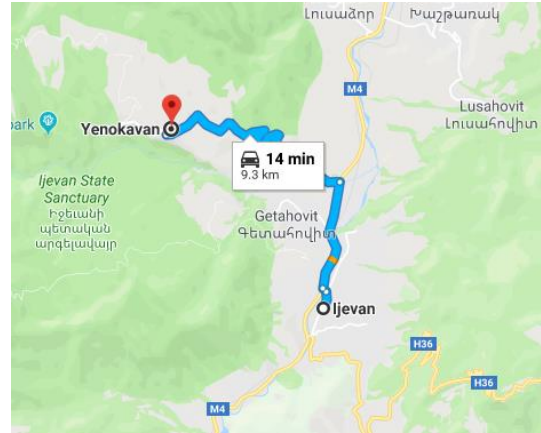
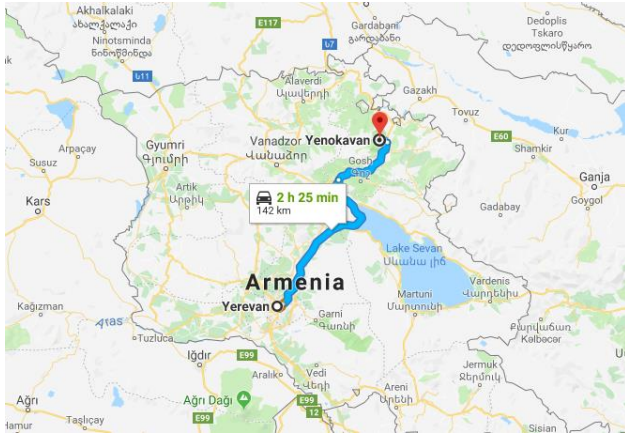
Site Analysis – Yenokavan



Yenokavan village is situated in the north-east of Armenia, 10 kilometers from the town of Ijevan. It is located at a height of 1,000-1,300 meters, surrounded by hills, and close to a forest-covered gorge about 100 meters deep that ranges for about five kilometers.

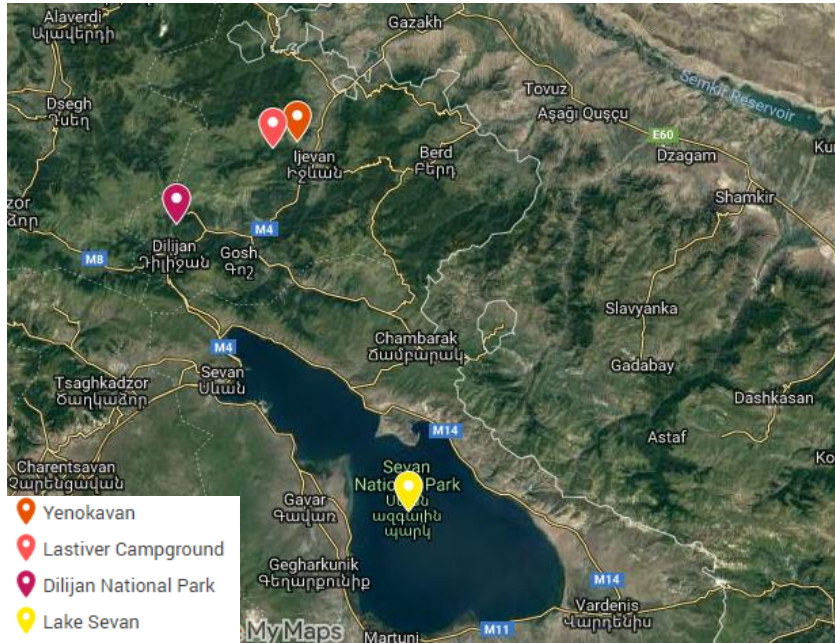
- The population is at 600. (Approximately 200 families) 1,300 land plots.
- Houses in the village are in need of rehabilitation.
- Apaga resort is in 13-minute drive from the village.
- Apaga resort houses newly built cottages, a restaurant, and a barn.
- Yell Extreme Park is integrated in the Apaga resort. Zipline infrastructure is in place.

Access



- Yenokavan is 2.5 hours drive from the capital of Armenia - Yerevan.
- Yenokavan is 14-min drive from the regional center Ijevan
- The resort is 2.5 hours drive from the capital of Georgia – Tbilisi.
- Overall, the resort is accessible mainly by car at the moment.

Map of Attractions



Yenokavan represents a good hub resort for sightseeing in the region:

- Ijevan Botanical Garden
- Lastiver Caves (30,000 visitors annually)
- Makaravank Monastery

It can also become a last spot for tourists visiting Dilijan National Parks or Sevan lake from Yerevan.



Site Analysis-Current State



Winery and restaurant
Under Construction



Apaga Resort



Ruins in front of the hotel

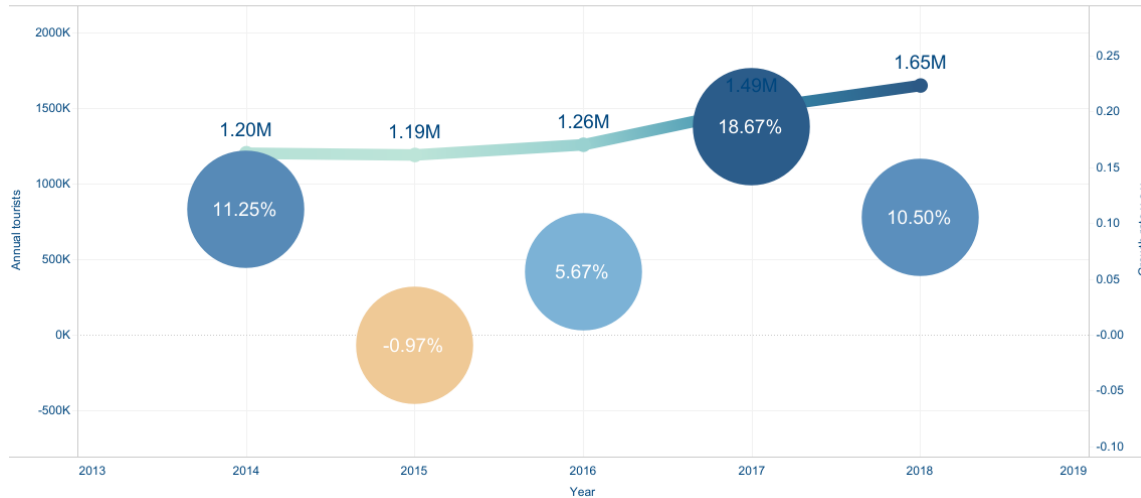


Lastiver Resort

- Physical state of the houses in the village is extremely poor.
- There is a visitor center in the village but not in the center.
- The road connection between Yenokavan and Apaga resort needs rehabilitation
- Cottages in Apaga resort are newly built.

