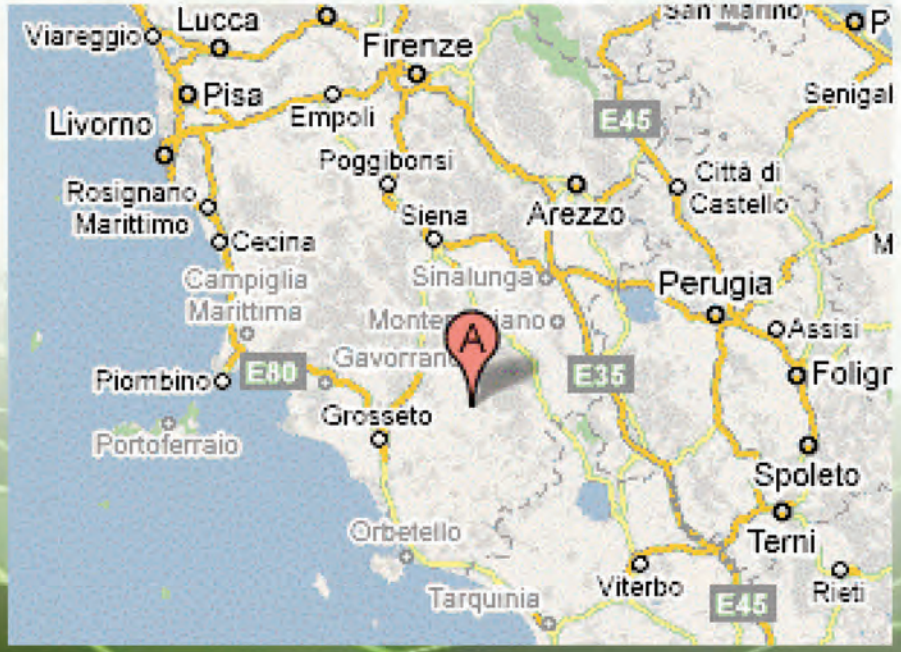
PROJECT TUSCANY

Turismo - Sport - Benessere

DEMETRA HOLIDAY s.r.o.



Business Plan

Prepared in February 2022

Introduction

The present economic financial plan of the Company Demetra sro *has been prepared based on the information and estimation provided by the Company management and with reference to possible scenarios programmable in the medium term keeping into consideration the authorisation and the investment to realise.*

The present document includes assessments or current expectations regarding the future growth of the enterprises and of the different business areas, financial results and other aspects of the business.

Such forecasting declarations do not constitute a guarantee of the future performance and are subjected to risks and uncertainties. Multiple factors could lead to significantly different results compared to the one indicated here.

Summary note

The objective of the company is to create a sport, leisure and cultural park in the heart of Tuscany in the middle of "*maremma*" in the Grosseto province which includes a tourist-hotel residence able to promote the natural beauty of the area, offering resorts dedicated to nature, sport and relax.

Shortly the initiative aims to:

- Promote the sport and its related activities
- Requalify the area offering several jobs
- Respect and safeguard the environment and the artistic heritage
- Generate economic value
- Develop the territory

In order to realise such a structure it has been requested and obtained by the City of Arcidosso -on April 17th 2003- to start the process of modification of the municipality structural planning which modifies the above mentioned agricultural areas in to urban and residential zonings which can be used for buildings, in accordance with the art. 36 L.R.T. 5/95.

The Modification of the Structural Plan of the City of Arcidosso (definitely approved by resolution n. 31 of August 24th 2006) consist in creating two new homogeneous areas with tourist-accommodating purposes within the unit landscape R8.1 (Mount Aquilaia), area A.

The project aims to address to a widen type of tourist request, which includes both users who are sensitive to quality sport-naturalistic environment and users who need machineries and technical equipment for rehabilitation.

Summary note

Therefore the pursued objective has been to create a large and significant added value, compatible with the territory, and sustainable in terms of realisation and management which, besides increasing specifically the tourist offer quality, was also addressed to the social, leisure and healthcare fruition by the inhabitants of the surrounding territory and throughout the year.

The existence of hot water with volcanic origin in the subsoil –typical of the territory surrounding the Mount Amiata- enriches the initiative of interesting potentialities.

In fact the project assumed the realisation of a specific thermal centre whose potentialities range from wellness to healthcare/rehabilitation plans in order to enrich the offer of the residential-tourist market in the province of Grosseto.

The project will also be aimed to enable the local employment levels, to increase the tourist and social offer of the territory with relevant benefit for the industry spin-off.

Description of the intervention

The initiative will develop on property lands of 60 hectares about and, precisely, on two different areas called TR.1 (extended 11.831,41 sm) and TR.2 (extended 47.208,83 sm) and identified as homogeneous areas with tourist-accommodating and sport-rehabilitation address, within the landscape unit (Mount Aquilana), from Modification n.1 of the Structural Plan of Arcidosso (GR), approved by resolution n. 31 of 24/08/2006.

In particular, the two areas that regard the intervention are the ones surrounding the buildings called “Molino” (TR.1) and “Podere” (TR.2), 500 m far one from the other and situated along the count road of Grosseto, between the suburb of Stribugliano and Cana (Municipality of Arcidosso).

On the area surrounding the building “Molino” the reconstruction of the old building is expected as per its origin characteristics, intended to be a quality residence, while on the “Podere” the realisation of a tourist-residential complex is foreseen, shaped as a Tuscan village, provided with a congress centre, restaurant, wellness and thermal spa, swimming pools equipped for hydrotherapy, gyms and sport-leisure structures, shops and services for a total of 400 beds.

