

LUXURY  
SUSTAINABLE  
LODGING

*in  
the  
heart  
of the  
Belgian Ardennes*

ENERGY NEUTRAL HOLIDAYS

# Company

A NEW VISION ON HOSPITALITY

## Investment Memorandum



COMPANY IM - 2021



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## Statement

Casper de Laat has been commissioned by Company BV to assist with the financing of the development of 2 sustainable leisure & hospitality real estate projects in Belgium.

Any information in this Investment Memorandum has been produced as accurately as possible and is intended to provide an overview of the opportunity. Any images however, are merely provided for illustrative purposes and should not be interpreted as fact.

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## 01. EXECUTIVE

# SUMMARY

sustainable luxury lodging

The Project concerns the development of 2 sustainable Holiday Parks in the Belgian Province of Luxembourg (Belgian Ardennes), with a total developed value of ca. EUR 60M. At the core of the development are social and sustainable values, which will earn both parks the prestigious **GREEN KEY CERTIFICATE**. EXIT is intended at delivery to an Institutional Investor or Operator Network.

**Company BV**, owned by Mr. LastName (UBO), a reputable Belgian real estate developer, is in an advanced stage of preparations, with a project delivery date expected beginning 2023. All buildings and lodges comply with the strictest **Energy Performance Label A**, in accordance with the Belgian Wallonian Government requirements **Q-ZEN** (Quasi Zero Energy). **Partner I** (Groupe X), a leader in prefab, energy neutral, wooden construction, will be responsible for production, construction and installation of the buildings and lodges.

**X BV**, the second largest European Park Operator, has signed an LOI for a triple net lease hold period of +20 years, at a guaranteed annual rent of ca. EUR 3M, with the following terms:

- Rental yield of 5% on the market value.
- Rent payments independent of occupancy rates.
- Corporate Guarantee for the annual rent provided by **X BV (B+ rating)**

**Capital X (single A rating)**, a global investment firm, is 100% owner of X BV.

**X Bank, Belgium (A- rating, 100% State owned)**, will finance 70% of the project development costs, which are estimated at EUR 50M. The remaining ca EUR 15M is to be financed through Mezzanine Debt, or Hybrid Financing, with EUR 7.7M already secured from Family Offices and UHNWI.

## OPPORTUNITY

**This inaugural project is part of larger pipeline of projects in Belgium and France, which the developer is looking to materialize in collaboration with Park Operator X.**

**Currently 3 such projects, with a total number of 420 units are being negotiated. X intends to expand by 50 parks in the next few years.**

**This presents the opportunity for a strategic partner to provide an additional ca. EUR 25mm to EUR 75mm of Mezzanine Debt, or substantially more Senior Debt in years to come.**

## 02. FINANCING OVERVIEW

Company is seeking ca. EUR 7-8mm of Mezzanine Financing for the development of 2 sustainable Holiday Parks in the Belgian Ardennes.

ASSUMPTIONS	EUR 000
Development Costs	50.000 (ex. financing expenses)
Developed Value*	60.000 - 75.000
Annual rental income	3.000

\* depending of the final “exit yield” at an annual rental income of EUR 3M, assumed at 5%, expected at 4% or lower.