Market Research - Tourism

Annual tourists and Growth rate, % y-o-y



The visitors that are tourists by the WTO methodology
 Source: Statistical Committee of the Republic of Armenia



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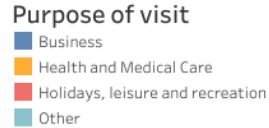
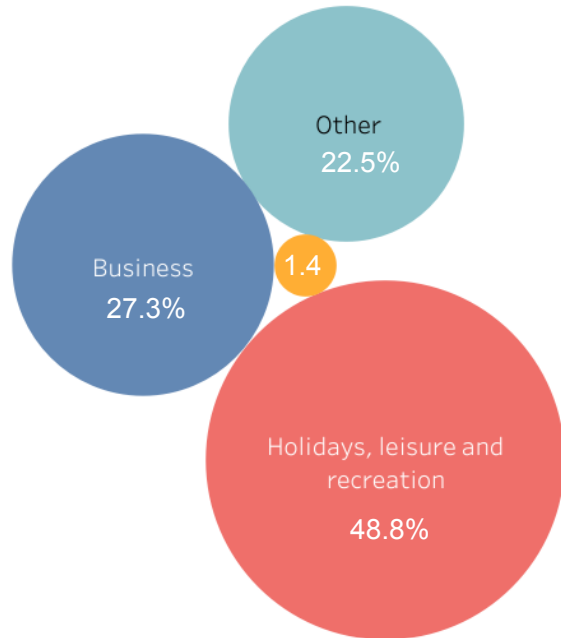
Leisure travel spending (inbound and domestic) generated 83.7% of direct Travel & Tourism GDP in 2017 (AMD529.4bn) compared with 16.3% for business travel spending (AMD103.2bn).

Leisure travel spending is expected to grow by and rise by 3.9% pa to AMD 838 bn in 2028.

Domestic travel spending generated 16.2% of direct Travel & Tourism GDP in 2017 compared with 83.8% for visitor exports (i.e. foreign visitor spending or international tourism receipts).

Source: World Travel and Tourism Council

Market Research - Tourism



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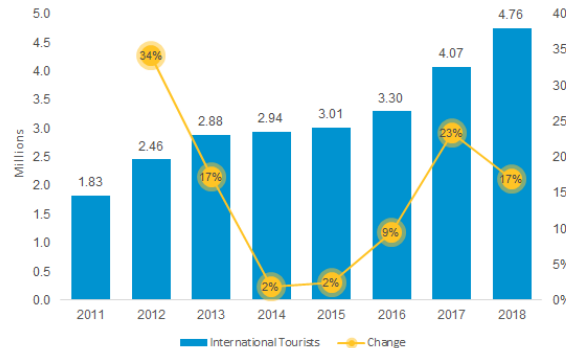
Main Source Countries in 2018:

- Russia 21%%
- USA 13.9%
- Iran 6.8%
- Georgia 2.3%

Source: Statistical Committee of the Republic of Armenia



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International Tourists in Georgia | Source: GNTA

International tourism in Georgia has significantly increased in the last 3 years. The trend is expected to be maintained. International airport of Kutaisi, which will be expanded in the upcoming year and will attract more tourists too. Considering a tendency that tourists coming in Georgian also visit other Caucasian countries, Georgia's increasing tourism will have positive spillover on Armenia's tourism too.

Market Research – Hotel Market Yerevan



Set of hotels	Number of rooms
Ibis Yerevan Center	255
Hyatt Place Yerevan	95
Marriott Armenia Hotel Yerevan	259
DoubleTree By Hilton Hotel Yerevan City Centre	176
Radisson Blu Hotel Yerevan	142
Best Western Plus Congress Hotel	126
Sum	1,053

Source: STR GLOBAL

Performance Indicators

Year	ADR, USD	Occupancy, %	RevPAR, USD
2017	54.5	78%	42.69
2018	59.4	77%	45.91



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Potential Functions

- Extreme and Aerial sports
- Ecological and Rural tourism
- Couple holidays & Weddings
- Outdoor Meetings

Comparable Places

1. Bethesda, GWYNEDD, Northern Wales, UK
2. Pietrapertosa and Castelmezzano, Potenza, Italy
3. Ithaca, NY, USA
4. Andelsbuch, Vorarlberg, Austria
5. Rathsallagh house, Dunlavin, Wicklow, Ireland
6. Hof Hardthoeh, Oberwesel, Germany
7. Signaghi, Kakheti, Georgia

Jebel Jais, UAE

Longest zipline in the world

- Located in a relatively remote mountainous region of northern UAE, 1 hour drive from the nearest city of Ras Al Ras al Khaimah and 2 hours + drive from Sharjah/Dubai.
- Location is gaining reputation as an adventure destination, with target tourist audiences from Dubai.
- Phase 1 finished in 2018 – 2 lines at the cost of \$2.5m, capacity of 250/day. Starts at 1,680m with speeds up to 150 km/h, length of 2.8km – the longest in the world. In the first 12 months of opening, they registered 25,000 visits.
- Phase 2 includes two new cables bringing capacity to c.200,000 a year and a via ferrata; Phase 3 would allow for night-time ziplining.
- The total masterplan would cater for a full day adventure experience, which will include a viewing deck, a restaurant, a VIP lounge and even helipads to allow people an aerial tour of Jebel Jais park – the whole project cost around \$5-6m.
- Zip line flights cost AED 500 / €120 on weekends and AED 425 / €100 on weekdays in 2018 off-season, exclusive of VAT. Via ferrata prices are AED 375 / €90 and AED 325 / €80, respectively.
- Further development is planned on the back of growing visitor numbers: a 47-room luxury mountain camp (operated by Mantis), a survival training academy, hiking trails and the Jebel Jais Adventure Park
- The world's highest ice rink was added in January – 1,300m above sea level.
- In December 2018, a search and rescue helicopter clipped one of the cables and crashed, killing all 4 of its crew. The zipline was shut down for maintenance, and reopened earlier this year.
- **KEY POINT:** Visitors will come for 'Biggest/Best' offer with premium pricing in a relatively remote location. Good example of using multiple lines and head-first flying set up.



Bethesda, GWYNEDD, Northern Wales, UK



*Town near National Nature Reserve
leading up the Ogwen valley into the heart of the Snowdonia mountains*

Bethesda, GWYNEDD, Northern Wales

Driver Function

Hospitality (Nature reserve and Historically Around the slate quarrying industries)

Functions & Uses

Fastest Zipline in the world, Bethesda Chapel (19th Century) and other churches and cathedrals, hiking trails, wildlife area (Snowdonia national park), Slate Museum, Baking (Home of popty bakery), several castles nearby, zip world caverns, Alpine roller Coaster

Population

Approx. 3,990 (2017)
(3,9 mln in Wales)

Visitors

Approx. 300,000 on Zipline (2016) Approx. 400,000 overnight visits in Wales (2014); OCC Rate 51% (2017)

Type of properties

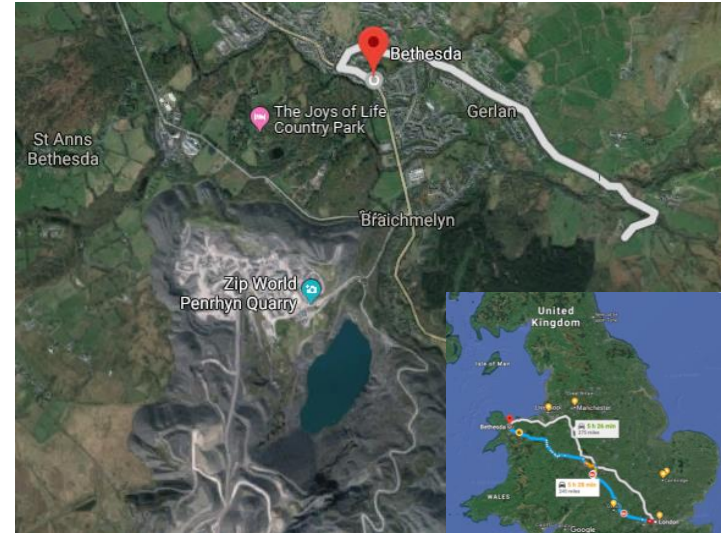
Cottages, Hostels, B&B, Pubs, Cafes and bars, bakeries (including Bangor)

