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).

Top Countries by International Arrivals in 2015:
- Armenia: 25%
- Azerbaijan: 10%
- Turkey: 16%
- Russia: 24%
- Ukraine: 24%
- Other: 2%
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.
315 Ha Land Untouched Plot is Located at the Black Sea Coast, between Batumi and Turkey border.

Batumi city Center – 10 Km
Batumi International Airport – 5 Km
Sarfi Customs Clearance and Border - 13 Km
EXISTING INFRASTRUCTURE

- Gonio Village Center
- Gonio Historical Castle
- Riv. Chorokhi
- Riv. Chorokhi Bridge
- Landfill
- Sewage System Collector
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.
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.
Colliers International considers construction of a new bridge, connecting Gonio territory and Batumi

(Constructions costs are not included in the financial model).

FEASIBILITY STUDY IDENTIFIED THE FOLLOWING DEVELOPMENT PLAN

* 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

Colliers International considers construction of a new bridge, connecting Gonio territory and Batumi

(Constructions costs are not included in the financial model).
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)
* 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
- Hotel-Casino
- Bird watching area
- Spa
- Sport center
- Open 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

<table>
<thead>
<tr>
<th>Components</th>
<th>I Phase (m²)</th>
<th>II Phase (m²)</th>
<th>III Phase (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living Area</strong></td>
<td>188,063 (2,359 unit)</td>
<td>236,475 (2,756 unit)</td>
<td>281,528 (3,261 unit)</td>
</tr>
<tr>
<td><strong>Hotels</strong></td>
<td>25,660 (550 unit)</td>
<td>13,461 (300 room)</td>
<td>9,091 (200 room)</td>
</tr>
<tr>
<td><strong>Leisure Infrastructure</strong></td>
<td>11,224</td>
<td>2,574</td>
<td>2,605</td>
</tr>
<tr>
<td><strong>Commercial Infrastructure</strong></td>
<td>2,857</td>
<td>2,141</td>
<td>25,844</td>
</tr>
<tr>
<td><strong>Social Infrastructure</strong></td>
<td>2,282</td>
<td>1,331</td>
<td>1,141</td>
</tr>
<tr>
<td><strong>Cristal Lagoon</strong></td>
<td>55,843</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td>2,731</td>
<td>5,154</td>
<td>8,443</td>
</tr>
</tbody>
</table>
### GONIO CONCEPT - ADDITIONAL COMPONENTS AND CONSTRUCTION PERIOD

<table>
<thead>
<tr>
<th>Components</th>
<th>I Phase (m²)</th>
<th>II Phase (m²)</th>
<th>III Phase (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake</td>
<td>256,100</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Recreational Zone</td>
<td>972,896</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Electricity systems</td>
<td>39,239</td>
<td>4,905</td>
<td>4,905</td>
</tr>
<tr>
<td>Sewage system</td>
<td>39,239</td>
<td>4,905</td>
<td>4,905</td>
</tr>
<tr>
<td>Roads</td>
<td>202,326</td>
<td>67,442</td>
<td>67,442</td>
</tr>
<tr>
<td>Tracks</td>
<td>22,672</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Boulevard</td>
<td>14,458</td>
<td>1,807</td>
<td>1,807</td>
</tr>
<tr>
<td>Green Zones</td>
<td>197,850</td>
<td>24,731</td>
<td>24,731</td>
</tr>
<tr>
<td>Other landscape Buildings</td>
<td>40,677</td>
<td>5,085</td>
<td>5,085</td>
</tr>
</tbody>
</table>
### GONIO DEVELOPMENT FINANCIAL PROJECTION

<table>
<thead>
<tr>
<th>USD $</th>
<th>I Phase</th>
<th>II Phase</th>
<th>III Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>362 Mln. $</td>
<td>544 Mln. $</td>
<td>962 Mln. $</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>262 Mln. $</td>
<td>272 Mln. $</td>
<td>371 Mln. $</td>
</tr>
<tr>
<td>EBITDA</td>
<td>100 Mln. $</td>
<td>272 Mln. $</td>
<td>591 Mln. $</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2030</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One Night Visitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrivals, Batumi International Airport</td>
<td>810,791</td>
<td>988,349</td>
<td>1,468,635</td>
</tr>
<tr>
<td><strong>Two Night Visitors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internationals</td>
<td>213,381</td>
<td>260,110</td>
<td>386,510</td>
</tr>
<tr>
<td>Locals</td>
<td>191,197</td>
<td>262,119</td>
<td>389,495</td>
</tr>
<tr>
<td><strong>Two Day Visitors in Batumi</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internationals</td>
<td>481,968</td>
<td>587,517</td>
<td>873,019</td>
</tr>
<tr>
<td>Locals</td>
<td>256,980</td>
<td>352,304</td>
<td>523,505</td>
</tr>
<tr>
<td><strong>Locals</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjara</td>
<td>249,882</td>
<td>276,025</td>
<td>336,803</td>
</tr>
<tr>
<td>Batumi</td>
<td>171,117</td>
<td>189,020</td>
<td>230,640</td>
</tr>
</tbody>
</table>
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.
GEORGIAN NATIONAL INVESTMENT AGENCY

01.
STATE AGENCY

* Promoting Georgia internationally
* Supporting foreign investments and investors before, during & after investment process

02.
“One-stop-shop” for investors

03.
Moderator between Investors, Government and Local Companies

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!

www.investingeorgia.org

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