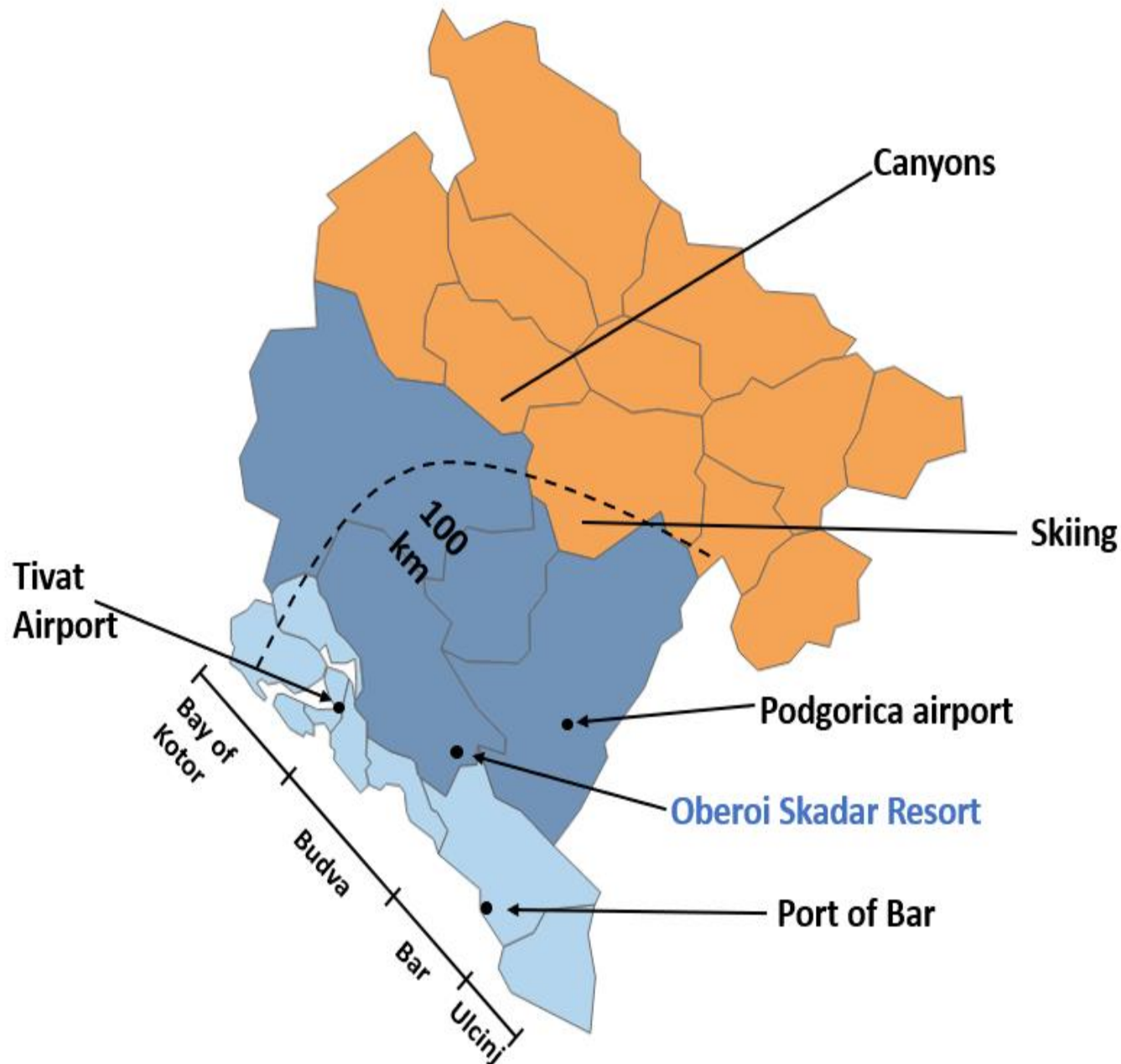




OBEROI SKADAR LAKE, AN ECO RESORT

Project Classification		Financial Overview	
Project name	OBEROI SKADAR LAKE, AN ECO RESORT		
Project category	5* hotel with luxurious villas		
Project type	Building land for tourism development project	Total development costs	€ 53,138,281
Project classified as	Development property	Developer's profit (nominal) (on GDV)	€ 19,243,649
LOCATION OVERVIEW		ASKNG PRICE	€ 16,000,000
Country	Montenegro		
Municipality	Cetinje		
Settlement	Mihailovici, Cape Biski rep		
Address	Mihailovici bb		
AREA OVERVIEW		PLANNING OVERVIEW	
Land area	118,983 m²	Planning coverage	DSL "Mihailovici"
Net Usable Area	34,299.10 m²	Allowed use(s)	Tourism–mix use resort with apartments, villas and hotel
Gross area	35,721.90 m²		
Number of apartments	80	Allowed footprint (total)	0.169
Number of villas	20	Allowed building coefficient (total)	0.303