Differentiating properties

Micro Brewery, Popty Bakery, Planning to build Zip World adventure hotel

of lodging properties

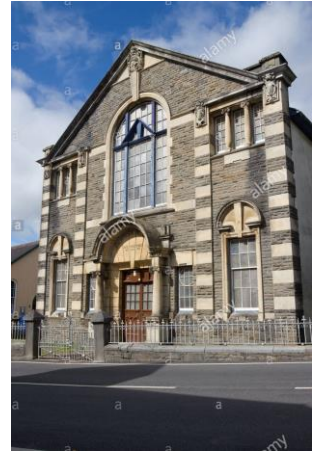
450 (Bethesda and nearby)



Video - Riding the Zipline



Properties

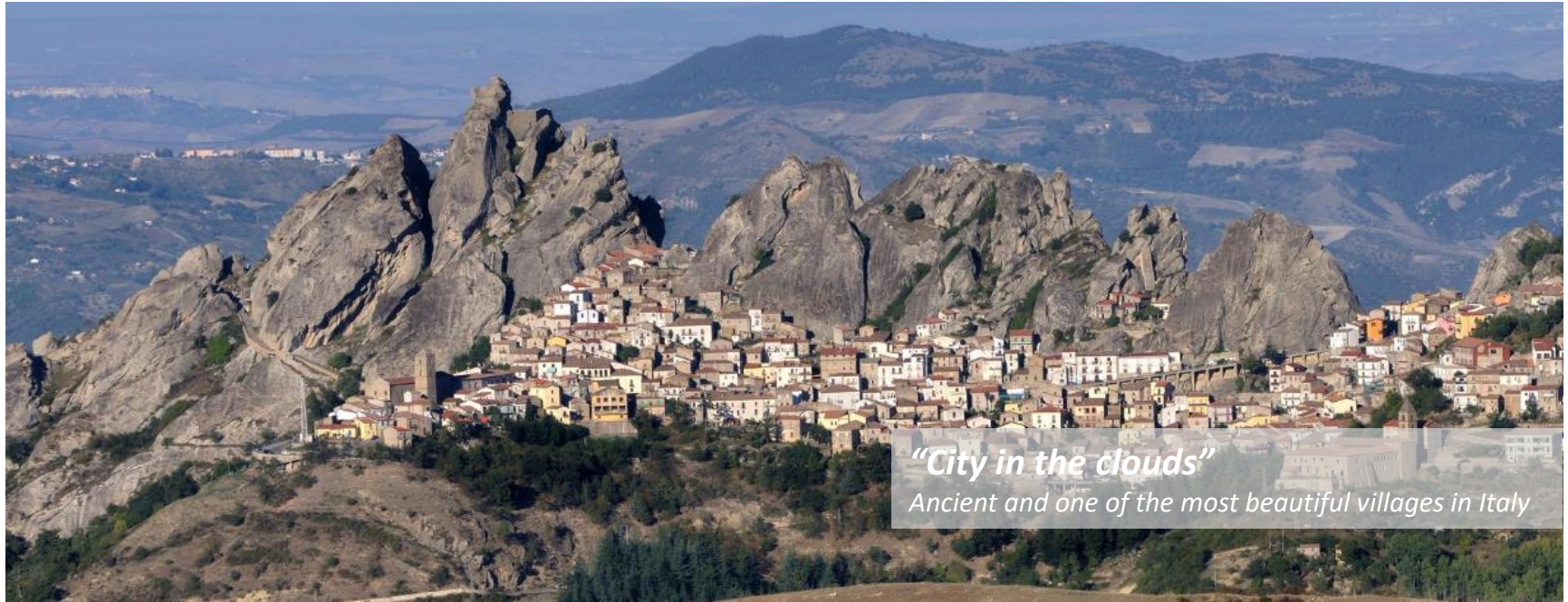


Additional Attractions



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Pietrapertosa and Castelmezzano, Potenza, Italy



“City in the clouds”

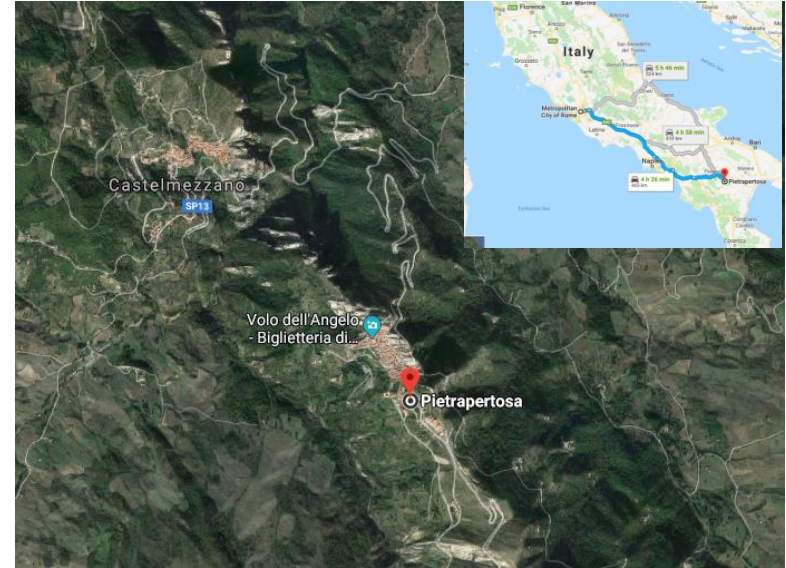
Ancient and one of the most beautiful villages in Italy



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Pietrapertosa and Castelmezzano, Potenza, Italy

Driver Function	Tourism and Gastrotourism	
Functions & Uses	The caste, Lucanian Dolomites, Climbing (Via Ferrata), Path of seven stones, Vollo del Algelo (One of the longest and highest Zipline), charming panoramas and paths for excursions and adventures	
Population	Overnight Visitors	Room Occ %
1,063 (580,000 Potenza)	(2,300,000 Potenza)	65%
Type of properties	Hostels, B&B, Restaurants (10), bars	
# of lodging properties	Approx. 15	



Video - Riding the Zipline



Lodging properties and F&B



Extreme Sport and other activites

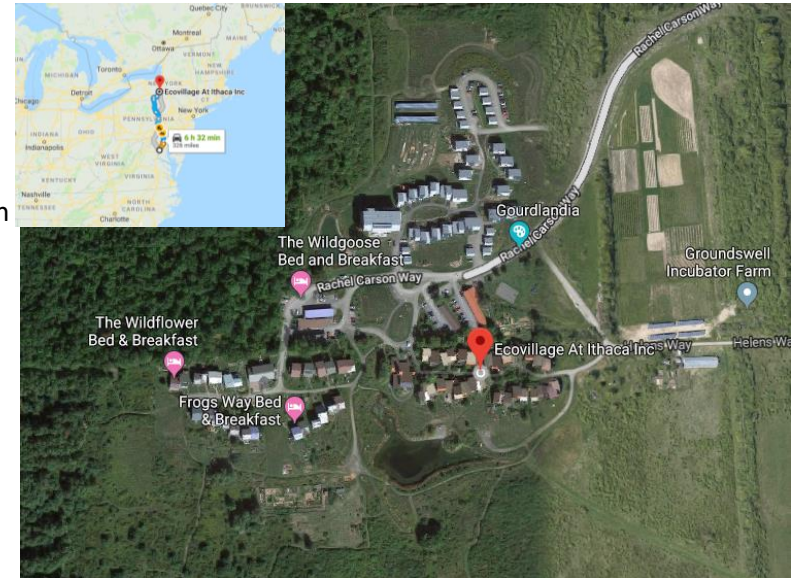


Ithaca, USA



Ithaca, NY, USA

Driver Function	Ecovillage
Functions & Uses	Organic farming, green building, workshops, discovering forests and farms, programmes for high school students, green building and design professionals, workshops about energy, mentoring new communities
Population	200
Visitors	1,000 – by educational programs
Type of lodging	B&B establishments, guest rooms
# of Accomodations	5 (15)



