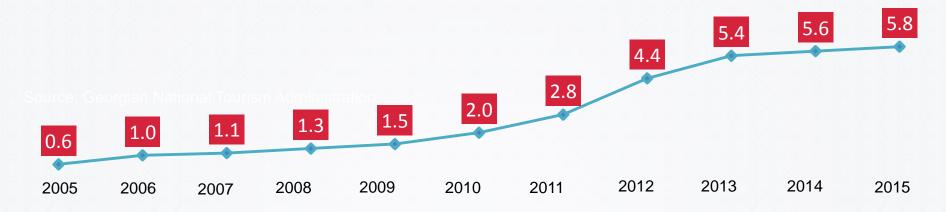
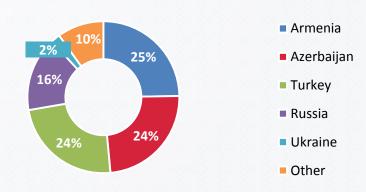


## NUMBER OF INTERNATIONAL VISITORS HAS BEEN GROWING RAPIDLY



- Georgia has proved to be a highly desirable location for the hospitality and real estate sector
- Average duration of stay 5 nights, average spend USD 650
- Number of international tourists' arrivals is expected to grow by 8-10% during the next five years (*Source: Colliers international*)





### SUN - BEACH RESORTS IN GEORGIA

Sun-Beach resorts are one of the largest and fastest-growing touristic destinations in Georgia. Adjara Region, located in southwestern corner of Georgia, is known for its admirable sea side journeys and experiences. Adjara region had 1,557,071 international visitors in 2014. Batumi, capital of Adjara Region, is the second most visited cities in Georgia.



Batumi - most popular tourist, business and commercial seaside destination. Famous with its merged historical and modern architecture, high-rise landmark buildings, stony beaches and admirable landscapes.

Kobuleti - Kobuleti is a seaside resort with modern infrastructure and easy access. Kobuleti Free Tourism Zone includes development area of 12 ha for around 30 hotels (140 meters from the Black Sea Coast).

Anaklia - Anaklia is a seaside resort, located in the Samegrelo-Zemo Svaneti region (Western Georgia). Ananklia is famous with its sandy beaches, landscapes and summer music festivals.

Gonio - popular historic, touristic and commercial seaside destination on the south-eastern coast of the Black Sea, just 10 km away from Batumi

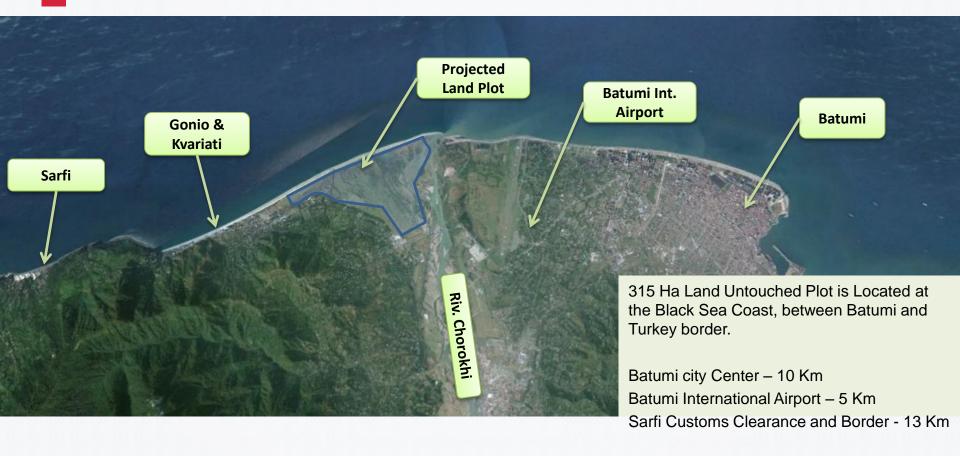


# **GONIO, ADJARA**



- Gonio is one of the oldest inhabited areas of Georgia. The first settlements in Gonio appeared in VIII-VII B.C.
- Old Gonio territory is famous with its merged historical architecture, the Gonio fortress, stony beaches and admirable landscapes.
- In addition to already developed Gonio resort, there is a untouched 315 ha land on Black Sea coast available for further development
- According to new development plan, Gonio Resort will be a new sea-side destination next to popular sea resort Batumi.
- Gonio will offer a new level of resort lifestyle not currently available in Georgia and It will be an international standard leisure-led mixed-use destination.

