Aurablu Hotels: Premium Small Hotel Investment Opportunity in in Greece

An exceptional investment opportunity within Greece's flourishing boutique hotel market, designed to deliver robust returns by strategically acquiring and enhancing properties with 20-100 rooms.

Investment Highlights

Market Opportunity

Target underperforming but well-located small hotels (20-100 rooms) at 30-40% below replacement cost, presenting significant upside potential.

Value Creation

15-25% projected IRR through strategic renovations, operational improvements, and sophisticated brand positioning, maximizing asset value.

Flexible Investment

Multiple investment structures available to suit to suit diverse investor preferences, including including preferred equity (8-10% fixed returns), waterfall arrangements, or bonds. bonds.

Robust Tourism Growth

Capitalize on Greece's booming tourism industry, which consistently outperforms global global growth rates, ensuring strong demand demand for high-quality hospitality.

Experienced Management Team

Benefit from a seasoned team with extensive expertise in hotel acquisition, renovation, and operational management, ensuring efficient execution and value enhancement.

Permit Efficiency

Leverage a streamlined permitting process for renovations, offering a distinct advantage over lengthy new construction approvals and enabling faster project turnaround.

The Greek Tourism Advantage

Robust & Resilient Market

- 33 million annual visitors (3x the population)
- Tourism contributes 25% to national GDP
- 18.2% growth in tourism revenue in 2023
- 200+ days of sunshine annually
- Extended season beyond summer months
- Increasing luxury tourism segment (12% CAGR)

Why Boutique Hotels (20-100 Rooms)?

Optimal Economics

Balances operational efficiency with personalized service. Achieves 30-40% higher RevPAR than larger properties while maintaining manageable staffing ratios.

Acquisition Advantage

More acquisition opportunities as 65% of Greek hotels fall in this category. Often family-owned with succession issues or deferred maintenance.

Renovation Efficiency

Faster renovation timeline (6-9 months vs. 18+ for larger properties). Lower total capital requirement allowing for diversification across multiple properties.

Regulatory Benefits

Simpler permitting process for renovations of existing structures. Avoids structures. Avoids complex zoning restrictions affecting new large-scale large-scale developments.

Current Market Opportunity: A Favorable Acquisition Landscape

Distressed Asset Acquisition Drivers

The Greek hospitality sector currently offers a highly compelling buying opportunity, driven by several key several key factors:

- **Significant Non-Performing Hotel Loans:** Post-financial crisis, Greek systemic banks hold over €8.5 billion in non-performing hotel loans. Under pressure from the ECB, they are actively seeking to divest these assets, creating a robust pipeline of motivated sellers.
- **Prevalence of Deferred Maintenance:** An estimated 40% of small, independent hotels (20-100 rooms) 100 rooms) suffer from significant deferred maintenance. This limits their revenue potential and guest potential and guest satisfaction, presenting a clear value-add opportunity through strategic renovation. strategic renovation.
- **Generational Transition Challenges:** Many family-owned boutique hotels face succession issues as original founders age and younger generations are often reluctant to take over or lack the capital for modernization, leading to an increased willingness to sell.
- **Attractive Acquisition Pricing:** As a result of these factors, well-located properties requiring renovation requiring renovation are available at an average of 30-40% below their replacement cost, allowing for allowing for significant capital appreciation post-renovation.

Value Creation Strategy

Strategic Acquisition

Target underperforming properties in prime locations with structural structural integrity. Focus on islands with airlift capacity and mainland mainland destinations with year-round appeal.

Thoughtful Renovation

Implement design-forward renovations that preserve authentic Greek character while adding modern amenities. Emphasize sustainability and energy efficiency.

Operational Excellence

Install professional management teams, implement technology solutions, and optimize distribution channels to maximize RevPAR and operational efficiency.

Brand Elevation

Position properties as authentic, luxury boutique experiences. Potential for Potential for brand affiliation with Relais & Châteaux, Small Luxury Hotels, or Hotels, or creating a proprietary brand.

Renovation Value-Add Case Study

Metric	Pre-Renovation	Post-Renovation
Average Daily Rate	€120	€320
Occupancy Rate	65%	85%
RevPAR	€78	€272
Operating Season	5 months	8 months
Property Value	€3.5M	€8.2M

60-room Cycladic property acquisition: €3.5M. Renovation investment: €2.2M. Exit valuation: €8.2M. Total equity multiple: 2.4x in 4 years.

Permit Advantage: Renovation vs. New Construction

New Hotel Development

24-36 months permitting process

- Environmental impact studies
- Coastal zone restrictions
- Archaeological surveys
- Building height/density limitations
- Complex water/waste infrastructure approvals

Existing Hotel Renovation

4-8 months permitting process

- Streamlined approval procedures
- Existing structure "grandfathered" status
- No change-of-use permits required
- Fast-track renovation incentives from government
- Tax advantages for building improvements

Our renovation-focused strategy allows us to avoid Greece's complex new development regulations, reducing time-to-market by 18+ months and significantly lowering regulatory risk.