Lodging and surroundings



Families and children



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Farming and crafting



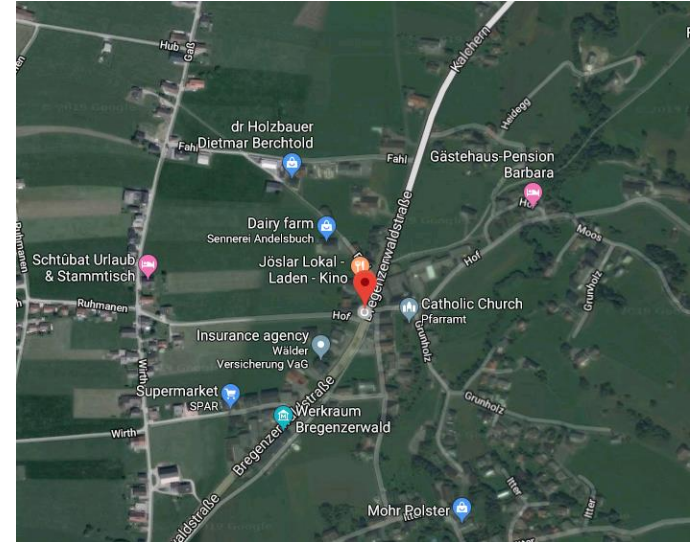
Andelsbuch, Vorarlberg, Austria



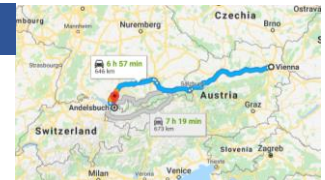
*Village on the wide-open valley floor
in the middle of Bregenzerwald*

Andelsbuch, Vorarlberg, Austria

Driver Function	Sport Tourism
Functions & Uses	Siking, mountain biking, running, golfing and fly fishing, rafting and canyoning, flying fox and paragliding; craftsmanship and design culture; trails for running, hiking; Bregenzerwald Cheese Route; Team-building trainings and incentives; Archery at a 3D archery course
Population	2,427 (Vorarlberg 388,752)
Overnight Stays	Approx. 37K; 6 m (Vorarlberg)
Room Occ %	40%
Type of properties	Hotels, Guesthouses
# of hotels and rooms	5 hotels, 215 rooms in total



Video - Paragliding



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Activities



Hiking



Mountain biking & cycling



Other Activities



Fishing in Bregenzerwald



Running



Paragliding



Golfing



Climbing



Swimming



Summer cable cars



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Properties





Rathsallagh house, Dunlavin, Wicklow, Ireland

Posh Country house

Weddings, field sport and meeting place



Rathsallagh house, Dunlavin, Wicklow, Ireland

Driver Function

Weddings and sport tourism

Functions & Uses

Golf club, [Rathcon Farm](#) (fly fishing, clay pigeon shooting, archery and air rifle), gardening, horse racing centre, the [Currag](#) – Conference rooms; Wedding planning services and venues, close to designer discount shopping mecca,

Population

1,292

Type of properties

Wedding Venues, Lodges, Conference rooms meetings and Conferences; with a choice of spaces from the large [Pavilion](#) to the [Think Tank](#) and [Forge Board](#) rooms to Drawing rooms and white board break out rooms.

of units

Hotels 5 – 50, Conference room 1 – 250 delegates, 3 meeting rooms



Video – Wdding Venue



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Wedding Spaces



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Hotels and related units



Activities



Hof Hardthoehe, Oberwesel, Germany



Family Farms and Resorts - Agritourism
"Happy Children, Relaxed Parents"

Hof Hardthoehe, Oberwesel, Germany

Ave house size: approx. 78 sqm + covered terrace: two bedrooms, a kitchen and an open living room, bathroom

Amenities: well-equipped kitchen (dishwasher, ceramic hob, oven, microwave, coffee maker, toaster); changing mat, diaper pail, children's toilet seat and high chair. The covered terrace has garden furniture, sun lounger, parasol and barbecue.

Minimum stay: 3 nights

Possible occupancy: 1-5 persons (and a baby)

Offers:

- Farm
- Horse Farm
- Wooden log houses
- Breakfast with fresh products
- Beekeeping
- Children's world
- "Happy Kids Week"
- Winter Christmas
- Sauna & Wellness



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Farm and children playgrounds



Lopota Lake resort and Spa, Kakheti, Georgia



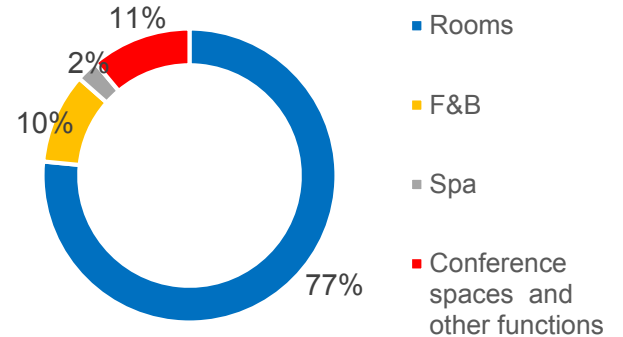
Lopota, Kakheti, Georgia

Driver Function	Lake resort and Spa, in the famous wine-growing region: Kakheti
Functions & Uses	Surrounded by ridges of the Caucasian mountain range; with a recreation area stretched over one million square meters. Visited for relaxation, family reunions, weddings, business meetings, retreats, corporate, entertainment and sports events; Visitors can ride high-breed horses, try fishing; offering guests wine tours, cultural tours in Kakheti region
Visitors	Overnight Visitors: appr. 31K (2015)
Type of properties	All day dining restaurant, Lopota bar, lounge bar, Wine hall, Kakhetian Corner, Conference facilities, event spaces, Pierce, Picnic zone, Newly built Chateau Bueara place for discerning travelers in the middle of vineyards, Spa and Wellness, Kids Club
# rooms	186 rooms with all the amenities

Hotel Data (2015)

# of Rooms		109
OCC %		52%
ADR	\$	122
# of Visitors		20,688

Revenue Structure



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Properties



Activities



Jeep tours



Wine tours in Kakheti

Jermuk, Vayots Dzor Province, Armenia



Famous Jermuk Waterfalls

Jermuk, Vayots Dzor Province, Armenia

Driver Function	Mountain spa town, health tourism
Functions & Uses	Hot springs, waterfalls, artificial lakes, walking trails, the surrounding forests and mineral water pools; major chess centre; gambling activities; cultural tours
Population	5,572 (2011 census)
Visitors	30-35k in Vayots Dzor, Province
Type of properties	Hotels, Swimming Pools, Sport grounds, catering facilities, bars,
# of rooms	More than 15 facilities (resorts, family homes, hotels, sanatoriums), up to 1,400 rooms (in soviet era up to: 2,000 beds)
# of seats	4 restaurants; in total up to 1,500 covers
Segment of visitors	Armenians, CIS countries, mostly Russian: Ave stay: 7-10 days; Europe (mostly Germany, France, etc.) ave. stay:1-3 days