EXECUTIVE SUMMARY



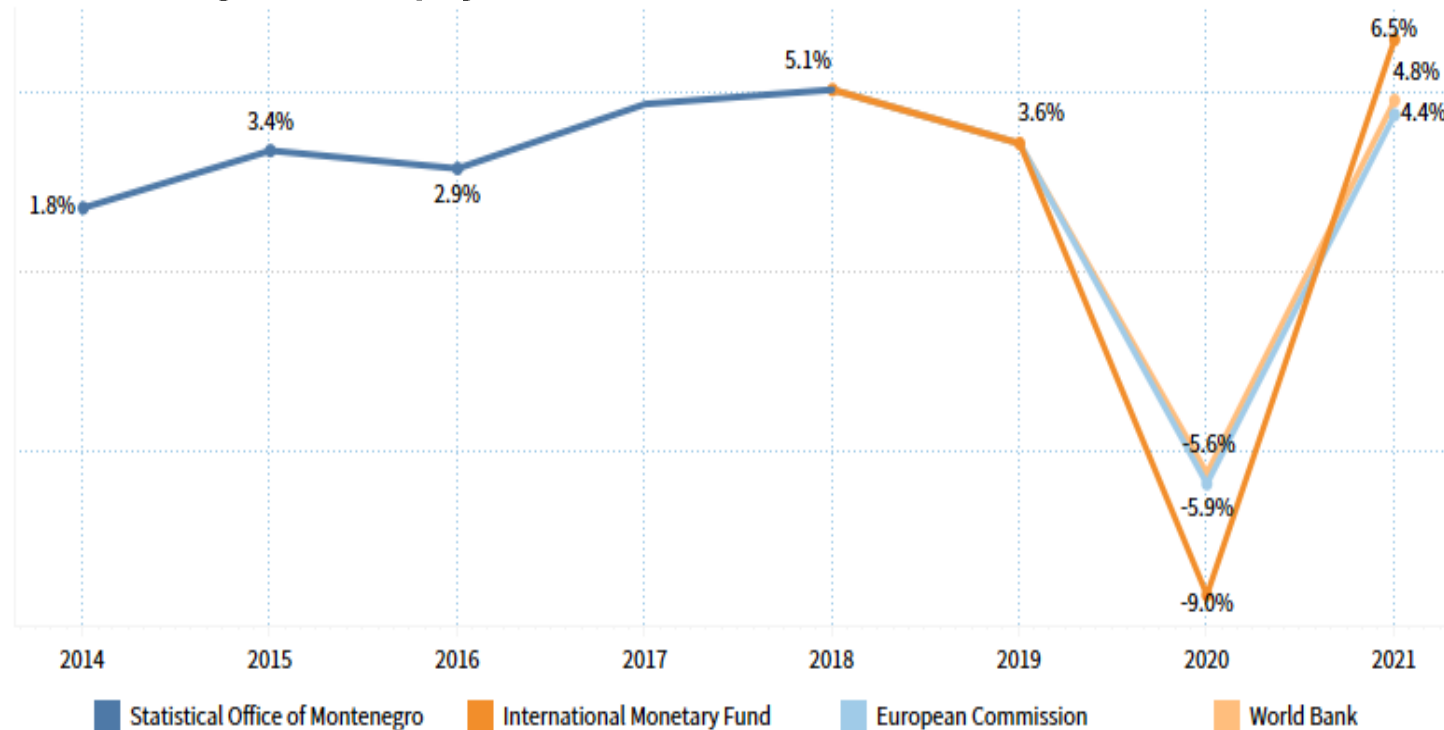
YOUNG COUNTRY WITH MUCH TO OFFER

- Its size is ca. half of Belgium and a population of 620,000.
- Swimming season: 180 days.
- Skiing season: 90 days.
- Average number of sunny days during the year: 240.
- Length of coastline: 294 km.
- Member of NATO since 2017.
- EU candidate country (2025 as the possible accession year).

COUNTRY OVERVIEW

ONE OF THE MORE DEVELOPED AND STABLE ECONOMIES IN THE BALKAN

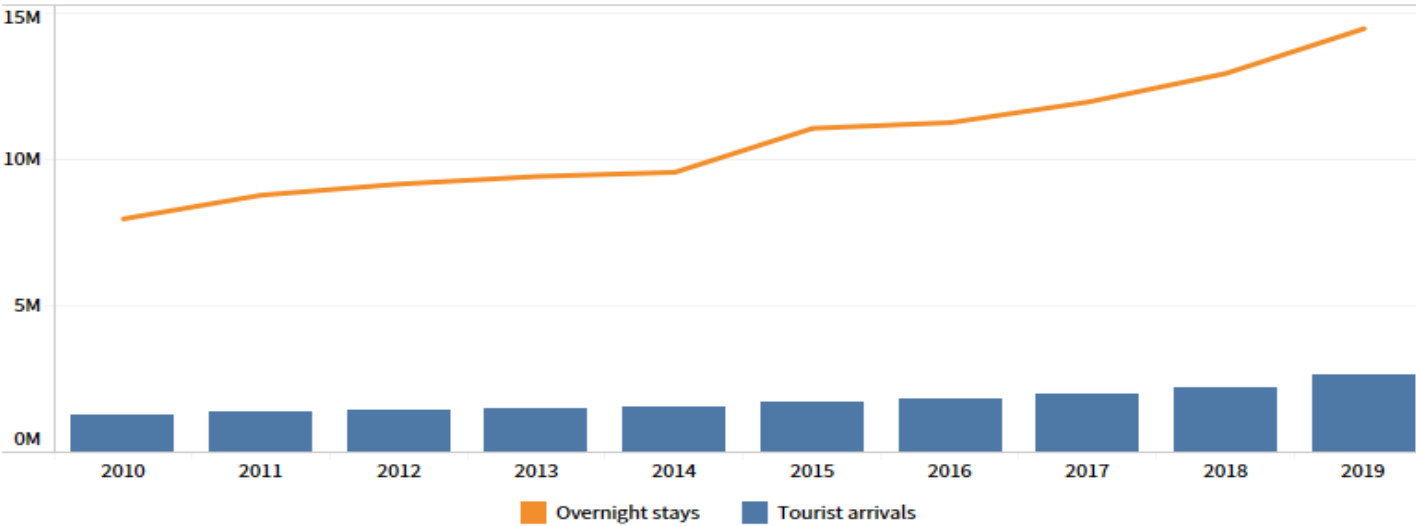
Real GDP growth with projections



- Euro is the official currency.
- GDP per capita EUR 7,260.
- GDP growth 5.1% (2018).
- Unemployment rate 15.1%.
- FDI 18.4% of GDP.
- More than 2.5 million tourist arrivals in 2019.
- Strong rebound in 2021.