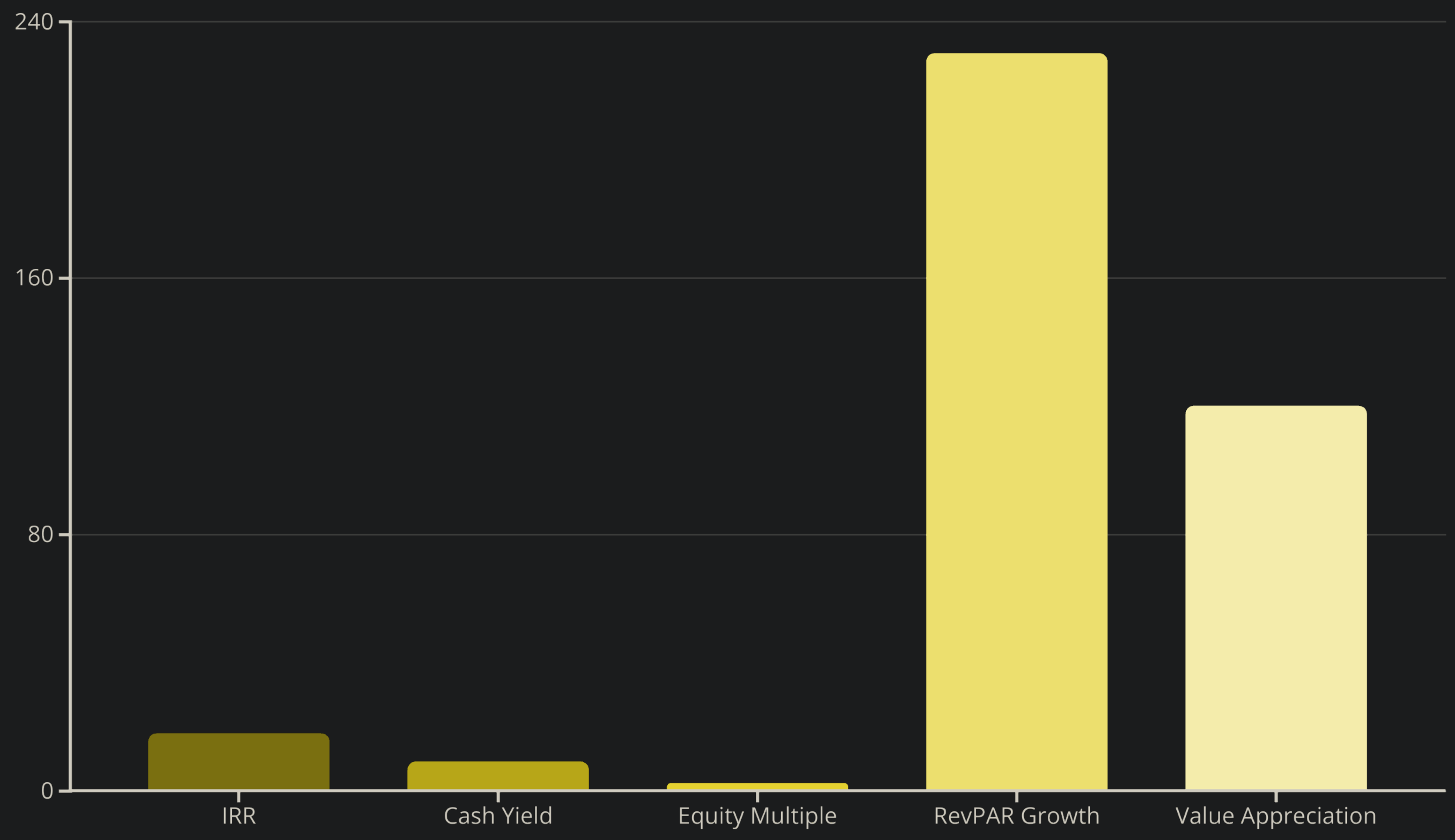
Branding Opportunity

Strategic Branding Approach

Our properties can follow multiple branding paths based on location, property characteristics, and market dynamics:

- **Independent Luxury Collection:** Create proprietary “Aurablu" brand with 40-45% gross operating margin
- **Affiliate Partnership:** Join established networks like Small Luxury Hotels or Relais & Châteaux for distribution leverage.
- **Soft Branding:** Align with major hotel groups (Wyndam Trademark, Marriott Autograph, Hilton Curio) while maintaining unique character

Investment Performance Projections



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Preferred Equity

8-10% annual fixed return with potential for additional upside participation. €500,000 minimum investment. Priority distribution distribution ahead of common equity.

2

Waterfall Structure

5% preferred return with graduated profit sharing. €1M minimum investment. Full participation in value creation.

3

Bond Offering

6.5% fixed coupon with 5-year term. €250,000 minimum investment. investment. Asset-backed security with quarterly interest payments. payments.

Management Team

Experienced Leadership

- **Constantinos Zavos - Chairman:** Veteran in Greek real estate and hospitality, hospitality, with decades of experience in strategic investments and government government relations.
- **Panagiotis Papagiannis - COO:** Responsible for operational strategies, including strategies, including acquisitions, renovation oversight, and day-to-day day management.
- **Manos Michaelides - F&B Manager:** Specializes in creating exceptional F&B concepts and driving ancillary revenue through gastronomy and service excellence.

Our leadership team combines profound local market insights, international international hospitality experience, and robust relationships in Greece, ensuring a ensuring a solid foundation for success in the luxury boutique hotel segment. segment.

Contact Us

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Schedule a consultation to discuss investment opportunities and review our current property portfolio.

Our investment team is available to provide detailed financial projections, arrange property tours, and customize investment structures to meet your specific requirements.