

Amber Group



Hospitality & Commercial Real Estate Business

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Georgia Capital Investor Day

27 June 2019



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Business overview & track record

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Market outlook

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Strategy & outlook

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Key takeaways

Hospitality and Commercial Real Estate business with extensive development pipeline



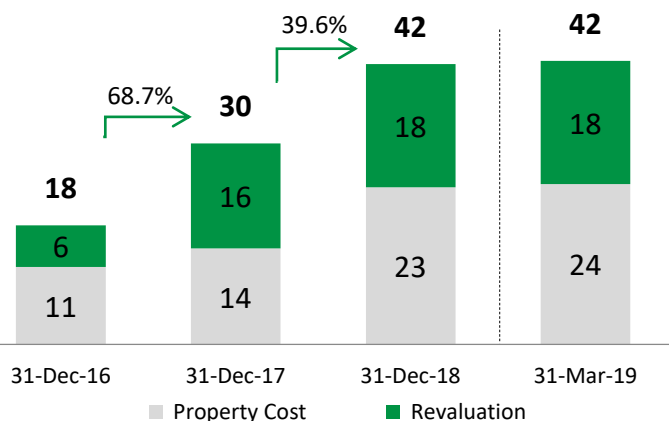
Rent earning assets

Annual Gross Yield c. **10%** on **US\$ 42mln**
Commercial Assets Portfolio

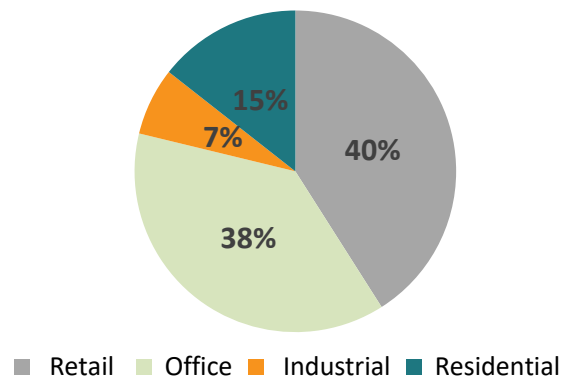
Occupancy c. **90%**

Leased Area **25,494** Square Metres

Commercial Assets Portfolio Composition (US\$ mln) *



Commercial Assets Portfolio Breakdown



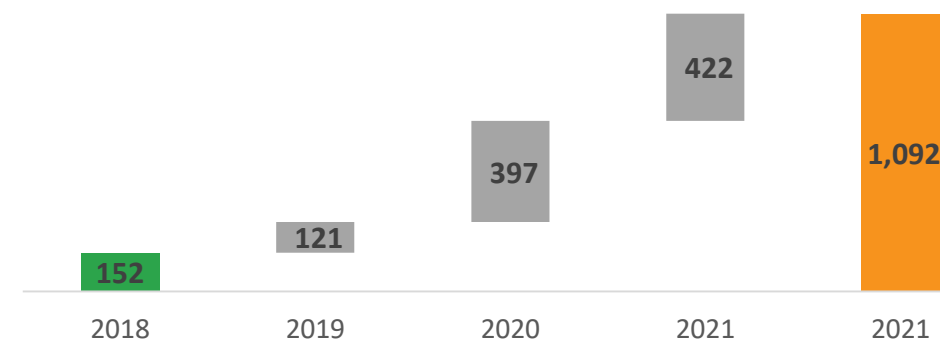
Hotels

152
Operational
Rooms
1 Hotel

518
Rooms under
construction
5 Hotels

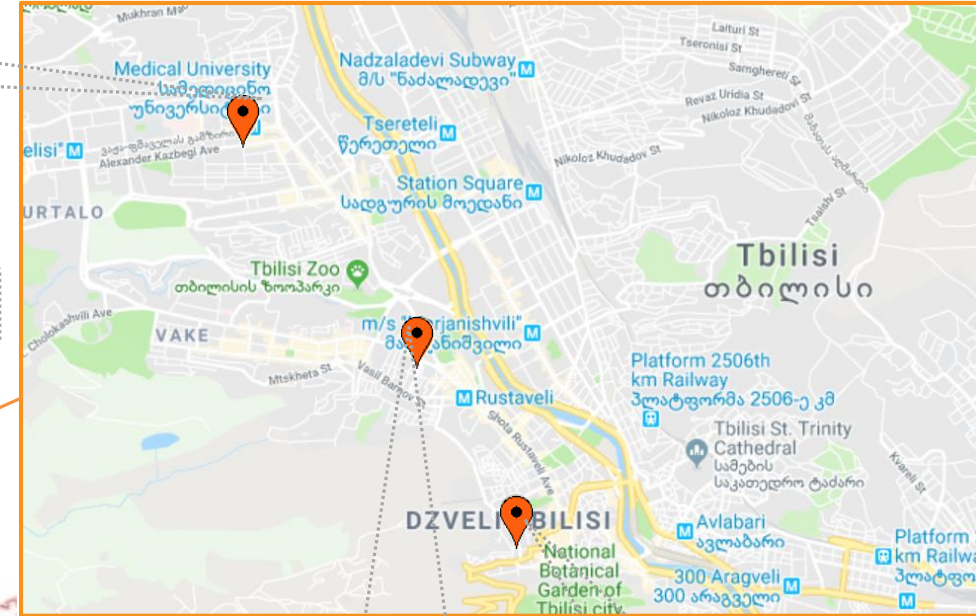
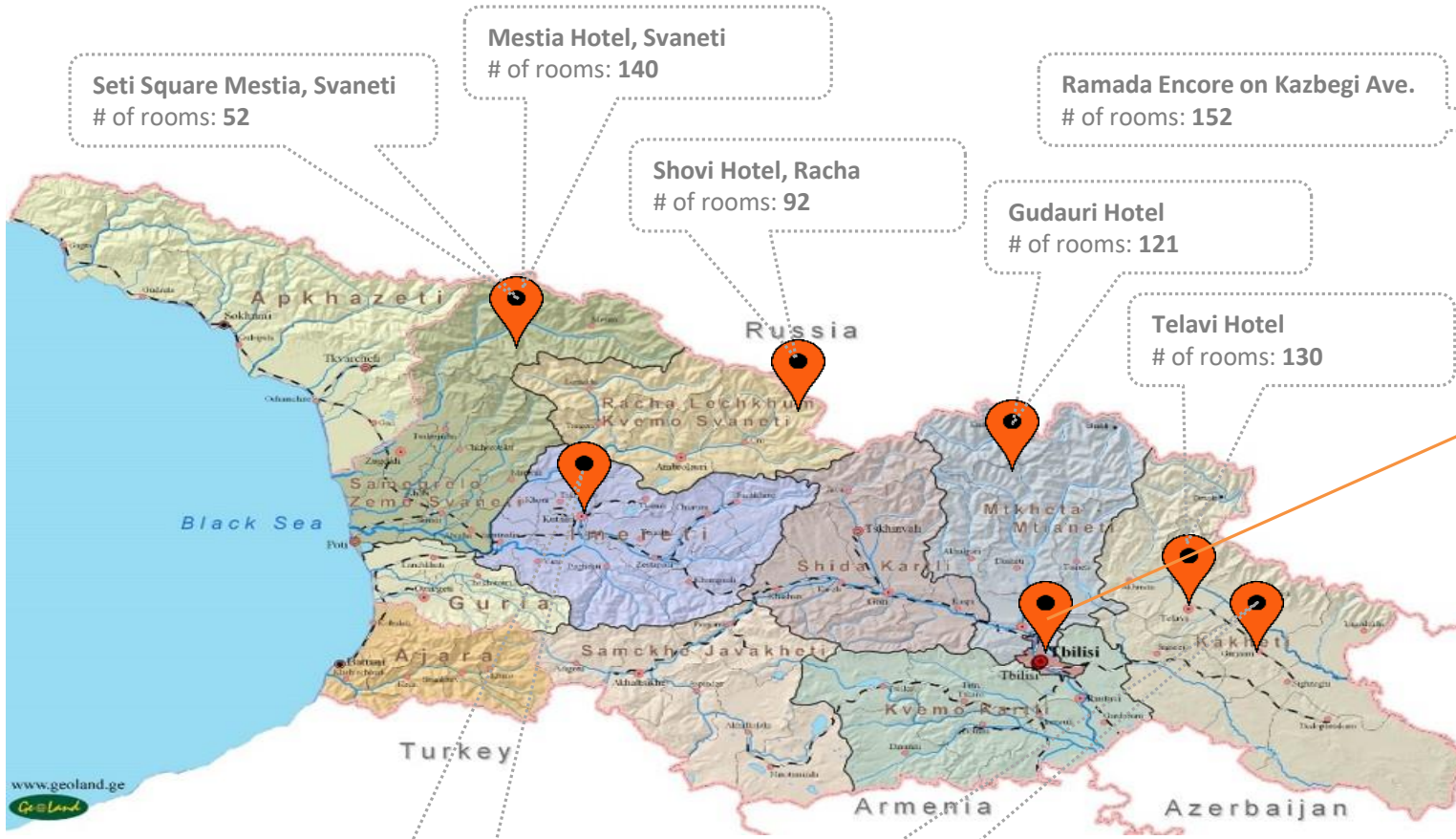
422
Rooms under
design
4 Hotels