### **GONIO LOCATION**





#### **EXISTING INFRASTRUCTURE**



#### **GONIO DEVELOPMENT CONCEPT RENDERS**



Gonio Resort will be a brand new Adjara destination. It will serve to locals and international visitors for the whole year round activities

Gonio will be an international standards fusion of living, recreational and holiday destination.

#### FEASIBILITY STUDY & DEVELOPMENT CONCEPT



Gonio Feasibility Study and Development concept was prepared by Colliers International in Association with HOK.

According to the Colliers
International Report,
Gonio offers excellent
opportunity to develop a
mixed resort with hotel,
leisure, residential,
conventional areas, etc.

#### FEASIBILITY STUDY IDENTIFIED THE FOLLOWING DEVELOPMENT PLAN

- Colliers International considers construction of a new bridge, connecting Gonio territory and Batumi (Constructions costs are not included in the financial model).
  - \* 25.6 Ha area lake in the middle of the territory (the lake will accumulate sediments and increase price for living cluster around).
  - Recreational zone/Bird watching territory between Riv. Chorokhi and lake (30% of the total area) will be left untouched, in natural surroundings with tracks and park.
  - \* Open & close water park
  - \* 5.6 ha Crystal lagoon
  - \* Beach hotel, 4 apart-hotels & Casino
  - \* Sea side boulevard & Pierce
  - \* Gonio fortress
  - \* City center area
  - \* Night Clubs, restaurants, bars, beach clubs
  - \* Sport activities area
  - \* SMEs area

## **GONIO DEVELOPMENT PHASES**



- Project Development
  Phases covers 30 years
  and consists 3 phases
- I Phase 10 Years (1-10 years)
- II Phase 10 Years (9-18 years)
- III Phase 14 years (17-30 Years)

Phase I

Phase II

Phase III





- Gonio center will be one of the main locations of the city, connecting sea coast, living area, lagoon and other properties by 400m track.
- Living Area is projected around several main activities (kids area, tennis courts, swimming pools, crystal lagoon, lake, recreational zone, etc.). Various construction types are mixed to master maximum territory and to satisfy all kind of potential demands.
- Cultural cluster is projected around existing Gonio Fortress. Cultural cluster mainly will serve cultural attractions, archeology centers, shopping kiosks and entertainment/dining areas.
- Crystal Lagoon is considered mainly for residents living in Lagoon Cluster, but it will have free entrance for visitors. Crystal Lagoon will have a sandy beach. One of the 200 room Apart-Hotels is projected within Lagoon territory.









#### **ENTERTAINMENT & LEISURE ACTIVITIES**



- Casino De Hotel-Casino De Bird watching area
- Spa Sport center Dopen and closed water park
- Cinema City Center Restaurant by the lake
- Bowling Night club Relaxation zone
- Lake activities and mini golf stadium





## **GONIO CONCEPT - BASIC COMPONENTS AND CONSTRUCTION PERIOD**

Components	l Phase (m²)	II Phase (m <sup>2</sup> )	III Phase (m²)
Living Area	188,063 (2,359 unit)	236,475 (2,756 unit)	281,528 (3,261 unit)
Hotels	25,660 (550 unit)	13,461 (300 room)	9,091 (200 room)
Leisure Infrastructure	11,224	2,574	2,605
Commercial Infrastructure	2,857	2,141	25,844
Social Infrastructure	2,282	1,331	1,141
Cristal Lagoon	55,843		-
Parking	2,731	5,154	8,443