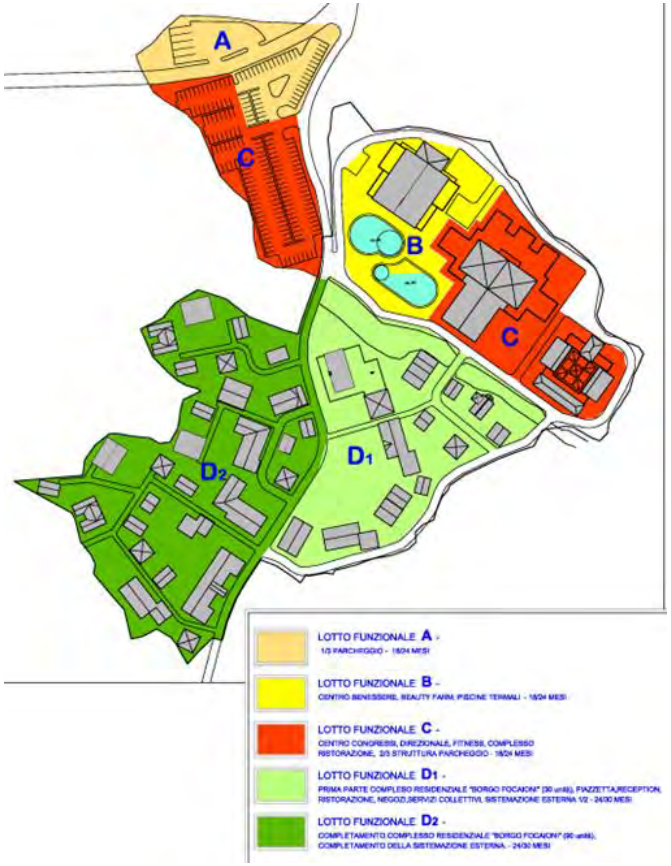
The whole complex has been designed so that it can be realised and managed as 4 consecutive functional lots completely autonomous each one from the other, both from an economic-management and a technical/organisation point of view.

The implementation works will start in the first semester 2023 and the completion is estimated by 2028. The foreseen investments for the project realisation amount to € 61,6 mln (included the land value of € 14,4 mln already owned).

Molino

LEGENDA
1 - ALBERGO "MOLINO"
sviluppo di mq 1.660 su quattro livelli;
dispone di 14 suites per complessivi 36 ospiti.
2 - PISCINA TERMALE RISCALDATA
superficie vasca mq 450;
solarium mq 525;
spogliatoi e servizi mq 230.
3 - SOLARIUM BELVEDERE
superficie per solarium a posto mq 750;
minipiscina idromassaggio riscaldata.
4 - TEATRO ALL'APERTO.
posti per 150 / 250 spettatori
5 - PARCHEGGIO
6 - INGRESSO PERESIDIATO
TABELLA DATI DI PROGETTO
SUPERFICIE FONDIARIA
MQ 11.800
VOLUME DI PROGETTO
MC 5.250
SUPERFICIE A PARCHEGGIO (> 1/10 Vol.)
MQ 770
1
2
3
4
5
6

Thermal Centre and Borgo



Time sharing

The estate units will be sold with the *time sharing* formula which consists in the purchase of the right of use of one accommodation as residence for each own vacations, for one or more weeks per year, for a period of 15 years, with the possibility of exchanging it with other accommodations in the world, resorting to global exchange organisations.

When signing the contract, an initial deposit of € 5.000 is due and within the 24th month from the above mentioned sign, the subscriber can withdraw from the contract on pain of loss of the initial deposit or acquire the right of using an apartment within the complex for one or more weeks per year, for a period of 15 years.

More precisely, for the purchase of one week stay, the cost will be of € 12.500, if the right of use has been acquired for 15 years; once the contract is signed it is not subjected to price variations. Only the expenses related to the period of use of the apartment are on the client's charge, mainly expenses for electricity, cleaning and possible additional services received.

The Group will take care of the management of the tourist residential-hotel complex and will take care of all the duties: ordinary and extraordinary maintenance, insurances, cleaning of common areas, payment of the bills and will provide with all the hotel related services such as cleaning the apartment and exchanging laundry, against a payment.

Description Lot 1 – Molino Toscano

The First functional Lot to be completed within 2023 for an investment of € 8,5 mln (land excluded) includes:

- Reconstruction of the Residence called "Molino Toscano" with the realisation of No. 24 suites of different lengths (around 1.400 sm);
- Reception services
- Lounge
- Venue for restaurant/breakfast
- Swimming pools with solarium (with service areas);
- Parking areas;
- Theatre for open-air events.

As a better quality of energy autonomy, the design foresees the installation of a photovoltaic system in compliance with the principles of energy efficiency and environmental compatibility.
Amount of planned investments:

Description of the intervention	Amount
Molino Toscano	4.300.000
External placement	1.000.000
Photovoltaic system	3.000.000
Design	250.000

Revenues Plan Molino Toscano

SALES PLAN PER ESTATE UNITS
(000 €)

	year 1		year 2		year 3		year 4		year 5		year 6	
Estate unit	24		24		24		24		24		24	
Sale price Time Sharing	12.500		12.500		12.500		12.500		12.500		12.500	
Net collection for sale commissions T.S.	9.000		9.000		9.000		9.000		9.000		9.000	
Theoretical weeks	52		52		52		52		52		52	
Sold weeks	14	27%	14	54%	12	77%		77%		77%		77%
Availabe weeks	38		24		12		12		12		12	
Time Sharing collection	**3.024**		**3.024**		**2.592**		**0**		**0**		**0**	
Annual Revenue Time Sharing	202		202		173							
Hoarded revenue Time Sharing	**202**		**403**		**576**		**576**		**576**		**576**	
Available weeks	38		24		12		12		12		12	
Weekly price hotel modality	1.200		1.200		1.200		1.200		1.200		1.200	
Sold weeks in hotel modality	10	26%	8		3		3		3		3	
Revenues in hotel modality	**288**		**230**		**86**		**86**		**86**		**86**	
Available weekends	28		16		9		9		9		9	
Average sale in hotel modality	450		450		450		450		450		450	
Sold weeks in hotel modality	10	36%	10		5		5		5		5	
Revenues from weekend sale	**108**		**108**		**54**		**54**		**54**		**54**	

Economic Plan Molino Toscano

(000 €)		year 1		year2		year3		year 4		year 5		year 6	
Revenues:													
Overall revenues of Molino Toscano		598		742		716		716		716		716	
Annual revenues accessories services	150	0		50		101		144		144		144	
Revenues for re-debit consumptions and misc.	100	58		86		103		103		103		103	
Annual visitors of Molino		13.056		19.104		22.152		22.152		22.152		22.152	
Weeks not occupied		18	35%	6	12%	4	8%	4	8%	4	8%	4	8%
Total weeks		*52*		*52*		*52*		*52*		*52*		*52*	
Costs:													
Costs for raw, ancillary and cons.		25	5%	44	6%	43	6%	43	6%	43	6%	43	6%
materials		30	5%	44	6%	43	6%	43	6%	43	6%	43	6%
Costs energy		169	28%	199	27%	199	28%	199	28%	199	28%	199	28%
Costs for the staff		42	7%	52	7%	50	7%	50	7%	50	7%	50	7%
Miantenance duties		43	1%	86	2%	129	3%	129	3%	129	3%	129	3%
Overall Costs		12	2%	15	2%	15	2%	15	2%	15	2%	15	2%
Total costs		321	54%	441	59%	479	67%	479	67%	479	67%	479	67%
	E DITDA	**335**	**56%**	**437**	**59%**	**441**	**62%**	**484**	**68%**	**484**	**68%**	**484**	**68%**
Ammortisations		398	67%	398	54%	398	55%	398	55%	398	55%	398	55%
	E B IT	**-63**	**-11%**	**40**	**5%**	**44**	**6%**	**87**	**12%**	**87**	**12%**	**87**	**12%**

Economic Plan Molino Toscano

The elaborated plan assumed a gradual sell of housing units with the Time Sharing formula for a total of 77% of the theoretical available weeks.