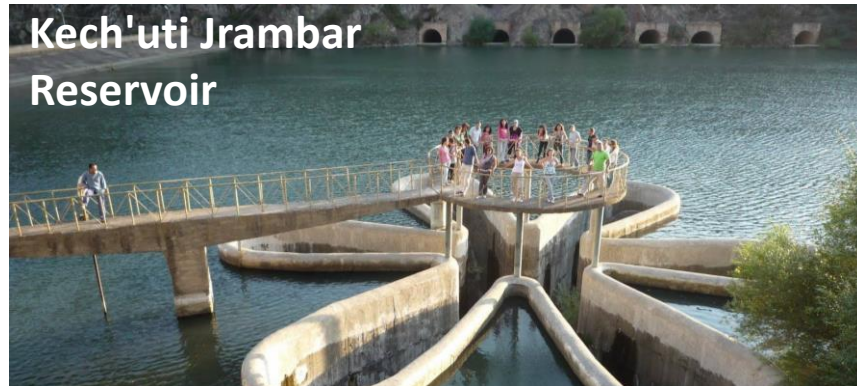
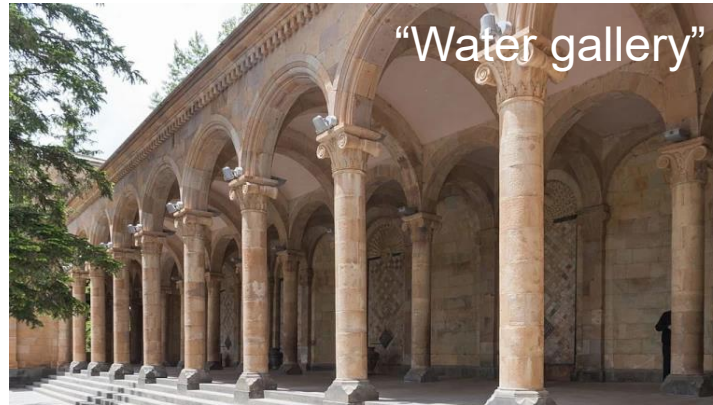
Popular Hotels:

- "Armenia" resort
- "Olympia" resort
- "Jermuk World" resort
- "Turis" resort
- "Gladzor" resort
- "Ararat" (mother and child health resort)
- Hyatt Place Jermuk Hotel
- "Nairi" hotel
- "Verona" hotel
- "Anush" hotel
- "Life" hotel
- "Evmar" hotel
- Cascade Hotel
- ...

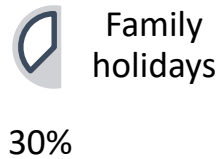
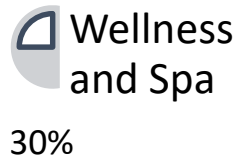


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Properties



Market Research – Demand Assessment



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Based on data provided by the client:

- Zip line visitors: 17,000 annual
- Average night spent: 1.7
- Annual Occupancy rate: 63%
- High Season Occupancy rate: 85%
- Annual average number of visitors 50,000

Vision

Team building,
Corporate
Retreats



Farm holidays

Adventure sports
and Nature
retreat



Weddings



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Vision

Destination for the locals and a discovery for tourists



Destination for the locals and a discovery for tourists - a destination to a place to enjoy extreme sports, have a family holiday in a farm house or relax in a hotel with a pool and spa.

Yell extreme Park

- Excellent destination for adventure lovers
- Zipline
- Zorbing
- Climbing
- Hot air balloon flights

Apaga Resort

- Upscale hotel with spa and wellness facilities, locally branded
- Terrace Gardens
- Tennis courts
- Midscale cottages
- Open air events (e.g. annual herb festival, music events) space

Aland Resort

- Residencies with excellent views
- Horse club

Yenokavan village

- Regular summer holiday destination for families
- Regular events – open food and souvenir markets, baking, vodka, carpet making, wine making workshops.

Development Concept – Yenokavan



Vision



Eating and drinking

- local small cafes in the village
- restaurants – winery and restaurant in the village
- A restaurant, a pool bar and a garden café at Apaga resort

Spending time daily to daily life

- Farm holiday for families
- Carpet making workshops
- Armenian bread baking workshops
- Wine making tours to the ljevan wine factory
- Visiting Lastiver caves
- Regular open food market and arts&crafts market in the village

Special Offers

- Team building/ activities
- Extreme sports offerings
- Weddings

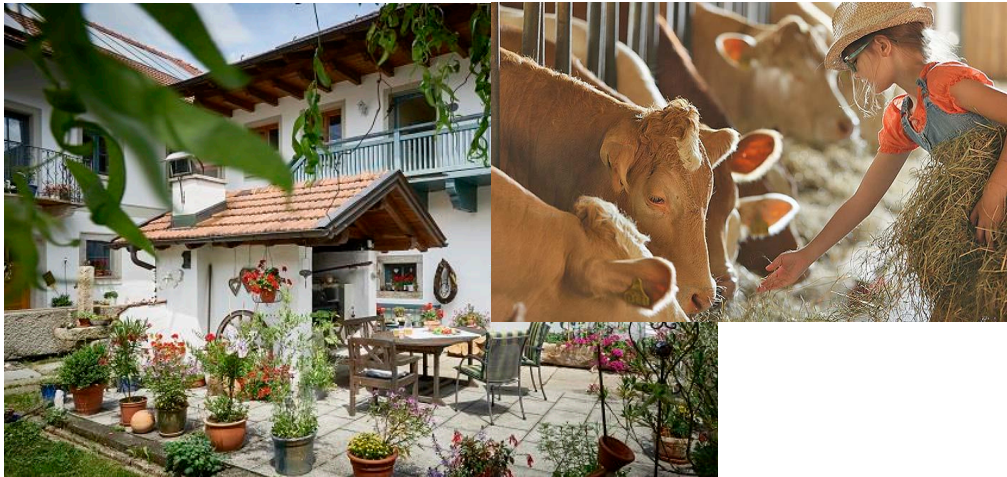
Sleeping

- One upper-midscale hotel, potentially internationally branded
- Midscale cottages for low-budget tourists
- Private residencies
- Farm houses for family vocations

Development Concept – Yenokavan

Custom-made holidays for animal lovers

- Custom-made holidays for young and old **animal and nature lovers**, but also for **couples** that seek a time-out from everyday life.
- On a working farm, you can get involved on the farm and experience first hand how a farm is maintained. On a country property visitors stay in a stunning rural location. These farms will maintain commitment to the local produce.