ECONOMIC OVERVIEW

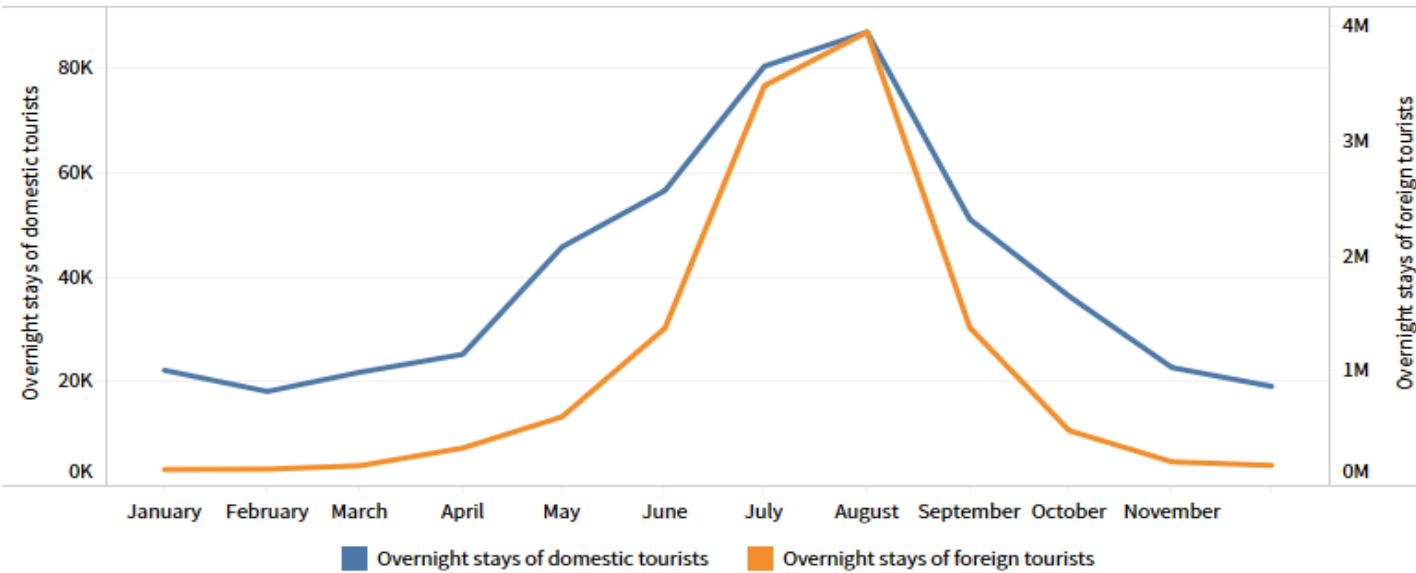
Tourist arrivals and overnight stays



TOURISM KEEPS DEFENDING THE 'TITLE' OF THE MOST SUCCESSFUL ACTIVITY

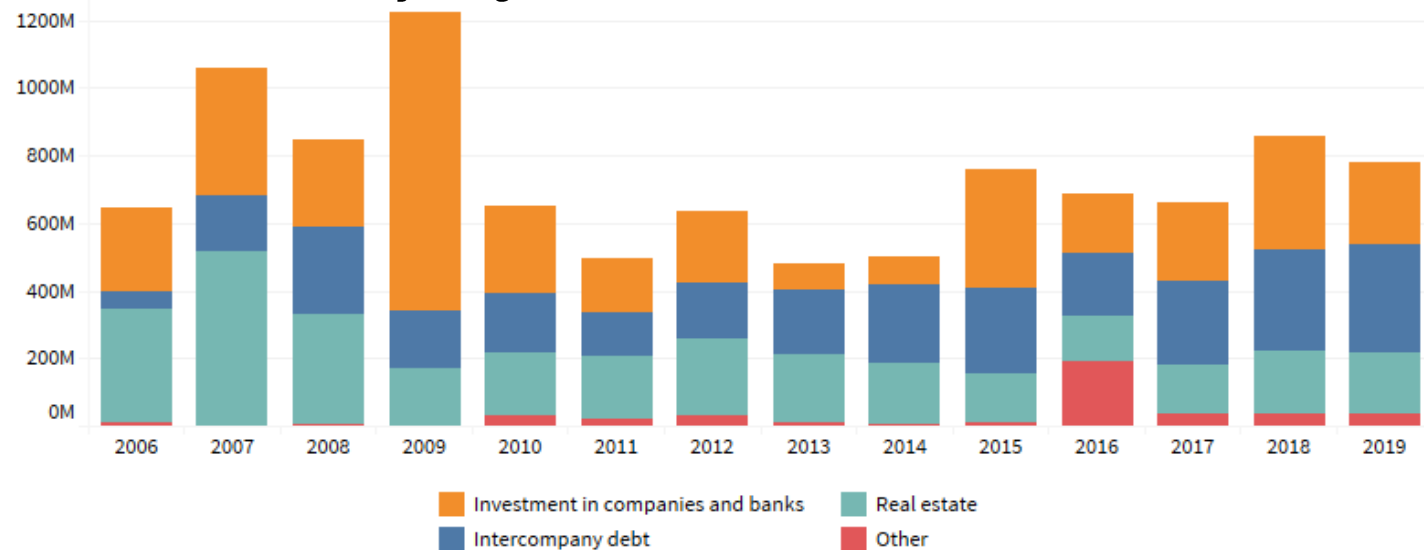
- Tourism revenues in 2019 EUR 1.1 billion (24% of GDP).
- Overnight stays more than 14 million.
- The average length of stay above five nights.
- Hotels generate more than 20% of the total overnight stays.
- Only Malta and Croatia have a greater tourism density per resident on Mediterranean.
- Pronounced seasonality (81% of stays from June to September in 2019).