It is expected that the remaining weeks will be arranged in hotel modality in the “week” and “weekend” formula.

The sell price of the week in Time Sharing formula on a time basis of 15 years is equal to euro 12.500 (commissions for the sale have been estimated around 30% for a net collection of € 9.000) while the single hotel week is equal to euro 1.200 and the weekend to euro 450.

Annual revenues/residential unit for re-debit “accessories services” to the “Time Sharing” contract holders have been estimated to euro 150 and revenues for overall management services (e.g. bills, cleaning) to euro 100.

Structural costs have been estimated at 67% of annual revenues and they include the management duties of Molino Toscano including the direct workforce of 7 units, maintenances equal to the 3% of the investment, energy costs for the not self handled part (photovoltaic) for the 6%.

The amortisations have been calculated by applying amortisation rates which take into consideration the useful life, the degree of use and the state of maintenance of the different categories of incomes, with an average of 7,5%.

Description Lot 2 – Thermal and Sport Centre

The Second functional Lot to be completed by 2025 for an investment of € 15,8 mln (land excluded) includes the thermal and sport facilities:

- Facility for the open air parking area;
- Complex for catering made up of a building of an indoor surface of 1.100 sm with a restaurant venue of a capabilities of 510 covers divisible in three independent venues besides supporting areas for kitchens; coffee shop; common areas and services;
- Sport-fitness centre of 1.310 sm;
- Congress Centre made up of one venue with 550 seats and two rooms with 65 seats each, completed by a business area for offices (the congress centre has features and equipments which can allow to transform it also for sport activities);
- Beauty-farm with relax and wellness area,
- 6 outdoor and heated swimming pools with pools dedicated to the motor rehabilitation, hydrotherapy, sauna, services, changing rooms, etc. for a total of 1490 sm outdoor.
- An indoor swimming pool: its size will be 25,00 m x 16,00 m with the tolerances assumed by the CONI for its validation. The depth varies from 1,20 m to 1,80.

Description Lot 2 – Thermal and Sport Centre

- Baby area club / swimming pool for kids: the swimming pool is 12,50 m x 5,00 m and its depth is max. 1,30 m;

- Horse centre for horse trekking which includes a building for a social headquarter, changing room and stalls (surface = 660 sm; vol. = 2.640 cm);

- Archery structure (open air);
  - ✓ Tennis and five-a-side fields;
  - ✓ Hunt pathway (shooting on rural path) ;
  - ✓ Track for cyclocross, mountain bike, etc..

- Golf field for practice/promotional: the area where the golf field will be –appreciated above all for the high landscape/environmental value- will be fitted out with 3-9 holes, each green no less than 200 sm min. and average length of holes of 120 m at least (min length no less than 90 m);

Amount of planned investments:

Description of the intervention	**Amount**
Therma Centre - SPA	7.800.000
Sport Centre – Golf - Building	7.247.350
External settlement	500.000
Design	250.000

Description Lot 2 – Visitors

The theoretical capacity of the accommodating thermal/wellness areas is equal to 504.000 visitors per year.

The annual visitors estimated in the present plan are growing and spread according to the season:

	year 1		year 2		year 3		year 4		year 5		year 6	
WINTER	4.200	12	4.800	12	5.400	12	6.000	12	6.000	12	6.000	12
SPRING	9.900	18	13.500	18	16.200	18	21.600	18	21.600	18	21.600	18
SUMMER	4.000	10	5.500	10	7.000	10	8.000	10	8.000	10	8.000	10
AUTUMN	7.000	14	9.100	14	13.300	14	14.000	14	14.000	14	14.000	14
	25.100	54	32.900	54	41.900	54	49.600	54	49.600	54	49.600	54
Weekly visitors	465		609		776		919		919		919	

Visitors have been distributed between externals" and "residents".

Annual visitors of residents have been calculated by multiplying the number of sold weeks for the average number of the members of the housing unit, that is 3 for the number of days which make up one week; in the calculation of visitors of the hotel branch it has been assumed an average level of occupation per room equal to two people.

For a more detailed analysis the revenue account of the main Business Units is shown below with a particular light on the variations that it goes through in the "what if" hypothesis over the time needed to complete the investments with an increase of both external and resident visitors of Mulino (including the hotel clients) and of Borgo, including both residents with residence formula and residents with Time Sharing formula.

Economic Plan Thermal and Sport Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
- Molino Toscano Residents	13.056	19.104	22.152	22.152	22.152	22.152
- Externals	25.100	32.900	41.900	49.600	49.600	49.600
	38.156	52.004	64.052	71.752	71.752	71.752

REVENUES ENTRANCE SPA & SPORT
(000 €)

	€	year 1		year 2		year 3		year 4		year 5		year 6	
Revenues													
Entrance externals + accessories (sun bed)	30	753		987		1.257		1.488		1.488		1.488	
Accessories for residents	5	52		76		89		89		89		89	
Entrance sport area	20	104		153		177		177		177		177	
Total revenues		910		1.216		1.523		1.754		1.754		1.754	
Costs													
Costs for raw, ancillary and cons. materials		82	9%	109	9%	137	9%	158	9%	158	9%	158	9%
Costs energy		91	10%	122	10%	152	10%	175	10%	175	10%	175	10%
Costs for the staff		196	22%	196	16%	196	13%	196	11%	196	11%	196	11%
Costs for services		73	8%	97	8%	122	8%	140	8%	140	8%	140	8%
Miantenance duties		226	2%	301	2%	452	3%	780	5%	753	5%	753	5%
Overall Costs		14	2%	18	2%	23	2%	26	2%	26	2%	26	2%
Total costs		681	75%	844	69%	1.082	71%	1.476	84%	1.448	83%	1.448	83%
EDITDA		229	25%	373	31%	441	29%	278	16%	305	17%	305	17%