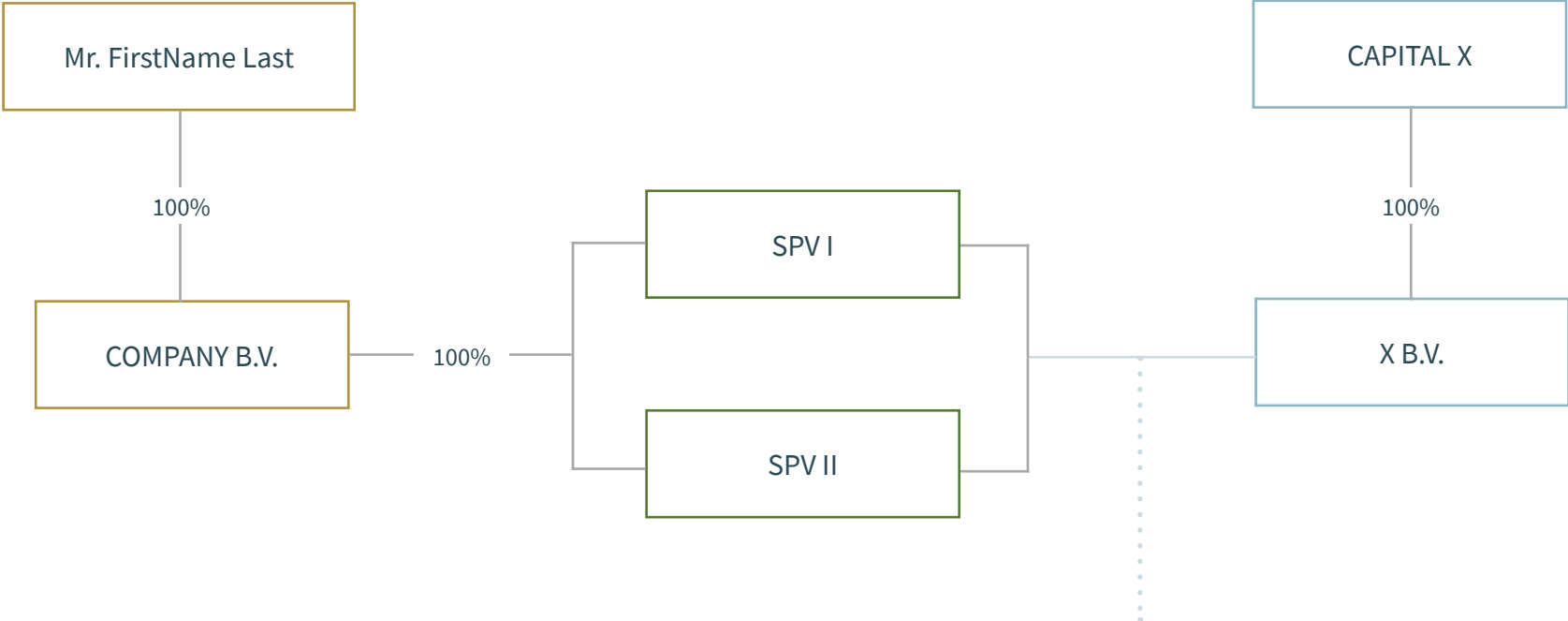
### INDICATIVE TERMS

Borrower	Company B.V. (Top Holding)
Instrument	Term Loan
Amount	€ 7.000.000 - € 8.000.000
Currency	EUR
Tenor	2 - 5 years
Interest	Capitalizing, payment at maturity
Principal	Payment at maturity
Use of proceeds	Land acquisition + development of 2 Holiday Parks
Ranking	Subordinate to Senior Debt
Security	tbd

### SOURCES AND USES

Sources	EUR 000	Status	% Costs	LTV
<b>SENIOR SECURED</b>				
X Bank, Belgium	34.270	informal agreement	70%	57%
<b>MEZZANINE</b>				
Mezz Tranche	6.987	Available	12%	12%
Investor I, II, III	7.700	Secured	15%	13%
<b>EQUITY</b>				
Project Developer	1.500	Secured	3%	
<b>Total Sources</b>	<b>50.457</b>		<b>100%</b>	
Uses	EUR 000		%	
Land and auxiliary costs	4.614		9,1%	
Preliminary costs	95		0,2%	
Study & Engineering	1.100		2,2%	
Infrastructure & Construction	9.825		19,5%	
Construction	30.767		61,0%	
Overhead Costs	2.555		5,1%	
Working Capital	1.500		3,0%	
<b>Total Uses</b>	<b>50.457</b>		<b>100%</b>	

03. CORPORATE & DEAL STRUCTURE



**X Services BV** has committed itself to conclude a triple net, long term lease agreement with Company BV under the following terms:

- Beginning of the lease upon preliminary delivery/opening of the parks;
- Lease hold period of +20 years, renewable.
- Rental yield of 5% on the market value of the units, or an annual rent estimated at approx. €3mio for the first 2 parks (excl. FF&E);
- Rent payments independent of occupancy rates of the parks and indexed yearly.
- Corporate guarantee from X B.V (top holding) for annual rent payments.

## 04. CREDIT HIGHLIGHTS

A future proof, sustainable investment

### 1. SUSTAINABLE INVESTMENT

All Holiday Parks developed by Company BV will be awarded with the prestigious Green Key Certificate and an Energy Performance Building Certificate, category A ( $45 > E_{spec} < 85$ )

### 2. NICHE MARKET

The competing Ardennes Holiday Parks are operating very outdated accommodations built in the 50's. With the current trends in sustainability, there is a niche in the market for modern, upscale eco-lodging in the region, without creating market over-supply.

### 3. LONG-TERM TRIPLE NET LEASE

Company concluded for both parks individual lease agreements with X BV (NL) for a period of 21years, renewable with all property expenses carried by the tenant.

### 4. HIGHLY SOLVENT TENANT

X is a leading European Dutch park operator and a portfolio company of Capital X's Core Investment fund which invests in the longer term being 12 to 15 years. X has a B+ credit rating which is the highest in this segment of the industry.