# **GONIO CONCEPT - ADDITIONAL COMPONENTS AND CONSTRUCTION PERIOD**

Components	I Phase (m <sup>2</sup> )	II Phase (m²)	III Phase (m²)
Lake	256,100		-
Recreational Zone	972,896		-
Electricity systems	39,239	4,905	4,905
Sewage system	39,239	4,905	4,905
Roads	202,326	67,442	67,442
Tracks	22,672		-
Boulevard	14,458	1,807	1,807
Green Zones	197,850	24,731	24,731
Other landscape Buildings	40,677	5,085	5,085



#### **GONIO DEVELOPMENT FINANCIAL PROJECTION**

USD \$	l Phase	II Phase	III Phase
Total Revenue	362 Mln. \$	544 Mln. \$	962 Mln. \$
Total Expenses	262 Mln. \$	272 Mln. \$	371 Mln. \$
EBITDA	100 Mln. \$	272 Mln. \$	591 Mln. \$

IRR 21.79 % (Without Credit)

NPV \$ 45.5 million, with 15 % discount rate.

Project requires \$112 million investment during the first three years of construction. Afterwards, the project finances itself.



# **MARKET SIZE, DISCREET CALCULATIONS**

MARKET SIZE, DISCREET CALCULATIONS	2020	2030	2050
One night visitors			
Arrivals, Batumi International Airport	810,791	988,349	1,468,635
Two night visitors			
Internationals	213,381	260,110	386,510
Locals	191,197	262,119	389,495
Two day visitors in Batumi			
Internationals	481,968	587,517	873,019
Locals	256,980	352,304	523,505
Locals			
Adjara	249,882	276,025	336,803
Batumi	171,117	189,020	230,640





For the recent years Georgia and Adjara Region experienced one of the fastest growing (29 % annual) number of international visitors,

Gonio Resort feasibility study identified 6 primary target markets of potential international visitors: Georgia, Turkey, Russia, Armenia, Azerbaijan and Ukraine

Iran, Iraq, Israeli, Poland, Belorussia and Lithuania are also considered as secondary target markets.

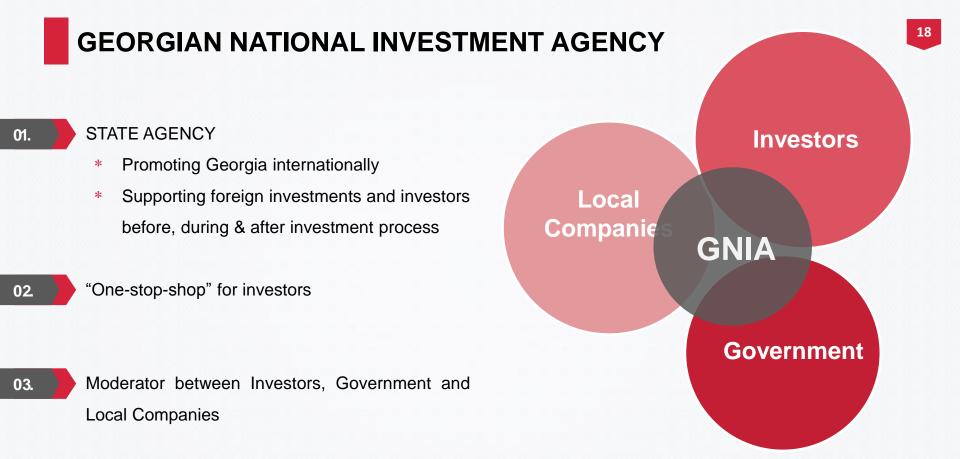












Mission - Attracting Greenfield and M&A Investments

# WHAT YOU CAN GET FROM GNIA



**INFORMATION-** General data, statistics, sector researches



**COMMUNICATION-** Access to Government at all levels/Local partners



**ORGANIZATION-** Organization of site visits & Accompanying investors



AFTTERCARE- Legal advising & Supporting services



## **THANK YOU!**



## Nino Magradze, Senior Portfolio Manager

n.magradze@investingeorgia.org

## **GEORGIAN NATIONAL INVESTMENT AGENCY**

7 Bambis Rigi, Business Center Mantashevi, II floor 0105, Tbilisi, Georgia

Tel: (+995 32) 2 473 696

E-mail: n.magradze@investingeorgia.org