Economic Plan Thermal and Sport Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo hotel management Residents	21.910	31.290	31.570	31.570	31.570	31.570
Externals	0	0	0	0	0	0
	21.910	31.290	31.570	31.570	31.570	31.570

REVENUES ENTRANCE SPA
(000 €)

	€	year 1		year 2		year 3		year 4		year 5		year 6	
Revenues													
Entrance externals + accessories (sun bed)	30	0		0		0		0		0		0	
Accessories for residents	5	88		125		126		126		126		126	
Entrance sport area	20	175		250		253		253		253		253	
Total revenues		263		375		379		379		379		379	
Costs													
Costs for raw, ancillary and cons. materials		24	9%	34	9%	34	9%	34	9%	34	9%	34	9%
Costs energy		13	5%	19	5%	19	5%	19	5%	19	5%	19	5%
Costs for the staff		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Costs for services		105	40%	150	40%	152	40%	152	40%	152	40%	152	40%
Miantenance duties		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Overall Costs		13	5%	19	5%	19	5%	19	5%	19	5%	19	5%
Total costs		155	59%	222	59%	224	59%	224	59%	224	59%	224	59%
EDITDA		108	41%	154	41%	155	41%	155	41%	155	41%	155	41%

Economic Plan Thermal and Sport Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo Time Sharing management Residents	31.164	57.876	82.362	82.362	82.362	82.362
Externals	0	0	0	0	0	0
	31.164	57.876	82.362	82.362	82.362	82.362

REVENUES ENTRANCE SPA

(000 €)

	€	year 1		year 2		year 3		year 4		year 5		year 6	
Revenues													
Entrance externals + accessories (sun bed)	30	0		0		0		0		0		0	
Accessories for residents	5	125		232		329		329		329		329	
Entrance sport area	20	249		463		659		659		659		659	
Total revenues		374		695		988		988		988		988	
Costs													
Costs for raw, ancillary and cons. materials		34	9%	63	9%	89	9%	89	9%	89	9%	89	9%
Costs energy		19	5%	35	5%	49	5%	49	5%	49	5%	49	5%
Costs for the staff		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Costs for services		150	40%	278	40%	395	40%	395	40%	395	40%	395	40%
Miantenance duties		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Overall Costs		19	5%	35	5%	49	5%	49	5%	49	5%	49	5%
Total costs		221	59%	410	59%	583	59%	583	59%	583	59%	583	59%
EDITDA		153	41%	285	41%	405	41%	405	41%	405	41%	405	41%

Economic Plan SPA – Wellness Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Molino Toscano Residents	13.056	19.104	22.152	22.152	22.152	22.152
Externals	25.100	32.900	41.900	49.600	49.600	49.600
	38.156	52.004	64.052	71.752	71.752	71.752

SPA & WELLNESS CENTRE
(000 €)

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Externals	10%	15%	20%	20%	20%	20%
Residents	20%	25%	30%	30%	30%	30%
No. of external people	2.510	4.935	8.380	9.920	9.920	9.920
No. of residents	2.611	4.776	6.646	6.646	6.646	6.646

REVENUES	€											
Standard pack (externals)	80	201		395		670		794		794		794
Standard pack (residents)	70	183		334		465		465		465		465
Total revenues		384		729		1.136		1.259		1.259		1.259
Costs												
Costs for raw, ancillary and cons. materials		23	6%	44	6%	68	6%	76	6%	76	6%	76	6%
Costs energy		19	5%	36	5%	57	5%	63	5%	63	5%	63	5%
Costs for the staff	35	179	47%	340	47%	526	46%	580	46%	580	46%	580	46%
Costs for services		19	5%	36	5%	57	5%	63	5%	63	5%	63	5%
Miantenance duties		4	1%	7	1%	23	2%	25	2%	38	3%	38	3%
Overall Costs		6	2%	11	2%	17	2%	19	2%	19	2%	19	2%
Total costs		250	65%	475	65%	747	66%	825	66%	838	67%	838	67%
EDITDA		133	35%	254	35%	388	34%	434	34%	421	33%	421	33%

Economic Plan SPA – Wellness Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo hotel management Residents	21.910	31.290	31.570	31.570	31.570	31.570
Externals	0	0	0	0	0	0
	21.910	31.290	31.570	31.570	31.570	31.570

SPA & WELLNESS CENTRE
(000 €)

		year 1		year 2		year 3		year 4		year 5		year 6	
ANNUAL VISITORS													
Externals		10%		15%		20%		20%		20%		20%	
Residents		20%		25%		30%		30%		30%		30%	
No. of external people		0		0		0		0		0		0	
No. of residents		4.382		7.823		9.471		9.471		9.471		9.471	
REVENUES	€												
Standard pack (externals)	80	0		0		0		0		0		0	
Standard pack (residents)	70	307		548		663		663		663		663	
Total revenues		307		548		663		663		663		663	
Costs													
Costs for raw, ancillary and cons. materials		18	6%	33	6%	40	6%	40	6%	40	6%	40	6%
Costs energy		15	5%	27	5%	33	5%	33	5%	33	5%	33	5%
Costs for the staff	35	153	50%	274	50%	331	50%	331	50%	331	50%	331	50%
Costs for services		15	5%	27	5%	33	5%	33	5%	33	5%	33	5%
Miantenance duties		5	2%	8	2%	10	2%	10	2%	10	2%	10	2%
Overall Costs		5	2%	8	2%	10	2%	10	2%	10	2%	10	2%
Total costs		212	69%	378	69%	457	69%	457	69%	457	69%	457	69%
EDITDA		95	31%	170	31%	206	31%	206	31%	206	31%	206	31%

Economic Plan SPA – Wellness Centre

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo Time Sharing management Residents	31.164	57.876	82.362	82.362	82.362	82.362
Externals	0	0	0	0	0	0
	31.164	57.876	82.362	82.362	82.362	82.362

SPA & WELLNESS CENTRE
(000 €)

		year 1		year 2		year 3		year 4		year 5		year 6	
ANNUAL VISITORS													
Externals		10%		15%		20%		20%		20%		20%	
Residents		20%		25%		30%		30%		30%		30%	
No. of external people		0		0		0		0		0		0	
No. of residents		6.233		14.469		24.709		24.709		24.709		24.709	
REVENUES	€												
Standard pack (externals)	80	0		0		0		0		0		0	
Standard pack (residents)	70	436		1.013		1.730		1.730		1.730		1.730	
Total revenues		**436**		**1.013**		**1.730**		**1.730**		**1.730**		**1.730**	
Costs													
Costs for raw, ancillary and cons. materials		26	6%	61	6%	104	6%	104	6%	104	6%	104	6%
Costs energy		22	5%	51	5%	86	5%	86	5%	86	5%	86	5%
Costs for the staff	35	218	50%	506	50%	865	50%	865	50%	865	50%	865	50%
Costs for services		22	5%	51	5%	86	5%	86	5%	86	5%	86	5%
Miantenance duties		7	2%	15	2%	26	2%	26	2%	26	2%	26	2%
Overall Costs		7	2%	15	2%	26	2%	26	2%	26	2%	26	2%
Total costs		301	69%	699	69%	1.193	69%	1.193	69%	1.193	69%	1.193	69%
EDITDA		**135**	**31%**	**314**	**31%**	**536**	**31%**	**536**	**31%**	**536**	**31%**	**536**	**31%**