Case study – village house rehabilitation



Aprili House,
Signnagi, Georgia



A case study – village house rehabilitation



Vila Alazani,
Kakheti, Georgia



Market Research – Upcoming projects in the region

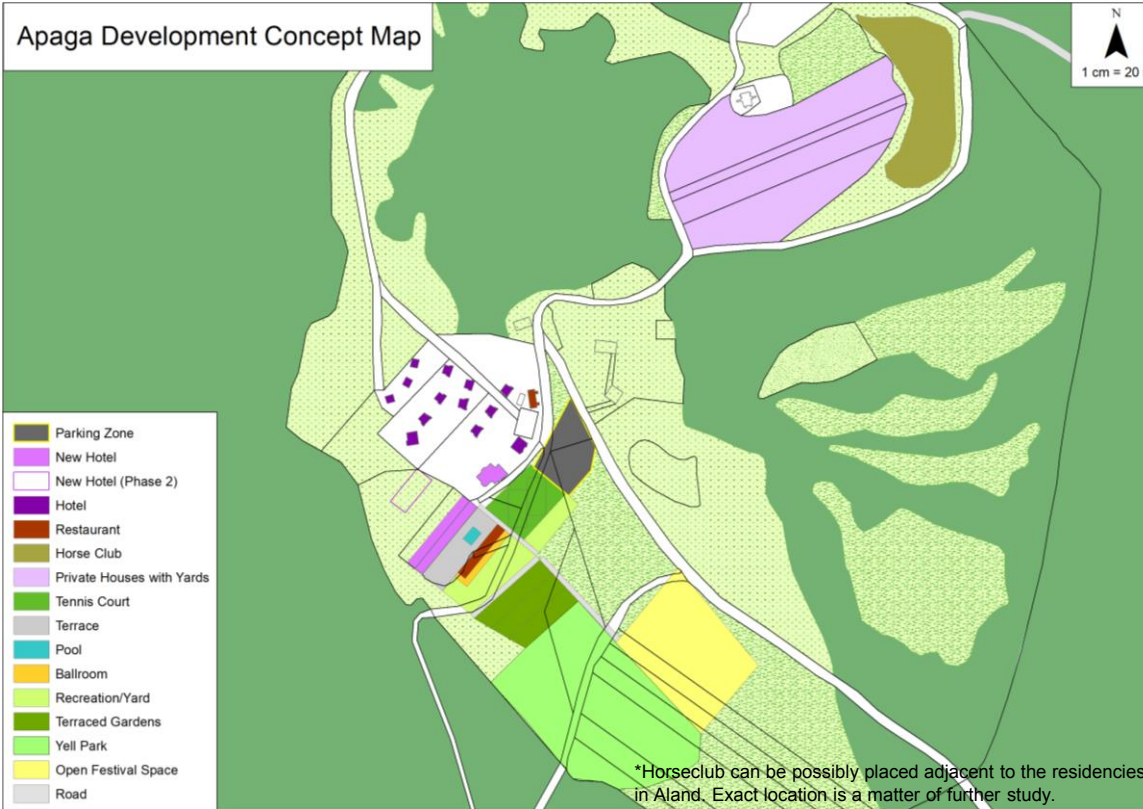
The arch-shaped Enguri Dam is surrounded by the impressive Caucasus Mountains. The dam is one of the world's largest concrete arch dams. Tourist attraction project at Enguri Dam features:

Dam features:

- Discovery Center
- Viewing platforms
- Zipline
- Panoramic lift
- Wakeboarding
- Paragliding



Development Concept – Apaga Resort



Upper midscale hotel with up to 100 rooms, with possible extension of additional block with up to 30 hotel rooms.

F&B facilities: all day dining and pool bar, open for all the visitors.

Meeting and event facilities: the ballroom for larger events (up to 300 seats) convertible into conference rooms.

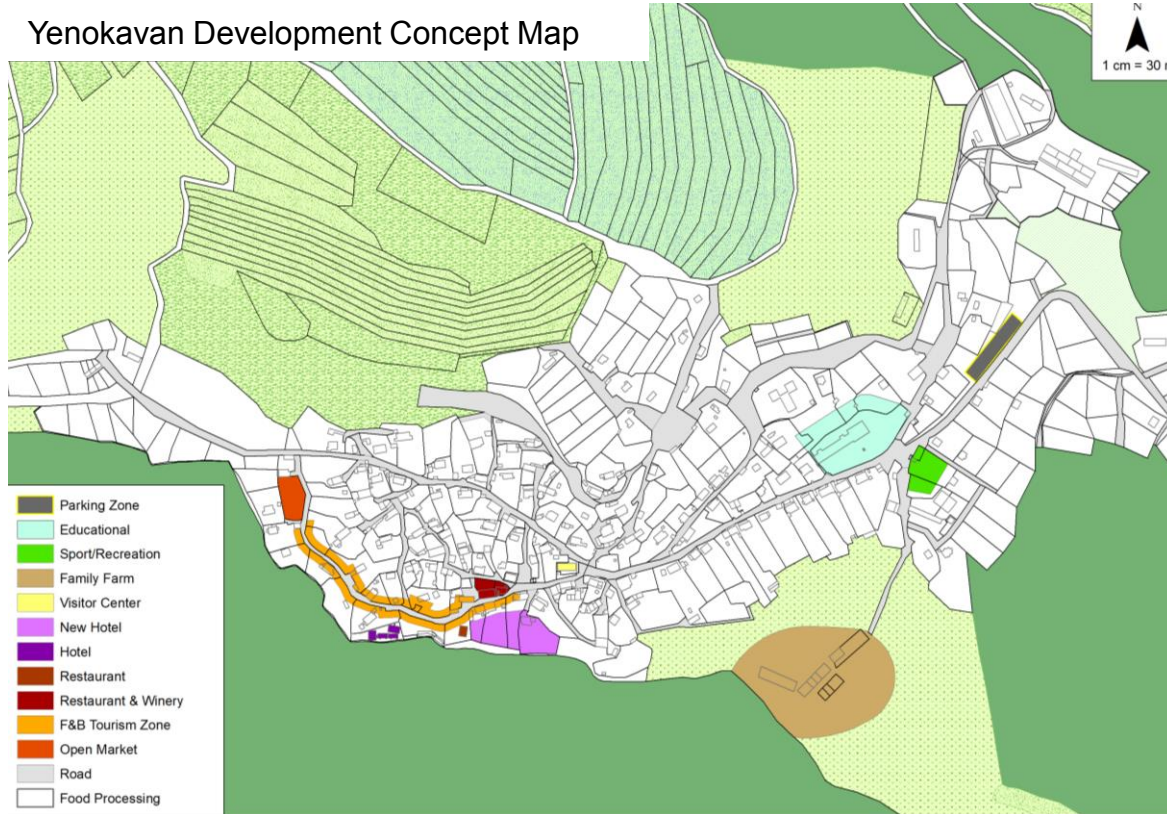
Sport and Recreation: terrace with pool, tennis courts, recreation and yards and terraced gardens.

Open festival space, besides the yell park, will be used for for musical events, food festivals, team building sessions and wedding celebrations.

50 parking places, serving the hotel and cottage visitors

Development Concept – Yenokavan

Yenokavan Development Concept Map



Touristic Village with focus on F&B tourism and family farming

Family Farming: suites for families who want to spend time with children in farming environment

New midscale hotel, with about 30 rooms

F&B and Retail Street: restaurant and winery, cafés and bars, shops of crafts and local products

Open Market: open shop counters for local products, crafts, ready made meals

Multifunctional stadium: close to the school, for locals and visitors

Parking Zone: with about 300 parking lots

Development Quantum

Development Quantum			
Upper Midscale Hotel in Apaga			
Hotel Rooms	# of units	Unit Size	Total Area
Standard rooms	60	25	1500
Superior rooms	30	30	900
Suites	10	45	450
Sum	100	29	2,850
F&B facilities	# of covers		
All day dining	150		440
Pool bar	10		50
Sum			490
Meeting and event facilities	# of covers		Total area sq m
Ballroom	300		875
Conference room	50		100
Sum	350		975
Other facilities	# of units		Total area sq m
Swimming pool			500
Terrace			1572
Spa & Wellness			200
Gym			70
Tennis Courts			2,380
Recreation			4,409
Terraced gardens			4,108
Kids playground			1000
Parking	50		2,978
Sum (exc. open air facilities)			770
Total net area			5,085
Total incl BOH & Circulation			7,628