### 5. FIXED ANNUAL INCOME

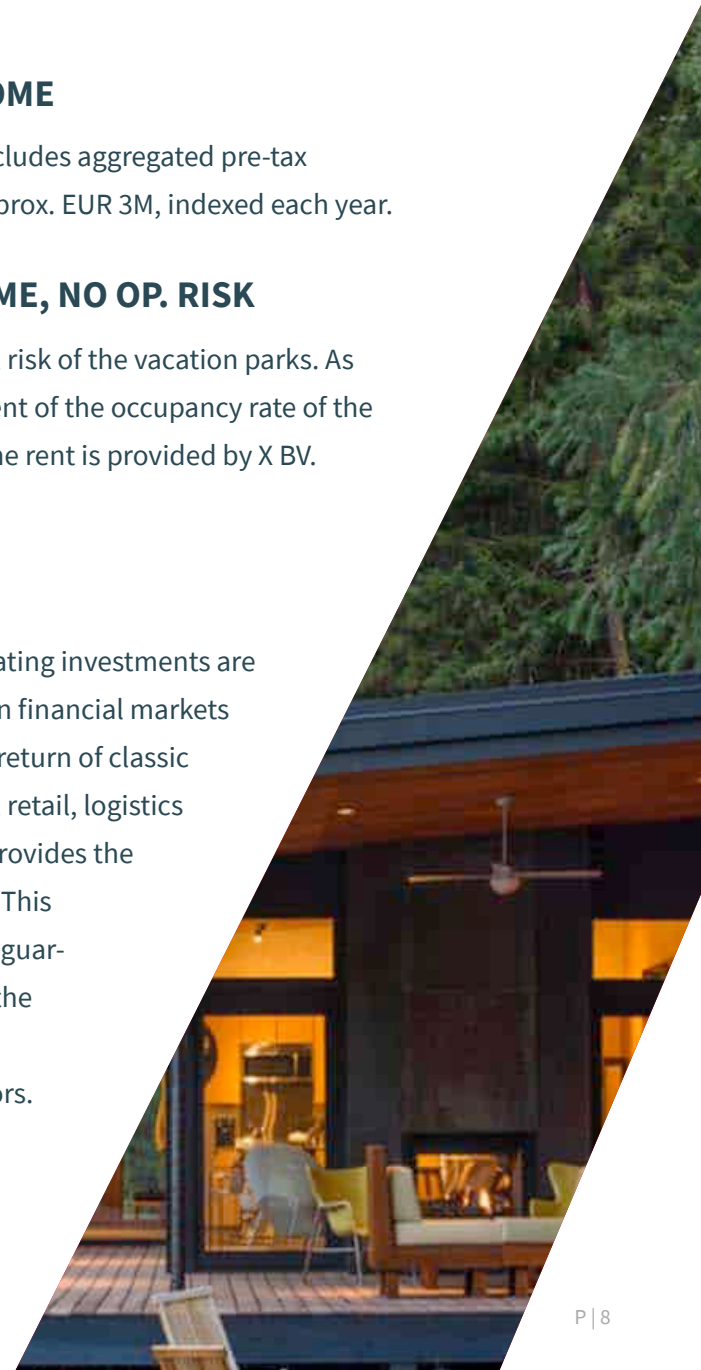
The long-term lease agreement includes aggregated pre-tax rental income for both parks of approx. EUR 3M, indexed each year.

### 6. GUARANTEED INCOME, NO OP. RISK

X entirely assumes the operational risk of the vacation parks. As such, the annual rent is independent of the occupancy rate of the parks. A corporate guarantee for the rent is provided by X BV.

### 7. EXIT MOMENTUM

Long term, secure and yield generating investments are becoming scarce. Indeed, bonds on financial markets provide hardly any return and the return of classic real estate markets such as offices, retail, logistics and retirement homes no longer provides the targeted return of many investors. This sustainable development, with an guaranteed annual return of ca 5% on the market value, makes an attractive alternative for Institutional Investors. Company aims to exit at a value equivalent to 4% yield or lower.





## 05. PROJECT OVERVIEW

### SPV I - Grandvoir

<b>Location</b>	Location, Belgium
<b>Size</b>	40 ha
<b>Status</b>	Land Acquired
<b>Land value</b>	ca. EUR 4.5mm
<b>Development</b>	85 high-end lodges + 15 hotel suites
	<ul style="list-style-type: none"><li>• 6 Pax: 48 lodges of 86m<sup>2</sup></li><li>• 4 Pax: 20 lodges of 60m<sup>2</sup></li><li>• 2 Pax: 17 lodges of 37m<sup>2</sup></li><li>• 4 Pax hotel suites: 15 rooms of 30m<sup>2</sup></li><li>• Main building of 500m<sup>2</sup></li></ul>
<b>Tenant Agreement</b>	X B.V., lease hold period of +20 years, renewable
<b>Area Planning Designation</b>	Recreational
<b>Building Permits</b>	Positive informal approval from local municipality and planning office, to be filed June 2021, expected Oct. 2021.
<b>Expected Delivery</b>	December 2022
<b>Total Developed Value*</b>	EUR 25M - EUR 32M