Hotel rooms pipeline



* Including assets of Housing Development business which will be transferred to Hospitality and Commercial Assets business after construction completion

Develop over 1,000 hotel rooms across Georgia



Ramada on Melikishvili Ave.
of rooms: 125

Kempinski Hotel
of rooms: 99

Ramada Encore on Kazbegi Ave.



Ramada on Melikishvili Ave.



Kempinski Hotel

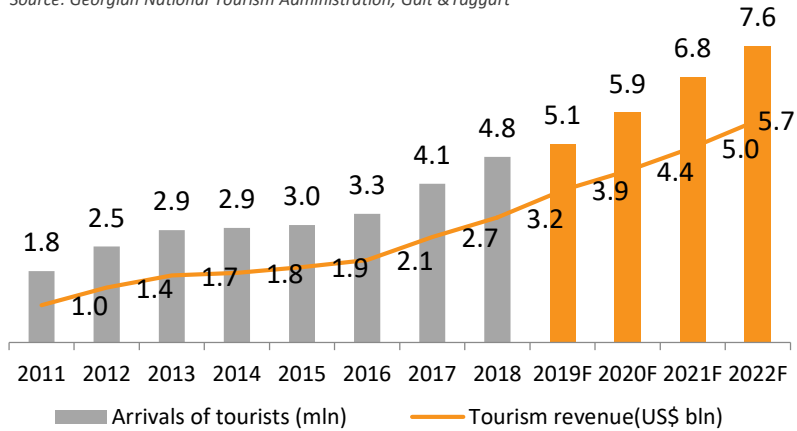


The number of international tourist arrivals in Georgia continues to increase annually



16% CAGR of tourist arrivals over the last three years

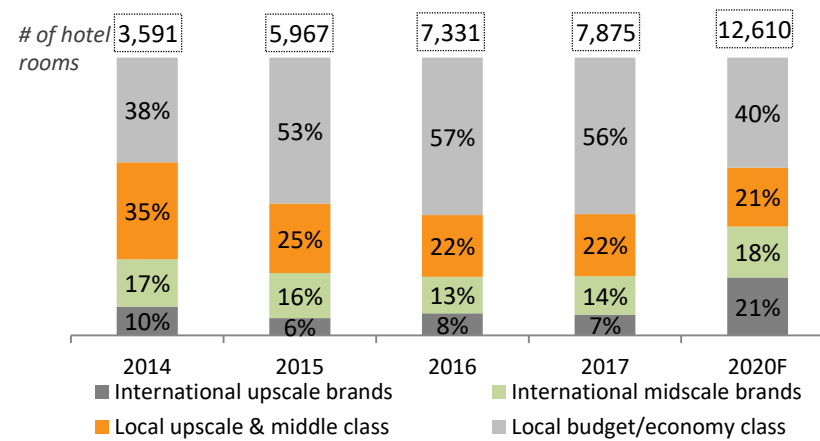
Source: Georgian National Tourism Administration, Galt & Taggart



Record number of tourists visiting Georgia every year: 4.8 million visitors in 2018, up 16.9% y-o-y and generating 16% CAGR over the last 3 years.