Aland / Yenokavan										
Hotels	Location	#	# of units	Unit net area	Net Area	Gross to Net Ratio	Total GFA	Floors	Land Take	
Midscale	Yenokavan	2	48	25	1,200	60%	2,000.00	3.00	666.67	
Guest houses (Family homes)	Yenokavan	10	20	20	400	75%	533.33	2.00	266.67	
Family Farm (Suites)	Yenokavan	8	50	400	400	80%	500.00	2.00	250.00	
Sum		12	68		2,000		3,033.33		1,183.33	

Private Residences	Location	Units	Land size	Units size	Total area	Gross to Net Ratio	Total GFA	Floors	Land Take
Private Houses	Aland	15	600	130	1,950	95%	2,052.63	2.00	1,026.32
Yards for Villas			470		7,050				
Sum					1,950		2,053	2	

Cafes & Restaurants	Location	Units	# of covers	Total area	Gross to Net Ratio	Total GFA	Floors	Land Take
Restaurant and Winery	Yenokavan	1	50	150				
Cafes	Yenokavan	10	150	800	85%	941.18	1.00	941.18
Sum		11	200	950	1	941		941

Retail	Location	Units	Total area	Gross to Net Ratio	Total GFA	Floors	Land Take
Street Retail	Yenokavan		800	85%	941		
Open Market	Yenokavan	1	1,900	100%	1,900	1.00	1,900.00
Sum		1	2,700	2	2,841		1,900

Sport Facility	Location	Total area
Multi function open stadium	Yenokavan	2,480
Horse club	Aland	10,000
Sum		12,480

Public Spaces	Location	Units	# of spaces	Total area
Visitor Center	Yenokavan			266
Open Event/Festival Space	Apaga			11,000
Parking	Yenokavan		300	2,215
Sum				13,481

Apaga Resort Performance Projections

Operations	Totals	%	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Hotel <i>of total rev</i>												
Revenue <i>of total rev</i>												
Number of Rooms						100	100	100	100	100	100	100
Room Occupancy %						41%	50%	55%	55%	55%	55%	55%
Average Room Rate						68	76	80	82	83	85	87
Room Revenue	10,755	55%				1,024	1,373	1,606	1,638	1,671	1,704	1,738
F&B & M&E Revenue	7,822	40%				745	999	1,168	1,191	1,215	1,239	1,264
Spa & Other Revenue	978	5%				93	125	146	149	152	155	158
Total Revenue from Hotel Operations	19,554	100%	0	0	0	1,862	2,497	2,920	2,978	3,038	3,099	3,161
Expense <i>of total rev</i>												
Departmental Expenses	6,056	31%				465	789	923	941	960	979	999
Undistributed Expenses	3,520	18%				335	449	526	536	547	558	569
Management Fee	587	3%				56	75	88	89	91	93	95
GOP	9,391	48%				1,005.21	1,183	1,384	1,412	1,440	1,469	1,498
Incentive Fee	751	4%				80	95	111	113	115	118	120
Reserves	782	4%				74	100	117	119	122	124	126
Taxes & Insurance	196	1%				33	31	29	28	26	25	24
Total EBITDA from Hotel Operations	7,662	39%	0	0	0	818	958	1,127	1,152	1,177	1,202	1,228

- By the third year of operations we have assumed a stabilized occupancy of 55% and the ADR of USD 80.
- The room revenue is estimated to make 55% of total revenue. F&B and Meeting & events portion is projected to be as high as 40% of total revenue, given the high number of chance visitors the hotel facilities are proposed to have.
- The hotel is projected to generate 39% of Revenue as EBITDA, that equals USD 1.12m by third year.

Apaga Resort Development Costs & Return Analysis

Development Cost	Totals		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Construction Costs		<i>of dev costs</i>										
Construction Costs	-6,500	87%	0	-2,275	-4,225	0	0	0	0	0	0	0
Outdoor Facilities	-595	8%	0	-208	-387	0	0	0	0	0	0	0
Contingency	-355	5%	0	-124	-231	0	0	0	0	0	0	0
Total for Construction Costs	-7,450	91%	0	-2,607	-4,842	0	0	0	0	0	0	0
Professional Fees		<i>of dev costs</i>										
Planning, Permits & Surveying	-372	4.6%	-372	0	0	0	0	0	0	0	0	0
Site Supervision & Other Consultancy	-149	1.8%	0	-52	-97	0	0	0	0	0	0	0
Total for Professional Fees	-521	6.4%	-372	-52	-97	0	0	0	0	0	0	0
Marketing Costs		<i>of dev costs</i>										
Pre-opening Costs	-200	2.4%	0	0	-200	0	0	0	0	0	0	0
Total for Marketing/Letting	-200	2.4%	0	0	-200	0	0	0	0	0	0	0
Total Development Costs	-8,171	100%	-372	-2,660	-5,139	0	0	0	0	0	0	0
Performance	Totals											
EBITDA	7,662		0	0	0	818	958	1,127	1,152	1,177	1,202	1,228
Development Costs	-8,171		-372	-2,660	-5,139	0	0	0	0	0	0	0
Terminal Value	10,940		0	0	0	0	0	0	0	0	0	10,940
Total CF	10,431		-372	-2,660	-5,139	818	958	1,127	1,152	1,177	1,202	12,168
Project IRR	15%											
Equity Contribution	-4,423		-195	-1,406	-2,822	0	0	0	0	0	0	0
Debt Contribution	-4,086		-186	-1,330	-2,570	0	0	0	0	0	0	0
Finance Cost	-1,934		-8	-77	-252	-368	-328	-284	-237	-185	-129	-67
Total CF After Finance	8,497		-381	-2,736	-5,391	450	630	843	915	992	1,074	12,101
Debt Repayment	-4,086		0	0	0	-444	-484	-528	-575	-627	-683	-745
Debt Balance			-186	-1,516	-4,086	-3,642	-3,158	-2,630	-2,055	-1,428	-745	0
Equity CF	8,497		-195	-1,406	-2,822	6	146	315	340	365	390	11,357
Equity IRR	16%											

- The construction cost of the hotel and facilities included is projected to reach USD 7.5m excluding VAT.
- Total development costs that include planning and marketing costs exceed USD 8m.
- We have assumed a cap rate of 11% by year 10 thus generating 16% annual of return for an equity investor.

Aland & Yenokavan Performance Projections

Operations	Totals	%	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue												
		<i>of total rev</i>										
Yenokavan Midscale Hotel	2,366	34%				212	302	356	363	370	378	385
Guesthouses	971	14%				87	124	146	149	152	155	158
Family Farm	582	8%				52	74	88	89	91	93	95
Villas/Private houses	1,950	28%	-	-	585	975	390	0	-	-	-	-
Cafes	574	8%				51	73	86	88	90	92	94
Street Retail	511	7%				46	65	77	78	80	82	83
Horse Club	80	1%				7	10	12	12	12	13	13
Total Revenue	7,034	100%	0	0	585	1,430	1,040	765	780	796	811	828
Expense												
		<i>of total rev</i>										
Sales & Marketing	98	4%			29	49	20	0	0	0	0	0
Operational Expenses Hotels	1,960	88%				175	251	295	301	307	313	319
Operational Expenses Rental Properties	58	3%				5.2	7.4	8.8	8.9	9.1	9.3	9.5
Property Tax & Insurance	108	5%				18	17	16	15	15	14	13
Total Expenses	2,224	100%	0	0	29	247	295	320	325	330	336	342
Total EBITDA from all Sources	4,810	68%	0	0	556	1,183	745	445	455	465	476	486

- We have assumed 50% occupancy for all the hospitality accommodation proposed in the village Yenokavan.
- The sales of private residencies are planned in three years at average price of USD 850 (USD 708 net of VAT).
- The properties are planned to be delivered in refurbished condition and with landscaped yards.
- Cafes and street retail are leased at USD 8 to 9 per month per sqm by third year of operations. (net Values)
- The operational expenses are set to reach 33% of revenue.