Economic Plan Catering

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Molino Toscano Residents	13.056	19.104	22.152	22.152	22.152	22.152
Externals	25.100	32.900	41.900	49.600	49.600	49.600
	38.156	52.004	64.052	71.752	71.752	71.752

REVENUES CATERING
(000 €)

		year 1		year 2		year 3		year 4		year 5		year 6	
ANNUAL VISITORS													
Residents visitors restaurant day		50%		50%		50%		50%		50%		50%	
Residents visitors restaurant evening		50%		50%		50%		50%		50%		50%	
Externa visitors restaurant day		70%		70%		70%		70%		70%		70%	
External visitors restaurant evening		10%		10%		10%		10%		10%		10%	
COFFEE SHOP		75%		75%		75%		75%		75%		75%	
Revenues	€												
Resident visitior rstaurant	15	98		143		166		166		166		166	
Residents visitors restaurant evening	25	163		239		277		277		277		277	
Externa visitors restaurant day	25	439		576		733		868		868		868	
External visitors restaurant evening	35	88		115		147		174		174		174	
COFFEE SHOP	5	172		234		288		323		323		323	
Total revenues		960		1.307		1.611		1.808		1.808		1.808	
Costs													
Costs for raw, ancillary and cons. materials		192	20%	261	20%	322	20%	362	20%	362	20%	362	20%
Costs energy		58	6%	78	6%	97	6%	108	6%	108	6%	108	6%
Costs for the staff		303	32%	303	23%	303	19%	303	17%	303	17%	303	17%
Costs for services		58	6%	78	6%	113	7%	127	7%	127	7%	127	7%
Miantenance duties		10	1%	26	2%	48	3%	54	3%	54	3%	54	3%
Overall Costs		19	2%	26	2%	32	2%	36	2%	36	2%	36	2%
Total costs		639	67%	774	59%	915	57%	990	55%	990	55%	990	55%
EDITDA		321	33%	533	41%	696	43%	818	45%	818	45%	818	45%

Economic Plan Catering

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo Hotel management Residents	21.910	31.290	31.570	31.570	31.570	31.570
Externals	0	0	0	0	0	0
	21.910	31.290	31.570	31.570	31.570	31.570

REVENUES CATERING
(000 €)

ANNUAL VISITORS		year 1		year 2		year 3		year 4		year 5		year 6	
Residents visitors restaurant day		50%		50%		50%		50%		50%		50%	
Residents visitors restaurant evening		50%		50%		50%		50%		50%		50%	
Externa visitors restaurant day		70%		70%		70%		70%		70%		70%	
External visitors restaurant evening		10%		10%		10%		10%		10%		10%	
COFFEE SHOP		75%		75%		75%		75%		75%		75%	
Revenues	€												
Resident visitior rstaurant	15	164		235		237		237		237		237	
Residents visitors restaurant evening	25	274		391		395		395		395		395	
Externa visitors restaurant day	25	0		0		0		0		0		0	
External visitors restaurant evening	35	0		0		0		0		0		0	
COFFEE SHOP	5	99		141		142		142		142		142	
Total revenues		537		767		773		773		773		773	
Costs													
Costs for raw, ancillary and cons. materials		107	20%	153	20%	155	20%	155	20%	155	20%	155	20%
Costs energy		32	6%	46	6%	46	6%	46	6%	46	6%	46	6%
Costs for the staff		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Costs for services		188	35%	268	35%	271	35%	271	35%	271	35%	271	35%
Miantenance duties		5	1%	15	2%	23	3%	23	3%	23	3%	23	3%
Overall Costs		11	2%	15	2%	15	2%	15	2%	15	2%	15	2%
	Total costs	344	64%	498	65%	510	66%	510	66%	510	66%	510	66%
	EDITDA	193	36%	268	35%	263	34%	263	34%	263	34%	263	34%

Economic Plan Catering

ANNUAL VISITORS	year 1	year 2	year 3	year 4	year 5	year 6
Borgo Time sharingmanagement Residents	31.164	57.876	82.362	82.362	82.362	82.362
Externals	0	0	0	0	0	0
	31.164	57.876	82.362	82.362	82.362	82.362

REVENUES CATERING
(000 €)

ANNUAL VISITORS		year 1		year 2		year 3		year 4		year 5		year 6	
Residents visitors restaurant day		50%		50%		50%		50%		50%		50%	
Residents visitors restaurant evening		50%		50%		50%		50%		50%		50%	
Externa visitors restaurant day		70%		70%		70%		70%		70%		70%	
External visitors restaurant evening		10%		10%		10%		10%		10%		10%	
COFFEE SHOP		75%		75%		75%		75%		75%		75%	
Revenues	€												
Resident visitior rstaurant	15	234		434		618		618		618		618	
Residents visitors restaurant evening	25	390		723		1.030		1.030		1.030		1.030	
Externa visitors restaurant day	25	0		0		0		0		0		0	
External visitors restaurant evening	35	0		0		0		0		0		0	
COFFEE SHOP	6	140		260		371		371		371		371	
Total revenues		764		1.418		2.018		2.018		2.018		2.018	
Costs													
Costs for raw, ancillary and cons. materials		153	20%	284	20%	404	20%	404	20%	404	20%	404	20%
Costs energy		46	6%	85	6%	121	6%	121	6%	121	6%	121	6%
Costs for the staff		0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Costs for services		267	35%	496	35%	706	35%	706	35%	706	35%	706	35%
Miantenance duties		8	1%	28	2%	61	3%	61	3%	61	3%	61	3%
Overall Costs		15	2%	28	2%	40	2%	40	2%	40	2%	40	2%
	Total costs	489	64%	922	65%	1.332	66%	1.332	66%	1.332	66%	1.332	66%
	EDITDA	**275**	**36%**	**496**	**35%**	**686**	**34%**	**686**	**34%**	**686**	**34%**	**686**	**34%**

