

Maroussi, January 17<sup>th</sup>, 2017**Press Release****Grivalia Hospitality announces its first investment**

GRIVALIA PROPERTIES REIC announces to the investors that its hospitality arm, Grivalia Hospitality S.A., concluded its first investment, the acquisition of 60% of the Pearl Island Project in Panama, from Dolphin Capital Investors Limited.

The investors can read more details about this transaction in the corresponding press release of Grivalia Hospitality S.A. which follows.

# **Grivalia Hospitality S.A.**

*Société anonyme*

Registered office: 63-65, rue de Merl, L-2146 Luxembourg  
R.C.S. Luxembourg B 198264

Athens, January 17<sup>th</sup>, 2017

## **Press Release**

### **Grivalia Hospitality acquires majority stake at Isla Pedro Gonzalez (Pearl Island) in Panama**

Grivalia Hospitality S.A. announces its first investment, the acquisition of 60% of the Pearl Island Project in Panama, from Dolphin Capital Investors ("DCI").

The acquisition price agreed will reach €27 million in cash, out of which €1 million has already been paid to DCI as a deposit, €24 million will be paid upon completion of the sale, while the remaining €2 million will be retained in an escrow account for a period of 12 months post completion to cover any potential breach of warranties or any undisclosed indebtedness.

Grivalia Hospitality S.A. will acquire all corporate entities related with the above project currently owned by DCI and its subsidiaries. Completion of the acquisition is conditional on a series of actions on the part of the seller, which are expected to be finalized by March 31<sup>st</sup>, 2017.

Isla Pedro Gonzalez (Pearl Island) is one of the largest private islands (1,323 hectares / 3,269 acres) in the Archipelagos of Las Perlas of Panama which offers an unspoiled beauty. With over 30km of seafront and 5 exquisite beaches, it is designed to become one of the most exclusive high-end ecological destinations in the Central America region with at least 3 luxurious resorts, and a big number of branded villas and residential units.

Other developments will include a small retail village, a small and a big berth marina, as well as many other facilities that will improve quality of life. The total development could reach 500,000 sqm and almost all the main infrastructure projects are already in place including:

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1. Large airport strip
2. Over 18km of roads
3. Power Plant and electricity towers and covered cable trays
4. Communications Tower
5. Lagoon for water storage
6. Gray Water reclamation
7. Waste collection and remediation
8. Marina of 30 berths

A small part of the development has already being successfully delivered from the local partner including a seafront club house, condominiums and over 30 villas sold to prominent Panamanian families. An agreement with Marriott Group is in place for the development of a Ritz-Carlton Reserve and branded villas in one of the most unique seafront locations of the island. The total development for this resort will be in the range of €66.5m with 50% financing already secured.

George Chryssikos, CEO of Grivalia Group stated: “Pearl Island has attracted our attention for several reasons: a) Pearl is one of the most distinctive private islands worldwide, with unparalleled beauty that offers an excellent blend of sustainable development and natural preservation. b) DCI’s professional management team has devoted 8 years for the designs, permits, master planning and all predevelopment works in order to reach its current development and infrastructure maturity, which sets it apart from other private island developments. c) Panama is a country that welcomes foreign direct investments, ideally located in Central America with great accessibility from North to South. d) Our local partner Guillermo Malo de Eleta – CEO of Grupo Eleta, is the best partner to have with similar mentality and focus for value creation towards shareholders, employees and local community. Grupo Eleta is holding a significant stake at the project and therefore we are completely aligned for value creation along the way. e) Last but not least, the price is right. As we are value investors we always look for the right price when entering a deal. The agreed price represents a deep discount to value and we feel confident that we will be in a position to extract extraordinary returns for our shareholders.

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We feel very optimistic for our hospitality platform and we look forward in growing our portfolio with similar projects in Greece and abroad.”

Grivalia Hospitality S.A. is a Luxembourg based company that offers a unique tourism investment platform in Greece and abroad that capitalizes on the people and the experience of Grivalia Group in order to invest in high end tourism & leisure assets. The company has a value-investment philosophy founded on clarity, flexibility and diversity investing in a very promising sector with a clear focus on mid to long-term value creation.