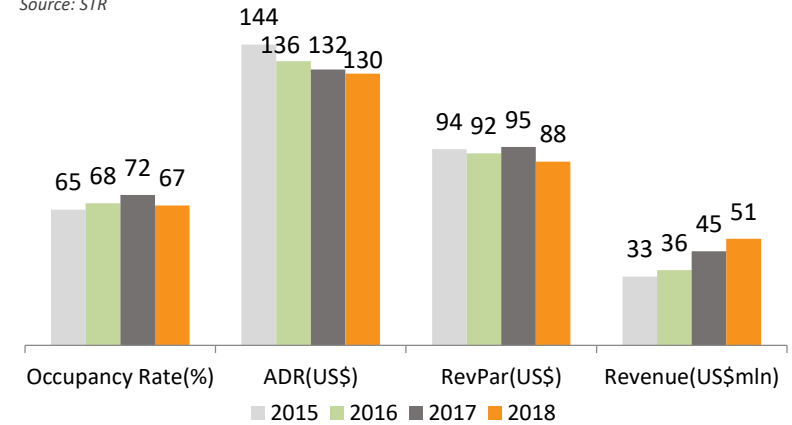
Hotel market is expected to expand significantly

Source: Colliers International



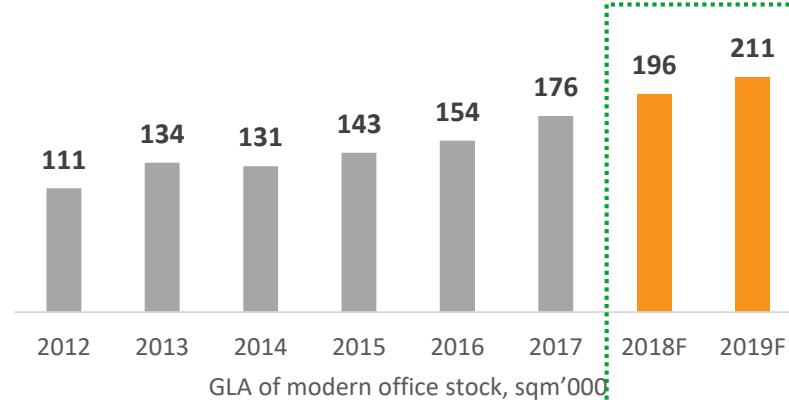
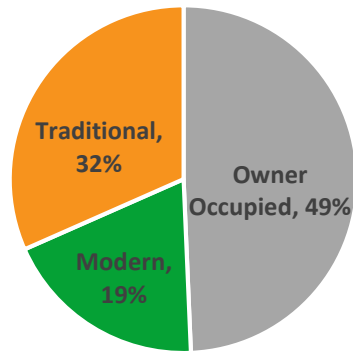
Since 2014 the number of hotel rooms has more than doubled and during the next few years the Georgian hotel market is expected to expand significantly with international brands increasing presence across Georgia.

Source: STR



Leasable modern office stock has grown over the past few years, although it remains scarce

Source: Colliers International



Georgian office stock's significant portion is non-refurbished, soviet-era stock(traditional). Although Tbilisi's modern office stock is growing, the city remains far behind comparable cities.



Grow rent earning assets portfolio

- Grow portfolio of rent earning assets by incorporating commercial elements in its residential developments as well as by opportunistic purchases of yielding real estate in prime locations. These assets can also deliver capital appreciation;
- Spin-off commercial properties as a listed REIT managed by Amber Group.

Yield

10.0%

Occupancy

90.0%

Hotel Development

- Capitalize on booming tourism industry in Georgia and develop hotels with combined room-count of than 1,000 keys in three years;
- Spin-off hotels as a listed REIT managed by Amber Group .

Blended ROIC

14.4%

Blended MOIC

2.5

IRR

21.0%

Hospitality investments earning above 14% ROIC



All amounts in US\$ mln.