Overall Revenue Account Lot 2

	year 1		year 2		year 3		year 4		year 5		year 6	
Visitors												
Residents Molino Toscano	13.056		19.104		22.152		22.152		22.152		22.152	
Residents Borgo Hotel management	0		21.910		31.290		31.570		31.570		31.570	
Residents Borgo Time sharing management	0		0		31.164		57.876		82.362		82.362	
Externals	25.100		32.900		41.900		49.600		49.600		49.600	
Total Visitors	38.156		73.914		126.506		161.198		185.684		185.684	
Revenues												
Entrance SPA	805	36%	1.151	26%	1.595	21%	1.934	20%	2.032	18%	2.032	18%
SPA and wellness services	384	17%	1.036	24%	2.119	28%	2.935	30%	3.651	32%	3.651	32%
Entrance sport area	104	5%	328	8%	677	9%	893	9%	1.089	10%	1.089	10%
Catering	960	43%	1.844	42%	3.141	42%	3.999	41%	4.599	40%	4.599	40%
	2.253	100%	4.359	100%	7.533	100%	9.761	100%	11.371	100%	11.371	100%
Costs												
Costs for raw, ancillary and cons. materials	297	13%	564	13%	960	13%	1.230	13%	1.420	12%	1.420	12%
Costs energy	168	7%	297	7%	484	6%	616	6%	702	6%	702	6%
Costs for the staff	678	30%	992	23%	1.517	20%	1.917	20%	2.275	20%	2.275	20%
Costs for services	150	7%	521	12%	1.176	16%	1.610	16%	1.973	17%	1.973	17%
Miantenance duties	239	11%	344	8%	560	7%	936	10%	964	8%	964	8%
Overall Costs	39	2%	84	2%	155	2%	204	2%	241	2%	241	2%
EDITDA	**1.570**	**70%**	**2.802**	**64%**	**4.852**	**64%**	**6.513**	**67%**	**7.576**	**67%**	**7.576**	**67%**
Amortisations	1.391	89%	1.391	50%	1.391	29%	1.391	21%	1.391	18%	1.391	18%
EBIT	**179**	**8%**	**1.411**	**32%**	**3.461**	**46%**	**5.121**	**52%**	**6.185**	**54%**	**6.185**	**54%**

Economic Plan Thermal Sport Centre and Catering

Here below the main specifications per single Business Unit are shown for further details:

Thermal Centre
The thermal centre has a max daily accommodating capacity of n. 1.500 people, which multiplied for 52 weeks of opening, leads to a max accommodating capacity of 504.000 people per year.

At operating speed it is assumed to have an overall effective accommodating capacity of over 185 thousands people, with a daily average of 500 people, equal to around 1/3 of the max accommodating capacity. The production values have been got applying an entrance-price equal to:

- € 30 entrance to the spa: it is assumed that this price must be paid by the external clients only as it is free for the residents;
- € 20 sporting centre entrance;
- € 5 various services: these services are related to the use of the swimming pools and include the rent of towelling robe, scuffs and other utility services for the guest.

It is assumed that 80% of residents of Molino and Borgo may use such service with an annual revenue of over 500 thousand euro at operating speed.

Wellness service
Such service allows to access to the beauty farm area with heated outdoor swimming pool, hydro-massage pools and emotional showers with chromo-therapy, sauna, etc.
At operating speed it is assumed an attendance equal to the 20% of annual “external” visitors and 30% of resident visitors.
The average cost for a wellness treatment has been estimated 75,00 euro.

Catering

The theoretical daily capacity of the restaurant is equal to over 350 seats.
The estimated visitors have been determined by applying some fill rates to the number of visitors whose:

- residents fill rate : 50% both lunch and dinner;
- externals fill rate : 70% for lunch and 10% for dinner;
- coffee shop fill rate: 75%.

The average price of meals is differentiated both by type of visitors (residents and externals) and by type of meal – lunch or dinner. Specifically the following has been estimated:

- Price for residents lunch: € 15
- Price for residents dinner: € 25
- Price for externals lunch: € 25
- Price for externals dinners: € 35

Average coffee shop price : € 6

Costs

Structural costs have been estimated growing according to the variations to the increase and include the costs specific for each business unit, summarised in the items of purchase of row materials, direct and indirect workforce, energy (for the portion not self managed), services and maintenances.
Amortisations have been calculated by applying average amortisation rates of 7.5%

Description Lot 3 – Borgo in hotel management

The Third functional Lot to be completed within 2026 for an investment of € 9,1 mln (land excluded) includes:

- Construction of a building addressed to hotel residence with 70 rooms with an average size of 50sm, with service area such as reception, lodgings for the staff, shops and various services;
- External settlement for around ½ of what expected in the overall Borgo Toscano project;
- Parking areas

Amount of planned investments:

Description of the intervention	Amount
Borgo – hotel management	7.970.000
External settlement	850.000
Design	250.000

Plan of revenues Borgo in hotel management

(000 €)	year 1		year 2		year 3		year 4		year 5		year 6	
Estate unit	70		70		70		70		70		70	
Sale price Time Sharing	12.500		12.500		12.500		12.500		12.500		12.500	
Net collection for sale commissions T.S.	9.000		9.000		9.000		9.000		9.000		9.000	
Theoretical weeks	52		52		52		52		52		52	
Sold weeks	5	10%	6	21%	0	21%		21%		21%		21%
Availabe weeks	47		41		41		41		41		41	
Time Sharing collection	**3.150**		**3.780**		**0**		**0**		**0**		**0**	
Annual Revenue Time Sharing	210		252		0							
Hoarded revenue Time Sharing	**210**		**462**		**462**		**462**		**462**		**462**	
Available weeks	47		41		41		41		41		41	
Weekly price hotel modality	1.200		1.200		1.200		1.200		1.200		1.200	
Sold weeks in hotel modality	12	26%	12	29%	12		12		12		12	
Revenues in hotel modality	**1.008**		**1.008**		**1.008**		**1.008**		**1.008**		**1.008**	
Available weekends	35		29		29		29		29		29	
Average sale in hotel modality	450		450		450		450		450		450	
Sold weeks in hotel modality	10	29%	12	41%	13		13		13		13	
Revenues from weekend sale	**315**		**378**		**410**		**410**		**410**		**410**	

