CONSTRUCTION OF 4-STAR HOTEL WITH 150 ROOMS IN YAKUTSK
HILTON GARDEN INN YAKUTSK WITH 150 ROOMS
CROSSROADS OF LERMONTOVA – PETRA ALEXEEVA STREETS

TOTAL COST (CAPEX):
USD 20M

PROJECT GOAL: Meeting the growing demand for comfortable accommodation and high-quality services in Yakutsk city

PROJECT PARTICIPANTS:
HILTON WORLDWIDE – Project Management
EKSI GROUP – Project Developer
China Overseas Holding Group – Intermediary
Option A
LOCATION: 15 Kirova Street
- Land plot size – 2 141 sq. m
- Distance from downtown – 350 m
- Distance from the city airport – 7 km
- Developed infrastructure

Option B
LOCATION: Crossroads of Lermontova and Petra Alekseeva streets
- Land plot size – 7 274 sq.m
- Distance from downtown – 2 km
- Distance from the city airport – 6 km
- Developed infrastructure
HILTON GARDEN INN YAKUTSK WITH 150 ROOMS
HILTON GARDEN INN YAKUTSK WITH 150 ROOMS
ECONOMIC INDICATORS AND IMPLEMENTATION PLAN

Main indicators of economic efficiency

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net present value (NPV), thousand USD</td>
<td>332</td>
</tr>
<tr>
<td>Annual discount rate, %</td>
<td>16</td>
</tr>
<tr>
<td>Internal rate of return (IRR), %</td>
<td>16.5</td>
</tr>
<tr>
<td>Profitability index (PI)</td>
<td>1.02</td>
</tr>
<tr>
<td>Discounted payback period (DPP), years</td>
<td>12</td>
</tr>
</tbody>
</table>

*In case of 1 USD = 61 RUB

Finding financial partners: Q1 2018
Feasibility study: Q2 2018
Investment agreement: Q3 2018
Start of construction: Q4 2018
Project commissioning: Q4 2020
HOTEL STRUCTURE

S_{\text{summary}} = 12 100 \text{ m}^2
Monolith-frame construction

<table>
<thead>
<tr>
<th></th>
<th>Room categories</th>
<th>Amount</th>
<th>Cost</th>
<th>Size of the room, m²</th>
<th>Average annual occupancy rate of hotel, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>130</td>
<td>$110</td>
<td>24</td>
<td></td>
<td>70%</td>
</tr>
<tr>
<td>Junior Suite</td>
<td>15</td>
<td>$175</td>
<td>40</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>Suite</td>
<td>5</td>
<td>$225</td>
<td>50</td>
<td></td>
<td>45%</td>
</tr>
</tbody>
</table>

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## HOTELS MARKET

### Segmentation of hotels by the cost of accommodation

<table>
<thead>
<tr>
<th>Segment of hotels by the cost of accommodation</th>
<th>Number of hotels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $40 (Mini-Hotels)</td>
<td>99</td>
</tr>
<tr>
<td>From $40 to $80</td>
<td>8</td>
</tr>
<tr>
<td>More than $80</td>
<td>4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>111</strong></td>
</tr>
</tbody>
</table>

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### Main local hotels

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of rooms</th>
<th>Commissioning date</th>
</tr>
</thead>
<tbody>
<tr>
<td>AZIMUT Hotel Polar star, 4-Star Hotel</td>
<td>95</td>
<td>2004</td>
</tr>
<tr>
<td>Tygyn Darkhan, 3-Star Hotel</td>
<td>74</td>
<td>1995</td>
</tr>
</tbody>
</table>
HOTELS MARKET

TOTAL NUMBER OF TOURISTS VISITING SAKHA REPUBLIC (YAKUTIA):
- 2015 year – 142,629 tourists
- 2016 year – 178,440 tourists
- 2017 year – 202,100 tourists (projection)

THE NUMBER OF TOURISTS VISITING SAKHA REPUBLIC (YAKUTIA):

RUSSIAN TOURISTS
- 2015 – 137,888
- 2016 – 172,717
- 2017 (projection) – 196,000

FOREIGN TOURISTS
- 2015 – 4,741
- 2016 – 5,723
- 2017 (projection) – 6,100
THANK YOU!