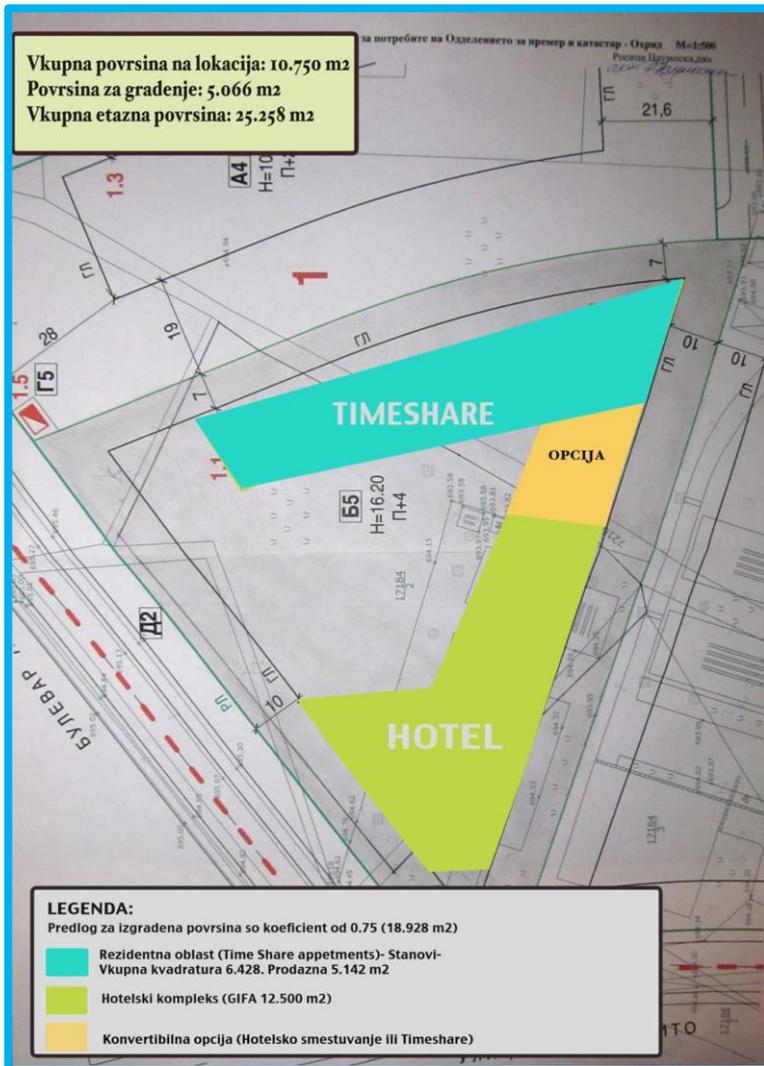


INVESTMENT PROPOSAL*



Four or Five star Timeshare Apartments and Hotel at Lake Ohrid, Macedonia

Key Facts



- ❑ Main Purpose: 4 or 5 star hotel
- ❑ Purpose: Time-share apartment / hotel
- ❑ Land usage coefficient: 0.75
- ❑ Net surface: 10.750 m²
- ❑ Gross developed surface allowed under general plan: 25.238 m²
- ❑ Full land ownership
- ❑ Open plan development
- ❑ Phased construction available
- ❑ Height parameters: min 16,20 m
Option available for additional height to 21m
- ❑ Ground floor + 4

Investment Proposal

(Time Share Apartments and Hotel)



- ❑ • Total area development : **18.928 m² (development coefficient 0.75)**
- ❑ • Gross Residential area developed: **6.428 m²**
- ❑ • Gross Hotel area developed : **12.500 m² (max)**

**note that the graphical solution does not represent the final outlook of the project.*

Residential Area

Residential Area	6,428.50
Net residential area	5,142.80
Development cost per m ²	3,831,386.00
Income from sales (avg 1250 EUR/m ²)	6,428,500.00
Net income	2,597,114.00
Realized Margin (Before Tax)	40.4%

- ❑ Gross residential area developed (under industry margin scenario): 6.428 m²
- ❑ NET sellable area: 5.142 m² (80% coefficient assumed);
- ❑ Note: most common areas remain in the hotel as part of the service charge income later on;
- ❑ Development cost standard: 745 EUR/m²
- ❑ Market price on Phase 1 construction: 1.250 EUR/m² ;
- ❑ Market price on final development: 1.370 EUR/m² (additional marginal income approx. 617.000 EUR).