Economic Plan Borgo in hotel management

(000 €)		year 1		year 2		year 3		year 4		year 5		year 6	
Revenues:	€												
Overall revenues of Borgo hotel management	rg h.	1.533		1.848		1.880		1.880		1.880		1.880	
Annual revenues accessories services	150	0		53		116		116		116		116	
Revenues for re-debit consumptions and misc.	100	119		161		161		161		161		161	
Annual visitors of BORGO		21.910		31.290		31.570		31.570		31.570		31.570	
Weeks not occupied		25	48%	17	33%	16	31%	16	31%	16	31%	16	31%
Total weeks		*52*		*52*		*52*		*52*		*52*		*52*	
Costs:													
Costs for raw, ancillary and cons. materials		153	10%	185	10%	188	10%	188	10%	188	10%	188	10%
Costs energy		77	5%	111	6%	113	6%	113	6%	113	6%	113	6%
Costs for the staff		404	26%	404	22%	404	21%	404	21%	404	21%	404	21%
Costs for services		153	10%	185	10%	188	10%	188	10%	188	10%	188	10%
Miantenance duties		80	1%	159	2%	239	3%	239	3%	239	3%	239	3%
Overall Costs		25	2%	25	2%	25	2%	25	2%	25	2%	25	2%
Total costs		892	58%	1.069	58%	1.157	62%	1.157	62%	1.157	62%	1.157	62%
	EDITDA	**760**	**50%**	**993**	**54%**	**999**	**53%**	**999**	**53%**	**999**	**53%**	**999**	**53%**
Amortisations		441	29%	441	24%	441	23%	441	23%	441	23%	441	23%
	EBIT	**319**	**21%**	**552**	**30%**	**558**	**30%**	**558**	**30%**	**558**	**30%**	**558**	**30%**

Economic Plan Borgo in hotel management

The elaborated plan assumed a gradual sale of the 70 housing units as follows:

- In the Time Sharing formula for an overall 21% of the theoretical available weeks;
- In hotel modality “weekly formula” for an overall 29%;
- In hotel modality “weekend formula” for an overall 41%.

The sale price of the week in Time Sharing formula on a basis of 15 years is equal to 12.500 euro (commissions for the sale have been estimated around 30% for a net cash in of € 9.000), while the single week in hotel formula is equal to 1.200 euro and the weekend to euro 450.

Annual revenues/residential unit for re-debit “accessories services” to the “Time Sharing” contract holders have been estimated to euro 150 and revenues for overall management services (e.g. bills, cleaning) to euro 100.

Structural costs have been estimated at 62% of annual revenues and they include the maintenance duties of the hotel equal to the 3%; costs for general services for the 10%, energy costs for the not self-handled part (photovoltaic) for the 6%. The direct workforce with 15 operators affects for the 21% of the total costs.

The amortisations have been calculated applying amortisation rates which take into consideration the useful life, the degree of use and the state of maintenance of the different categories of incomes, with an average of 7,5%.

Description Lot 4 – Borgo in time sharing management

The Fourth functional Lot to be completed by 2028 for an investment of € 13,7 mln (land excluded) includes:

- The completion of the residential complex "Borgo" addressed to residence with time sharing formula sale;
- The completion of the external settlement;
- Parking areas.

Amount of planned investments:

Description of the intervention	Amount
Borgo – time sharing management	12.730.000
External settlement	750.000
Design	250.000

Plan of Revenues Borgo in time sharing management

(000 €)	year 1		year 2		year 3		year 4		year 5		year 6	
Estate unit	106		106		106		106		106		106	
Sale price Time Sharing	12.500		12.500		12.500		12.500		12.500		12.500	
Net collection for sale commissions T.S.	9.000		9.000		9.000		9.000		9.000		9.000	
Theoretical weeks	52		52		52		52		52		52	
Sold weeks	14	27%	12	50%	11	71%		71%		71%		71%
Availabe weeks	38		26		15		15		15		15	
Time Sharing collection	**13.356**		**11.448**		**10.494**		**0**		**0**		**0**	
Annual Revenue Time Sharing	890		763		700							
Hoarded revenue Time Sharing	**890**		**1.654**		**2.353**		**2.353**		**2.353**		**2.353**	
Available weeks	38		26		15		15		15		15	
Weekly price hotel modality	1.200		1.200		1.200		1.200		1.200		1.200	
Sold weeks in hotel modality	0	0%	0	0%	0		0		0		0	
Revenues in hotel modality	**0**		**0**		**0**		**0**		**0**		**0**	
Available weekends	38		26		15		15		15		15	
Average sale in hotel modality	450		450		450		450		450		450	
Sold weeks in hotel modality	0	0%	0	0%	0		0		0		0	
Revenues from weekend sale	**0**		**0**		**0**		**0**		**0**		**0**	

Economic Plan Borgo in time sharing management

(000 €)		year 1		year 2		year 3		year 4		year 5		year 6	
Revenues:	€												
Overall revenues of Borgo T.S. management	ring	890		1.654		2.353		2.353		2.353		2.353	
Annual revenues accessories services	150	0		223		413		588		588		588	
Revenues for re-debit consumptions and misc.	100	148		276		392		392		392		392	
Annual visitors of BORGO		31.164		57.876		82.362		82.362		82.362		82.362	
Weeks not occupied		38	73%	26	50%	15	29%	15	29%	15	29%	15	29%
Total weeks		*52*		*52*		*52*		*52*		*52*		*52*	
Costs:													
Costs for raw, ancillary and cons. materials		18	2%	33	2%	47	2%	47	2%	47	2%	47	2%
Costs energy		62	7%	132	8%	188	8%	188	8%	188	8%	188	8%
Costs for the staff		275	31%	275	17%	275	12%	275	12%	275	12%	275	12%
Costs for services		62	7%	116	7%	165	7%	165	7%	165	7%	165	7%
Miantenance duties		127	1%	255	2%	382	3%	382	3%	382	3%	382	3%
Overall Costs		25	3%	25	1%	25	1%	25	1%	25	1%	25	1%
Total costs		570	64%	836	51%	1.082	46%	1.082	46%	1.082	46%	1.082	46%
EDITDA		**469**	**53%**	**1.316**	**80%**	**2.077**	**88%**	**2.252**	**96%**	**2.252**	**96%**	**2.252**	**96%**
Amortisations		674	76%	674	41%	674	29%	674	29%	674	29%	674	29%
EBIT		**-205**	**-23%**	**642**	**39%**	**1.403**	**60%**	**1.578**	**67%**	**1.578**	**67%**	**1.578**	**67%**

Economic Plan Borgo in time sharing management

The elaborated plan assumed a gradual sale of the 106 housing units within the Time Sharing formula for an overall 69% of the theoretical available weeks.