Monthly overnight stays of domestic and foreign tourists

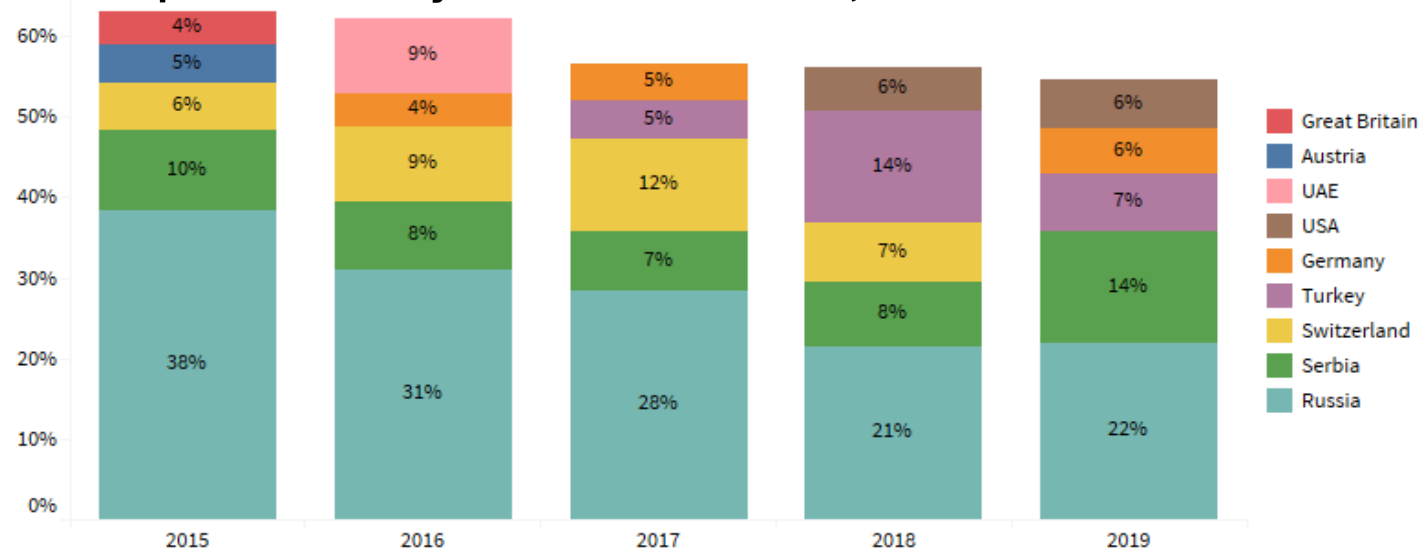


ECONOMIC SEGMENT: TOURISM

Total FDI inflow by categories



Top five countries by investment in real estate, % of total



INCREASINGLY ATTRACTIVE DESTINATION FOR FOREIGN INVESTORS

- Great potential in tourism, energy and agriculture.
- The average annual FDI inflow ca. EUR 750 million.
- Real estate investment (23% of the total FDI).
- The advantages include competitive tax system, low-cost workforce, economic freedom, monetary stability.
- Montenegro takes 50th place out of 190 economies in terms of ease of doing business, according to the 2020 World Bank (WB) Doing Business Report.
- In terms of FDI per capita, Montenegro ranks better than the majority of countries, especially better than countries of the SEE region.