	Total investment	Debt*	Gcap Equity	Own Equity	ROIC	Opening Date
Ramada Encore Kazbegi	12.1	9.3 77%	- 0%	2.7 23%	15.0%	Q1 - 2018
Ramada Encore Kutaisi	9.5	4.8 50%	1.9 20%	2.9 30%	17.5%	Q4 - 2020
Gudauri	13.3	9.2 69%	1.7 12%	2.5 19%	12.0%	Q4 - 2019
Telavi	12.7	9.0 71%	- 0%	3.7 29%	13.4%	Q4 - 2021
Ramada Melikishvili	13.0	6.5 50%	2.6 20%	3.9 30%	14.9%	Q1 - 2020
Kempinski	28.1	14.0 50%	6.2** 22%	7.8 28%	12.5%	Q3 - 2020
Akhasheni Wine & Spa	7.5	3.8 50%	1.5 20%	2.3 30%	17.3%	Q3 - 2021
Seti Square Hotel in Mestia	5.9	2.9 50%	1.2 20%	1.8 30%	16.3%	Q4 - 2020
Hotel in Svaneti	10.1	5.1 50%	2.0 20%	3.0 30%	15.8%	Q4 - 2021
Shovi Hotel	5.7	2.8 50%	1.1 20%	1.7 30%	15.8%	Q3 - 2021
Total	118.0	67.5 57%	18.3 16%	32.2 27%	14.4%	

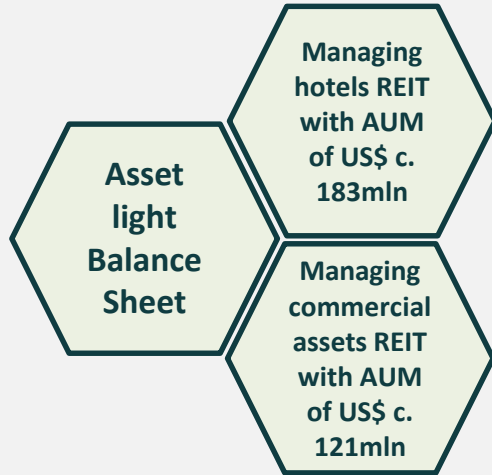
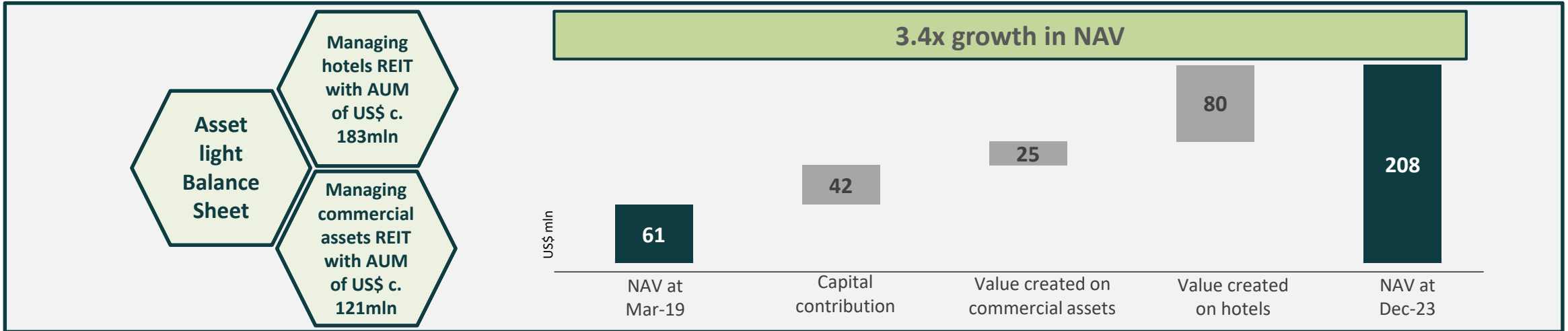
* Around 50% leverage during construction period increasing up to 70% after stabilization and repaying GCAP equity

** Already contributed



...2018

... 2023



	Q1'2019		2023	NOI*
Commercial Assets	US\$ 42mln	➤	US\$ 120mln +	US\$ 12.0mln +
Hotels	US\$ 46mln		US\$ 180mln +	US\$ 18.0mln +
Total	US\$ 88mln		US\$ 300mln +	US\$ 30.0mln +

*Net Operating Income



Questions?



Forward looking statements

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