

Project: Real Estate Development Projects

Location: Greece

The Market:

One of the key strategies to staying competitive in the hotel industry is renovation by transforming existing infrastructure with modern amenities. Last year has recorded the highest number of hotel renovation projects in the U.S. Many leading brands are proactively changing their standards based on guest experience, and implementing design changes to the room layouts, guest bathrooms, and overall hospitality experience.

In Greece, where the Hotel and tourism industry is the basis of the GDP, fifteen new investment projects by hotel industry groups are currently underway in various Greek destinations. According to Ekathimerini, local authorities have issued a series of permits to implement these investment programs, while other projects are already under development.

Greece's newest hotel investment projects are as follows:

- Zeus International and Wyndham Hotel Group will open two new hotels in Loutraki, near Corinth, this coming Thursday. The Wyndham Loutraki Poseidon Resort consists of 107 suites, while the Ramada Loutraki Poseidon Resort has 196 bungalows. Both properties have five restaurants and bars, four indoor and outdoor swimming pools and various sports facilities.
- Porto Carras received a license to update its Meliton property at Halkidiki, near central Macedonia. Greece's ministry of culture granted Akti Aghiou Ioanni environmental clearance to begin a project including a five-star hotel and 120 tourist residences at Aghios Ioannis. However, the ministry rejected the proposed location for an open-air theater.
- Forest Resorts is planning to construct a five-star hotel in the northwestern Greek city of Kastoria.
- Tsouramanis received a license to renovate and upgrade the Adonis Hotel in Patra.
- Inestia is launching its Intra Hotels brand in the Mykonos market with the new five-star Branco Mykonos hotel.
- More Meni lke plans to develop a five-star hotel. Meanwhile, Daidalos received a permit to expand its four-star Diadalos Hotel.
- I.B.D.P.s.r.o. will construct a 132-room hotel at Platania, near Hania, in Crete. The ministry of culture has given Stella Beach permission to extend its existing hotel at Hersonissus.
- The group currently operating the five-star Kontokali Beach Resort & Spa and Aeolos Beach Hotel is planning to develop a third property on the island of Corfu.
- Mandraki gained environmental clearance to expand its four-star 125-room Mandraki Village property in Skiathos. Kassandra Bay received the Ministry of Culture's archaeological terms approval for a new five-star, 182-room property in the region's Vassilias area.
- Antonis Moraitis secured permission to complete its unfinished three-star property in Milos

As anyone can see, most of these investment projects are based on the redevelopment or extension of existing infrastructure.

The Project:

The "FN Development Real Estate Development Project" consists of three Real Estate Projects in Greece.

The projects are active hotel units, needing redesigning and (re)development. An existing understanding with big Hotel Operators is directing the needs of this (re)development, in order to maximize the exit policy after a period of 4 to 6 years. The 3 Projects are:

1. Project Sun Beach, Thessaloniki

Sun Beach Hotel is a 124 Key / 238 bed Hotel offering a prime location close to Agia Triada's beach, Sun Beach Hotel provides clean and comfortable rooms with free American breakfast, just 14 km from Thessaloniki Airport. Several shops and restaurants are just a short walk away.

2. Project Aqua Mare Resort, Melissi, Korinthia

Aqua Mare Resort is located on Melissi beach, 25 km away from Corinth, with a unique view of the Corinthian Gulf. It consists of a main building of 82 rooms 3 *** (needs improvement), swimming pool, pool bar, and fully organized beach bar with its own beach.

3. Project Barbati, Corfu

The Project concerns 4 properties located in Barbati, Corfu. Although there are existing hotel facilities on the properties, the whole project will be redesigned in order to comply with the Operators' needs.

There is already an understanding with FRAM (acronym for Fer Route Air Mer) which is a French travel agent founded in 1949 and was the third largest travel agent after TUI and Thomas Cook. The agreement includes the guaranteed lease of 100 rooms of the unit that will be created for 180 days per year with a certain price per person per night, for 10+10 years with mutually agreed price adjustment per night per year.

Budget and economic Figures:

- | | |
|-------------------------------------|----------------|
| • Total Project Budget: | • 17,000,000 € |
| • Investment by AENAOS LLC: | • 6,000,000 € |
| • Leverage: | • 9,000,000 € |
| • Expected ROE on exit (3-6 years): | • 160% |

Current Status:

Units 2 and 3 are currently open and operating. Unit 1 is closed due to the Pandemic.

To Do:

- Due diligence for each project (technical, legal, financial)
- Acquisition of the projects through the relevant agreements