ECONOMIC SEGMENT: FOREIGN DIRECT INVESTMENT



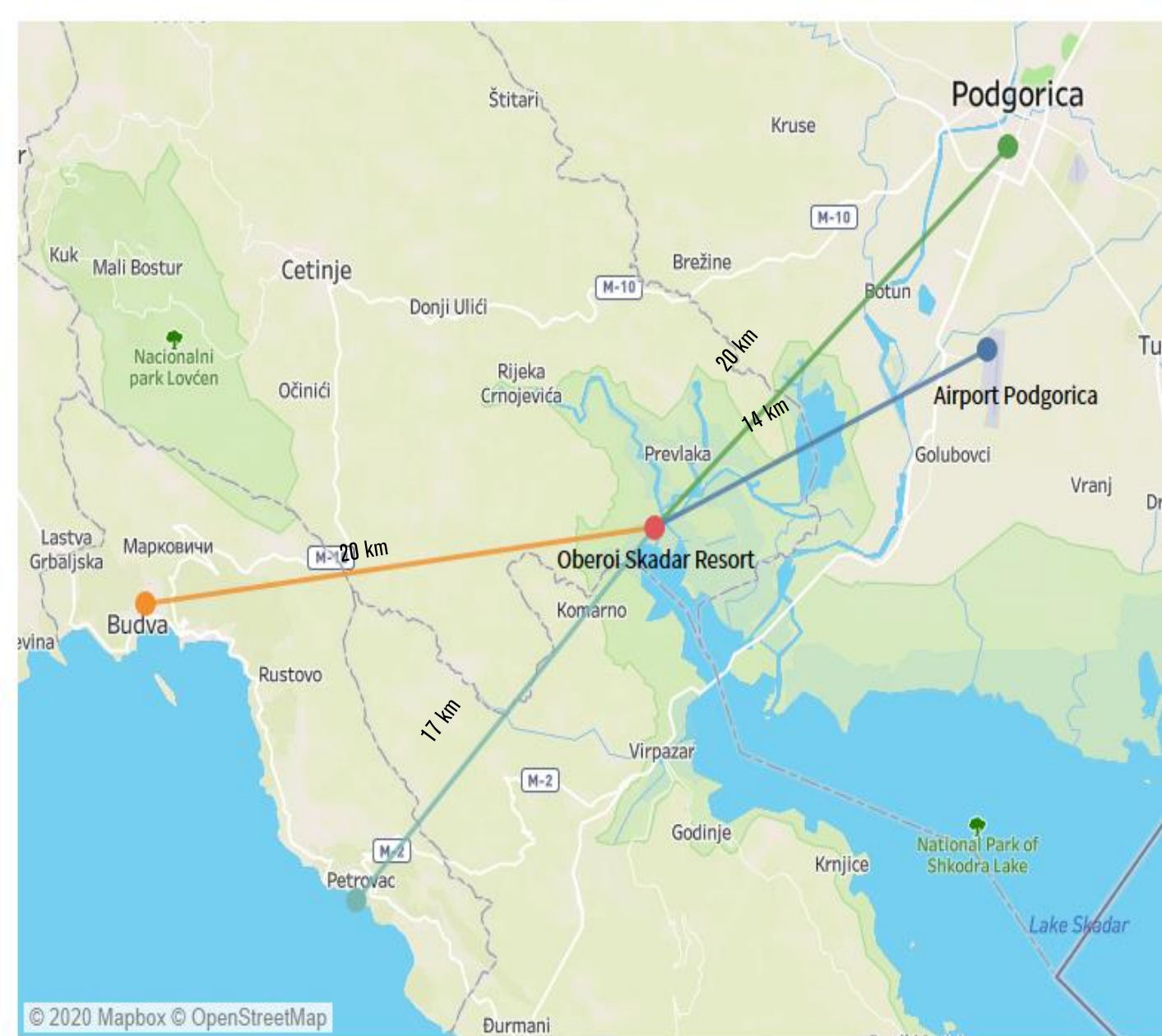
THE GREATEST CONCENTRATION OF WILD BEAUTY PER KM² IN THE WORLD

- The southernmost fjord in the world and one of the most picturesque: Bokokotorski zaliv.
- The most impassable canyon in the world: Nevidio (conquered 1965).
- The deepest canyon in Europe: Tara canyon (1,300 m) and the second in the world after Colorado (1,600 m).
- The highest mausoleum in the world: Njegosev Mauzolej, Lovcen mountain (1,600 m).
- One of the most visited Eastern Orthodox Christian church in the world: Ostrog monastery with 1.2 million visitors per year.
- The highest railway bridge in Europe and second in the world-Little river bridge (200 m).
- One of the three preserved rainforests in Europe: Biogradska prasuma with glacier lake Biogradsko jezero.
- The greatest lake in Balkan peninsula: Skadar Lake
- First in Europe and one of the global biodiversity “hot spots” (63% European birds, 70% Mediterranean spices, 3,250 spices of plants).

INTERESTING FACTS

SPECIFIC CENTRAL LOCATION TO MOST OF THE POI'S

- Unique and exclusive resort on Skadar lake - location in the middle of the majority of touristic POI's.
- Tourist arrivals exceeded 2.5 million in 2019.
- Budva as a hot spot attracted almost a million, while all other coastal cities brought another million and Podgorica as a main industrial and financial centre brought 0.2 millions of tourists.
- All those touristic hot spots are within 100 km away from future Oberoi complex and 50 % within 55 km.
- Podgorica is 20 km away, airport is 14 km away and Budva is 20 km away.



REGIONAL OVERVIEW

- From February 2007.-2017. Lionel Sonigo (through Montenegro Resort Company, or “MRC”) acquired 11.5 hectares of land adjoining Skadar Lake, in a National Park, which is an idyllic location, close to the capital city, Podgorica.
- He had previously been President of a French construction company for 20 years and then moved to Poland in 1999. to develop supermarkets in Poland, Romania, Bosnia and Serbia; he sold this business in 2007. and acquired the land adjoining Skadar Lake, whilst simultaneously developed an eco-resort in Zanzibar (Tanzania) called Cristal Resort.
- The intention was always to develop a luxury hospitality and residential complex at Skadar Lake, and he engaged with the Montenegrin government to acquire the necessary permits; this was prior to the CBI programme being put in place, and the initial economic evaluation was completed without CBI effective subsidy.
- Lionel Sonigo has invested around €6.8m of his own money in this project to date, including 11 different surveys (location, impact, environmental, bio-diversity, air, water, land, hotel feasibility, real estate feasibility, permit licenses, architectural design, road construction) and expenses.
- MOU with Oberoi Hotels & Resorts signed on November the 1st, 2017.
- Early Contractor Involvement scheme (ECI) between Vinci construction and MRC were proposed and agreed during their meetings in 2019.
- Support service contract between Ingerop MN and MRC was signed on November the 11th, 2019. which includes a variety of services related to subject project.