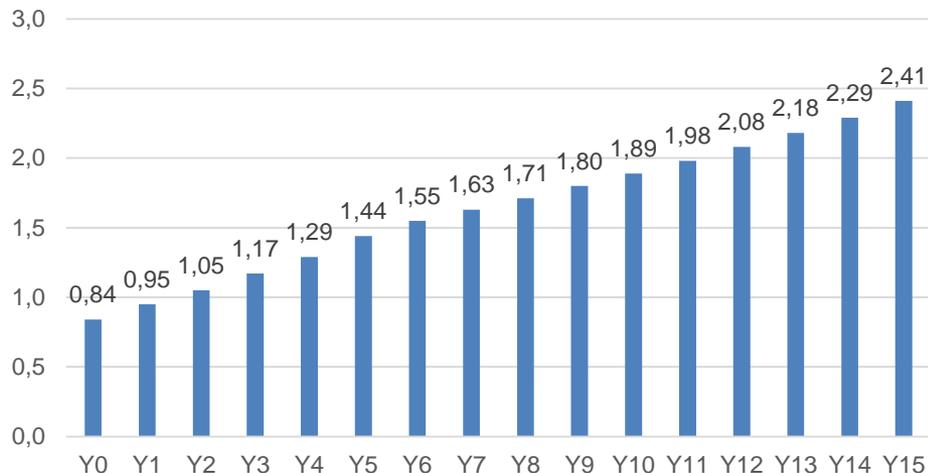
Hotel Area

Purposed Investment	
Hotel (GIFA)	12,500.00
235 rooms	
GIFA per room m ²	59.52
Investment standard per m²	1,420.00
Expected investment	17,750,000.00

- ❑ 235 Rooms + amenities
 - ❑ GIFA per room approx 60 m²
 - ❑ Investment standard estimated in terms of building, fitting and equipment for hotels in EEC
 - ❑ Total investment cost: approx 17,75 million EUR
- *GIFA (gross floor internal area)

Hotel Area (Estimates)

NET INCOME (in million EUR)



❑ All estimates disregards cost of financing and income from auxiliary services (maintenance income, restaurant, casino and etc..)

❑ Expected margin is in line with the hotel industry standard.

Net average price per person	42.57
Expected average occupancy rate	76%
Maximum occupancy income	7,088,756.40
Income at year 0	5,387,454.86
Expected net margin	15.68%
Net Income at year 0	844,752.92
Payback period (from operations)	approx.11 years
IRR	min 7%

Sale Options (Pure sale / Direct purchase)

- ❑ The investor is given full right of purchase without any equity interest:

PRICE per m²: 485 EUR

- ❑ Terms of payment is to be agreed with the owners;
- ❑ Any payment options over 1 year time, will be agreed/adjusted to cover for inflation and market premium on the EU stock exchange;
- ❑ The above defined price is net, whereas the investor is to cover all transaction expenses and duties.

Sale Options (value and phase investing)

- ❑ The investors is obliged to present a complete investment elaborate and project;
- ❑ Corporate guarantee will be issued in value of the whole project with all terms and condition to be determined accordingly;
- ❑ Investment covenants will follow to cover any default possibility of the investor;
- ❑ All surface area which would not be developed is to be purchased by the new investors from the owners.

- ❑ **Maximum allowed undeveloped surface: 5.864 m²**
- ❑ **Price: 230 EUR/m²**
- ❑ **Total cost: 1.3 milion EUR**

- ❑ **Residential area option**
 - ❑ No direct sale of land surface, but equity interest;
 - ❑ Minimum 32% equity interest of net sale area developed;
 - ❑ No cash outflow toward landlords;

Sale Options (value and phase investing)

Hotel area:

- Corporate guarantee over the whole construction period;
- Term sheet and time development schedule.

Value of the investment

- Total construction value 17.75 million EUR;
- Both sides contribute 1.5 million in short term financing;
- After 3 years short term financing is contributed into capital structure;
- Minimum equity interest: 18%.

Additional options

- Step out options for the investor based on EBIT multiples at specified period;
- Mutually accepted evaluation model, developed and evaluated by two grade A international investment consultancy companies.

Contacts

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