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Aland & Yenokavan Development Costs & Return Analysis

Development Cost	Totals		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Construction Costs	<i>of dev costs</i>											
Yenokavan midscale hotel	-1,350	38%	0	-473	-878	0	0	0	0	0	0	0
Guesthouses	-200	6%	0	-70	-130	0	0	0	0	0	0	0
Family Farm	-240	7%	0	-84	-156	0	0	0	0	0	0	0
Yards for Villas/Private Houses	-247	7%	0	-86	-160	0	0	0	0	0	0	0
Villas/Private houses	-821	23%	0	-287	-534	0	0	0	0	0	0	0
Cafes	-282	8%	0	-99	-184	0	0	0	0	0	0	0
Street Retail	-282	8%	0	-99	-184	0	0	0	0	0	0	0
Contingency	-171	5%	0	-60	-111	0	0	0	0	0	0	0
Total for Construction Costs	-3,594	89%	0	-1,258	-2,336	0	0	0	0	0	0	0
Professional Fees	<i>of dev costs</i>											
Planning, Permits & Surveying	-180	5%	-180	0	0	0	0	0	0	0	0	0
Site Supervision & Other Consultancy	-72	2%	0	-25	-47	0	0	0	0	0	0	0
Total for Professional Fees	-252	6.2%	-180	-25	-47	0	0	0	0	0	0	0
Marketing Costs	<i>of dev costs</i>											
Pre-opening Costs	-200	6%	0	0	-200	0	0	0	0	0	0	0
Total for Marketing/Letting	-200	4.9%	0	0	-200	0	0	0	0	0	0	0
Total Development Costs	-4,045	100%	-180	-1,283	-2,583	0	0	0	0	0	0	0
Terminal Value Calculation	Totals		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Capitalisation	4,418		0	0	0	0	0	0	0	0	0	4,418
Sales Cost on Exit	-88		0	0	0	0	0	0	0	0	0	-88
Terminal Value	4,330		0	0	0	0	0	0	0	0	0	4,330
Performance	Totals		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
EBITDA	4,810		0	0	556	1,183	745	445	455	465	476	486
Development Costs	-4,045		-180	-1,283	-2,583	0	0	0	0	0	0	0
Terminal Value	4,330		0	0	0	0	0	0	0	0	0	4,330
Total CF	5,095		-180	-1,283	-2,027	1,183	745	445	455	465	476	4,816
Project IRR	19%											
NPV @ 15%	429											

- The construction costs of various uses are estimated to reach USD 3.6m, with total development budget slightly exceeding USD 4m..
- The project is forecast to generate 19% IRR. The NPV for the proposed development stands at 429k. (positive NPV project)



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State Infrastructure Investment

Type of Costs	# of units	sq.m	USD per sq.,m	Total Cost ('000)
Roads & Infrastructure				
Apaga Yenokavan Road	1	24,800	80	(1,984.00)
Internal Roads Yenokavan	1	28,000	50	(1,400.00)
Bypass road		40,000	100	(4,000.00)
Cable Car				
New Development				
Open Market				(152.00)
Multifunction open stadium				(198.40)
Visitors centre	1	-		(200.00)
Parking	1	-		(330.00)
Farms	2	-	5	(132.90)
Infrastructure				
Communal Infrastructure	1	1,000	500	(500.00)
Lighting & Furniture				(100.00)
Building Rehabilitation		4,000	250	(1,000.00)
Landscaping & Recreation				
Total ('000)				(10,397)
Contingency (10%)				(1,040)
Total ('000)				(11,437)
Preparation for Opening				
Locals Training				(100)
Branding and positioning				(200)
Total ('000)				(300)
Professional Expenses				
Planning, Permits & Surveying			8%	(914.96)
Site Supervision & Other Consultancy			2%	(228.74)
Total Professional Costs				(1,144)
Total Municipal costs				(12,881)

- The total state costs that includes roads, infrastructure, public buildings etc. reach USD 13m mark
- Potential Cable Car budget is not yet available and is left blank as of now.



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Tax revenues and State IRR

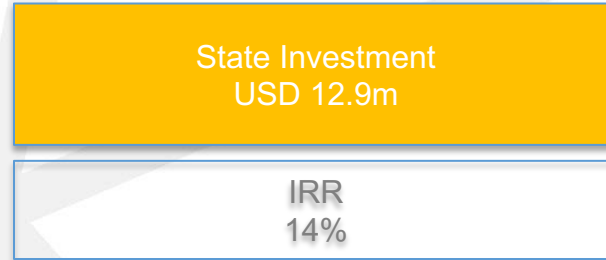
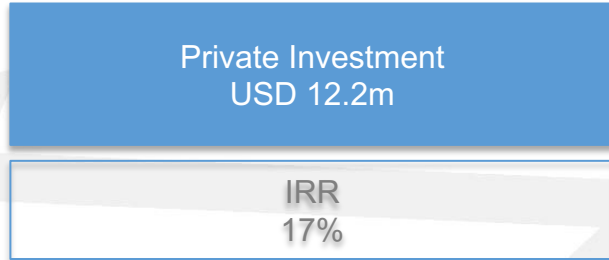
State Revenues		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues from VAT ('000)	20%	-	-	117	567	707	737	752	767	782	798
Revenue from Profit tax ('000)	20%	-	-	111	400	341	314	321	328	336	343
Revenues from Income tax('000)	23%	147.26	296	430.82	129	153.48	158.59	161.13	163.72	166.37	169.06
Revenues from Property Tax ('000)	1%	-	290.92	346.80	342.46	338.34	334.42	330.70	327.16	323.81	320.62
Total Revenues from Taxes ('000 USD)		147	587	1,006	1,439	1,540	1,544	1,565	1,586	1,608	1,630
Municipal Development Costs		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Construction Costs	(11,437)	(3,812.34)	(3,812.34)	(3,812.34)	-	-	-	-	-	-	-
Total Preparation Costs	(300)	-	-	(300.00)	-	-	-	-	-	-	-
Total Professional Costs	(1,144)	(1,144)	-	-	-	-	-	-	-	-	-
Total Development Costs	(12,881)	(4,956.05)	(3,812.34)	(4,112.34)	-	-	-	-	-	-	-
Terminal Value Calculation		Sum									
Capitalization	-	-	-	-	-	-	-	-	-	-	16,301.60
Terminal Value	-	0	0	0	0	0	0	0	0	0	16,302
Performance Projections		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues from Taxes	12,652	147	587	1,006	1,439	1,540	1,544	1,565	1,586	1,608	1,630
Development Costs	(12,881)	(4,956)	(3,812)	(4,112)	-	-	-	-	-	-	-
Capitalization	16,302	-	-	-	-	-	-	-	-	-	16,302
Total CF	(1,858)	(4,809)	(3,225)	(3,107)	1,439	1,540	1,544	1,565	1,586	1,608	17,932
Project IRR	14%										

- Increase in tax revenues is expected to reach \$1.4m by year 2022. The state development costs standing at roughly \$13m. Having factored the terminal value of the tax to be collected beyond modelling period, the state could expect 14% annual return on the investment.



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Private and State Investment Summary



The proposed development scheme is forecast to generate attractive annual return on investment both for private investors and state .



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502 offices in
67 countries on
6 continents



\$2.3

billion in
annual revenue

1.7

billion square feet
under management

16,300

professionals
and staff

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