PROJECT BACKGROUND: FROM DREAM TO REALITY

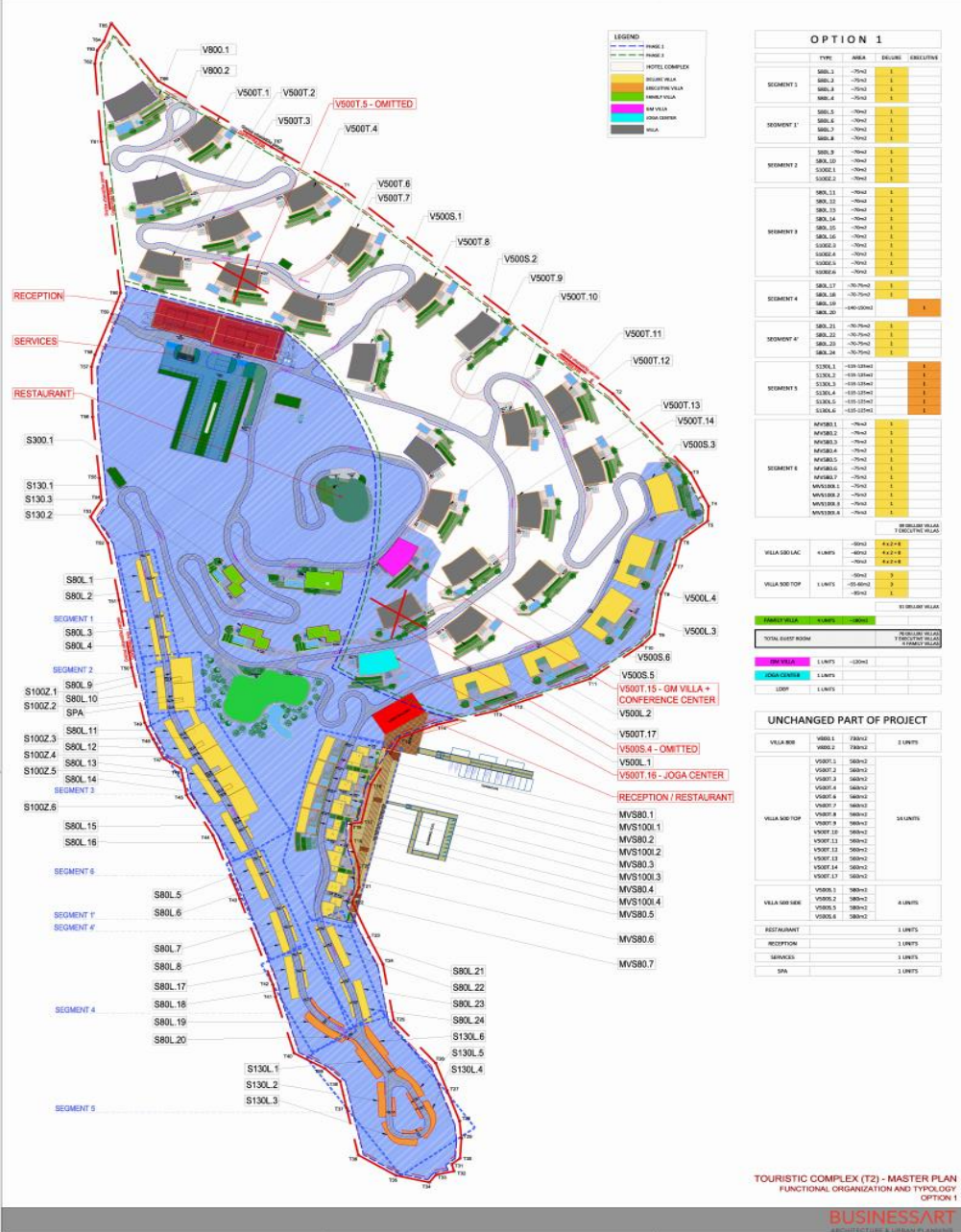
- Recent great touristic trends shift toward hotels and resorts in isolated, peaceful, unique and picturesque locations with interesting and health related activities due to Covid-19 effects which will, most likely, last long-term.
- Similar trends noticed in investors interest shift toward real estates with above mentioned attributes.
- The first Europe Oberoi hotel and first Clarins (leading France cosmetic brand) spa in Balkan peninsula.
Enormous and still unnoticed potential for ornithology (birdwatching); one of the fastest growing and most attractive form of tourism in Europe <https://www.cbi.eu/market-information/tourism/birdwatching-tourism> with large target group from developed countries well known of their good purchasing power. Majority of ornithologist travelled from EU countries to South America, Asia and Africa which have 84% of known world species of birds. Due to a mentioned Covid-19 restrictions in travel (especially in intercontinental flights) they have no alternatives but to satisfy with Europe hot spots and the most richest location is on Skadar lake with 281 species of birds. The best developed locations in Europe are Moulins (France) with 250 species and Madeira with 'only' 48 species.
- Very limited offer in strictly regulated environment and with zero emissions of carbon dioxide and zero impact on environment.
- Tranquillity zone in almost unpopulated environment of strictly protected national park.
- Due to all the above said, a conclusion is imposed that this is an extremely unique project which could easily become a crown jewel in Europe high class resorts offer in mid term.

PROJECT COMPETITIVE ADVANTAGES: HIDDEN VALUE

UNIQUE LUXURY 5* ECO RESORT

The project is a luxury 5* hospitality development within the National Park of Skadar Lake, located some 20 km south of the capital city Podgorica and 14 km from the international airport:

- MOU with Oberoi Hotels & Resorts signed on November the 1st, 2017.
- Four different types of villas and five types of suites, with a total key count of 80, four F&B outlets, 350m2 conference area, retail and children's facilities, a gym and 1,200m2 spa area.
- The development cost is €140m in total, split €9m Early Works, €73m 80-key hotel, €56m for 20 villas and €2m additional contingency.
- Construction is to be phased, with the hotel to be completed by Q2 2022 and the villas by Q4 2022.