The sale price of the week in the Time Sharing formula on a basis of 15 years is equal to euro 12.500 (commissions for the sale have been estimated around 30% for a net cash in of € 9.000).

Annual revenues/residential unit for re-debit “accessories services” to the “Time Sharing” contract holders have been estimated to euro 150 and revenues for overall management services (e.g. bills, cleaning) to euro 100.

Structural costs have been estimated –at operating speed- at 46% of annual revenues and they include the management duties of Borgo included the direct workforce, maintenances equal to the 3% of investment, energy costs for the not self-handled part (photovoltaic) equal to 8%.

The amortisations have been calculated applying amortisation rates which take into consideration the useful life, the degree of use and the state of maintenance of the different categories of incomes, with an average of 7,5%.

Revenue Account

(000 €)	year 1		year 2		year 3		year 4		year 5		year 6	
Revenues:												
Time Sharing	202	7%	613	9%	1.928	17%	2.692	18%	3.391	19%	3.391	19%
Units in hotel modality	396	14%	1.661	24%	1.526	13%	1.558	10%	1.558	9%	1.558	9%
Additional services	58	2%	256	4%	566	5%	1.022	7%	1.329	7%	1.504	8%
Catering	960	33%	1.844	27%	3.141	27%	3.999	26%	4.599	26%	4.599	26%
Spa entrance	910	31%	1.479	21%	2.272	20%	2.827	19%	3.121	18%	3.121	17%
Spa wellness services	384	13%	1.036	15%	2.119	18%	2.935	19%	3.651	21%	3.651	20%
Parking area	0	0%	55	1%	70	1%	83	1%	83	0%	83	0%
Other revenues	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total Revenues	2.908	100%	6.944	100%	11.624	100%	15.115	100%	17.732	100%	17.907	100%
Costs:												
Costs for raw, ancillary and cons. materials	322	11%	762	11%	1.206	10%	1.494	10%	1.281	7%	1.698	9%
Costs energy	198	7%	418	6%	700	6%	904	6%	835	5%	1.046	6%
Costs for the staff	847	29%	1.595	23%	2.395	21%	2.795	18%	2.418	14%	3.153	18%
Costs for services	191	7%	726	10%	1.473	13%	1.964	13%	1.733	10%	2.376	13%
Miantenance duties	287	10%	522	8%	992	9%	1.579	10%	1.462	8%	1.734	10%
Overall Costs	51	2%	124	2%	220	2%	269	2%	237	1%	306	2%
Overall costs for the pers., acc. and manag.	214	7%	214	3%	264	2%	314	2%	314	2%	314	2%
Accountancy costs	150	5%	200	3%	250	2%	300	2%	350	2%	350	2%
Several management duties	100	3%	100	1%	250	2%	400	3%	400	2%	400	2%
Total costs	2.360	81%	4.661	67%	7.750	67%	10.018	66%	9.029	51%	11.378	64%
EBITDA	**549**	**19%**	**2.283**	**33%**	**3.874**	**33%**	**5.096**	**34%**	**8.703**	**49%**	**6.530**	**36%**
Amortisations	1.839	63%	2.525	36%	3.561	31%	3.561	24%	3.561	20%	3.561	20%
EBIT	**-1.290**	**-44%**	**-242**	**-3%**	**312**	**3%**	**1.535**	**10%**	**5.142**	**29%**	**2.968**	**17%**
Financial duties	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Financial duties new finance	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Several duties (revenues)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Gross result	**-1.290**	**-44%**	**-242**	**-3%**	**312**	**3%**	**1.535**	**10%**	**5.142**	**29%**	**2.968**	**17%**
Tax	0	0%	61	1%	202	2%	603	4%	1.721	10%	1.067	6%
Net result	**-1.290**	**-44%**	**-303**	**-4%**	**111**	**1%**	**932**	**6%**	**3.421**	**19%**	**1.901**	**11%**

Overall balance sheet

(000 €)	year 1	year 2	year 3	year 4	year 5	year 6
Assets						
Net assets	29.748	39.912	53.699	50.138	46.577	43.016
Clients	12	52	114	206	268	303
Other credits	50	50	50	50	50	50
Warehouse	50	50	70	70	70	70
Total Assets	**29.860**	**40.064**	**53.933**	**50.464**	**46.965**	**43.439**
Loss						
Suppliers	101	235	418	565	511	652
Other debits	150	261	452	883	2.001	1.347
Risk fund	0	0	0	0	0	0
Severance indemnity fund	39	106	205	320	421	550
Total Loss	**290**	**603**	**1.074**	**1.768**	**2.933**	**2.549**
INVESTED CAPITAL	29.570	39.461	52.859	48.696	44.032	40.890
FINANCIAL COVERAGE						
Social capital	28.000	30.000	30.000	30.000	30.000	30.000
Stock (hoarded losses)	0	-1.290	-1.594	-1.483	-551	2.870
Loan for constructions	0	0	0	0	0	0
Time Sharing collection	4.788	12.726	28.926	40.374	50.868	50.868
Profit (loss) of the business	-1.290	-303	111	932	3.421	1.901
Net bank exposure (positive)	-1.928	-1.672	-4.584	-21.127	-39.705	-44.748
BREAK EVEN TOTAL	29.570	39.461	52.859	48.696	44.032	40.890

Expected cash flows from the sale in Time sharing

	18 MONTHS START UP MOLINO	18 MONTHS START UP SPA	24 MONTHS START UP BORGO H	24 MONTHS START UP BORGO R			
	year 1	year 2	year 3	year 1 molino + terme year 4	year 1 borgo albergo year 5	year 1 borgo residence year 6	
Molino Toscano		96	96	192+144	336	288	
Deposit		5.000	5.000				
Balance				7.500			
Full Price				12.500	12.500	12.500	
SubTotal		480.000	480.000	3.240.000	4.200.000	3.600.000	
Borgo Gestione Albergo					350	420	
Deposit							
Balance							
Full Price					12.500	12.500	
SubTotal					4.375.000	5.250.000	
Borgo Gestione Residence				490	490	504+980	1.272
Deposit				5.000	5.000		
Balance						7.500	
Full Price						12.500	12.500
SubTotal				2.450.000	2.450.000	13.650.000	15.900.000
TOTAL PLAN COLLECTION	0	480.000	480.000	5.690.000	11.025.000	22.500.000	15.900.000
Commissions Time sharing sales	*0*	*134.400*	*134.400*	*1.593.200*	*3.087.000*	*6.300.000*	*4.452.000*

TOTAL NET COLLECTION	50.868.000