PROJECT DESCRIPTION



OBEROI SKADAR LAKE, AN ECO RESORT

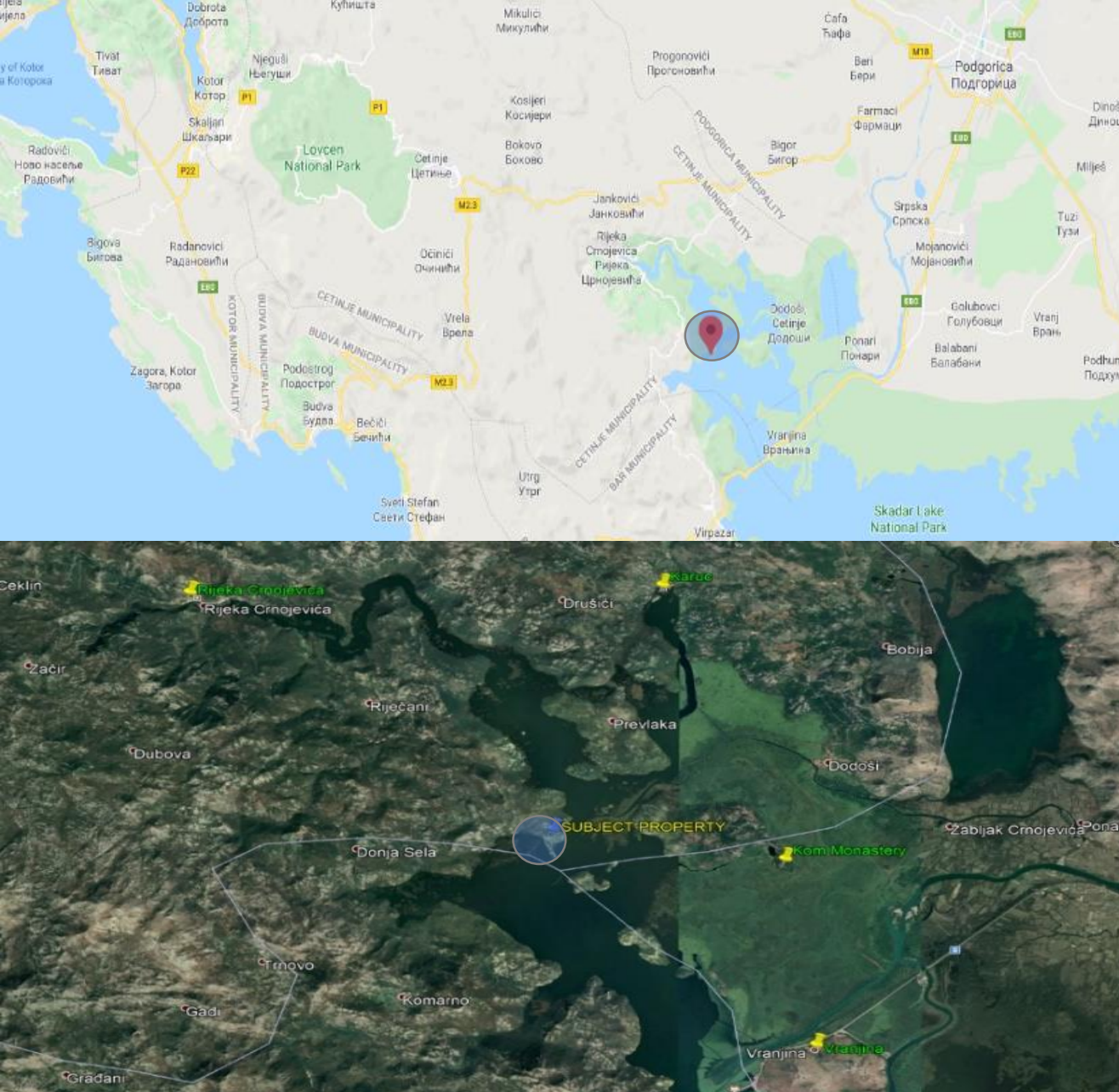
- The Oberoi Group is a hotel group with its head office in Delhi. Founded in 1934, the company owns and/or operates 31 luxury hotels and two river cruise ships in six countries, primarily under its Oberoi Hotels & Resorts and Trident brands.
- Oberoi Hotels & Resorts are renowned for their warm, personalized service and exquisite luxury. Situated in unique locations, these hotels and resorts feature spacious, tastefully appointed accommodations with breath-taking views, luxurious cuisine, and authentic experiences. With many exquisite properties in Asia, royal service in magnificent settings is never far away.
- Some of their hotel rewards since 2019 are: The best hotel in Asia 2020, The best hotel/resort in Middle East & Afrika 2019, The best hotel for romance 2019, 3rd luxury hotel in India 2019, Best international luxury resort 2019, Best business hotel 2019, Hotel of the year 2019, One of the world best hotel and resorts for families and many others.

PROJECT DESCRIPTION

SKADAR LAKE NATIONAL PARK

PICTURESQUE TOP EUROPE BIRD HABITAT

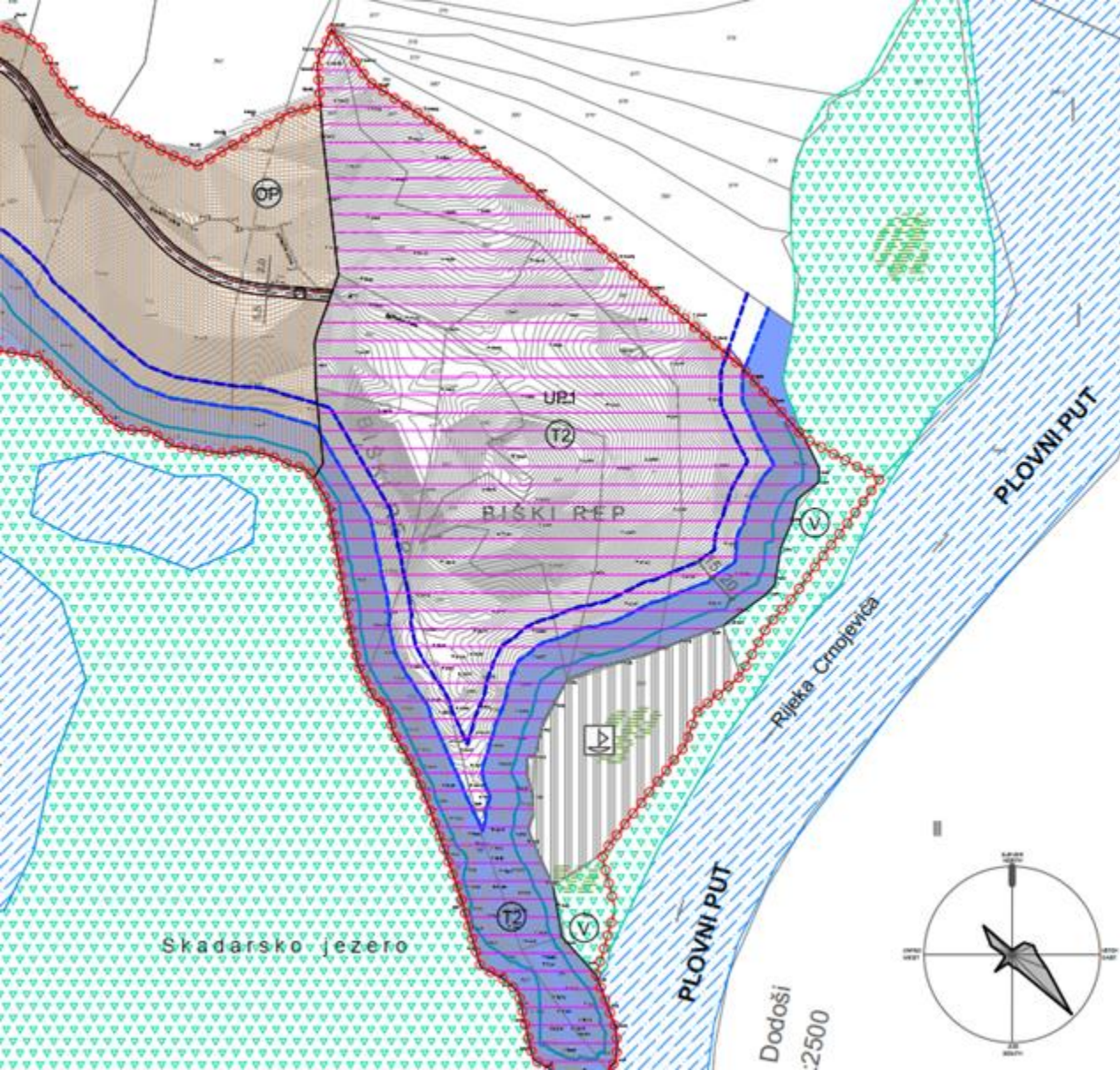
- Surrounded by mountains. 7 km air distance from Adriatic Sea. Two Thirds of Skadar Lake is in Montenegro and the rest is in Albania. Size of the lake varies from 530 to 370 km² it is 44 km long and 14 km wide.
- The largest fresh water lake at the Balkan Peninsula and one of the largest national parks in Montenegro. Famous for its diversity of flora and fauna with very complex ecosystem. It is of a sub-Mediterranean type dominated by freshwater and wetland biotopes, particularly along the northern shore.
- It is a piece of the Ramsar List of Wetlands of International Importance and has been assigned for UNESCO World Heritage status.
- Lake Skadar is one of the largest bird reserves in Europe known as a „paradise for birds“ with 281 species (32% of all European birds) and for with 50 fish species and 930 species of algae. Many of them are rare, endemic or endangered.
- The 2011 IUCN Red List of Threatened Species includes 21 endemic species from the Lake Skadar basin.



MICROLOCATION AND SITE PLAN

URBAN INDICATORS		PLANNED PARAMETERS	ALLOWED PARAMETERS
Urban plot			UP1
Purpose code			T2
Urban plot area (sqm)			118,547
Object type			Villas, Hotel, SPA, Restaurants, Shops, Technical services
Allowed number of floors		Up to tree floors	Three floors
Total maximum area under buildings (sqm)		19,871.7	20,034.4
Total maximum GBA under buildings (sqm)		35,721.9	35,919.7
Occupancy index		0.168	0.169
Construction index		0.301	0.303
Total area under greenery and free area of the urban plot (sqm)		59,273	59,300
Maximum number of beds		410	410
Approximate number of employees		79	79





Source: Planning document DSL “Mihailovici”, UP1 with legend.



PLANIRANA NAMJENA POVRŠINA

-  turističko naselje - eko naselje 5 + *
-  jezero i rijeka
-  močvara
-  povremeni vodotok
-  šume
-  ostale prirodne površine (šikara, makija, garig, stjenovite površine)
-  pristupna saobraćajnica
-  zona privezišta

POSEBAN REŽIM KORIŠĆENJA PROSTORA

-  11,2 mnv - apsolutni maksimum vodostaja Skadarskog jezera (02.12.2010.)
-  linija obale
-  vodno zemljište
-  granica priobalnog zemljišta

Source: Planning document DSL "Mihailovici", UP1 with legend.

PLANNING OVERVIEW

Land area	118,570.00 m ²
Land area ('net' excl. footprint)	98,675.30 m ²
Number of land plots	9
Gross Building Area (GBA)	35,721.90 m ²
Net Area (NUA)	34,299.10 m ²
Number of rooms	80
Number of villas	20

AREA SCHEDULE

Unitary value on land area	€ 135 /m²
Unitary value on GBA	€ 448 /m²
Timeframe of development	39 months
Total development costs	€ 53,186,060
Total financing costs	€ 3,182,468
Total gross revenue (excl. VAT)	€ 96,218,244
Net Revenue (NDV)	€ 91,556,401
Gross revenue (Hotel) (excl. VAT)	€ 14,261,179
Gross revenue (Villas) (excl. VAT)	€ 81,957,065
Developer's profit share (nominal) (on GDV)	20%
Developer's profit (nominal) (on GDV)	€ 19,243,649

FINANCIAL OVERVIEW

VALUATION | BUILDING SURVEYING | MARKET RESEARCH | SALES & INVESTMENT ADVISORY

For further information about the property please contact us on one of channels below.

BOSNIA AND HERZEGOVINA | CROATIA | MONTENEGRO | ROMANIA | SERBIA | SLOVENIA

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