\* depending of the final “exit yield” at an annual rental income of EUR 3M

## GUIDANCE

For both development projects,  
X BV provides guidance on:

- number of units per site, which types of units in terms of number of pax, m<sup>2</sup> etc.
- recommended surrounding activities
- design and functionality of the common spaces
- wellness needs

Plus further assistance from:

- Local experts (topology)
- Construction Company Partner I
- X on tourism development





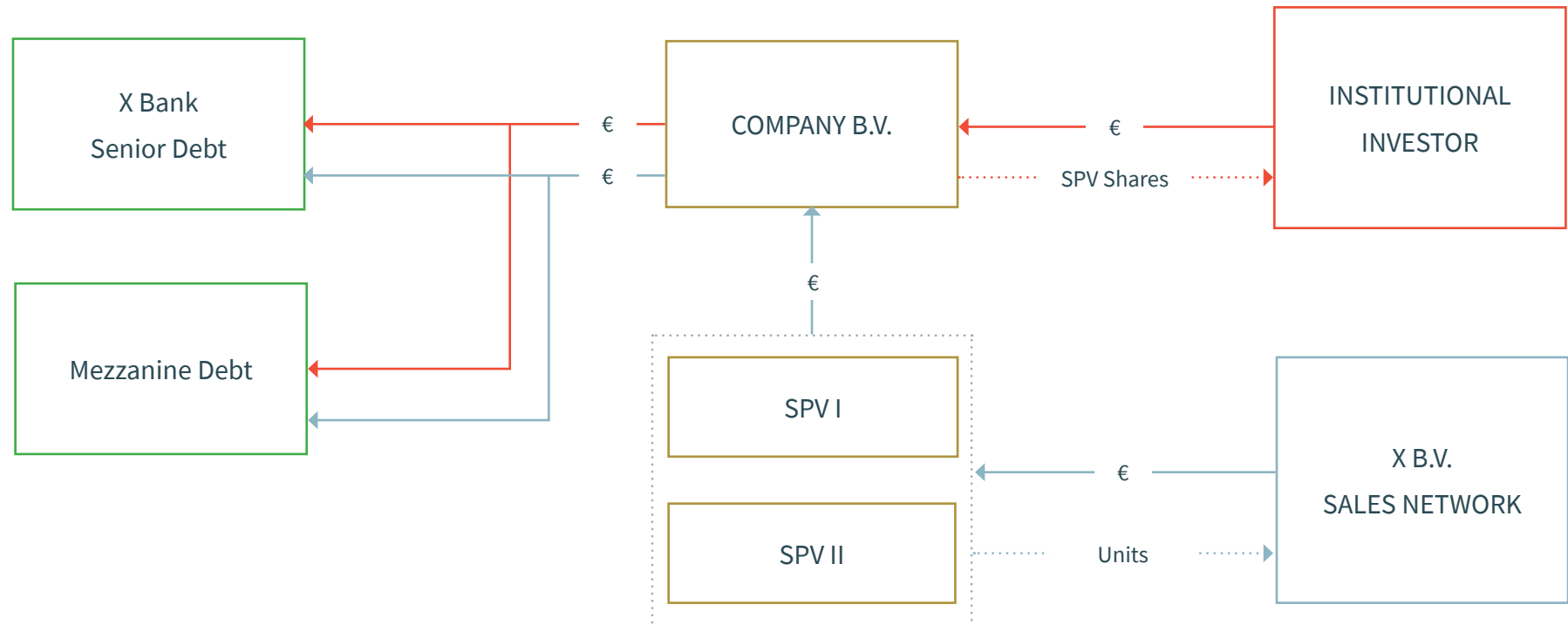
## 05. PROJECT OVERVIEW - CONTINUED

### SPV II - Vallee de Rabais

<b>Location</b>	Location, Belgium
<b>Size</b>	18 ha
<b>Status</b>	Sales Agreement signed, to be acquired from loan proceeds.
<b>Land value</b>	ca. EUR 2.5mm
<b>Development</b>	140 lodges
	<ul style="list-style-type: none"> <li>• 16 Pax: 5 lodges of 160m<sup>2</sup> *</li> <li>• 12 Pax: 5 lodges of 120m<sup>2</sup> *</li> <li>• 8 Pax: 15 lodges of 90m<sup>2</sup></li> <li>• 6 Pax: 45 lodges of 72m<sup>2</sup></li> <li>• 4 Pax: 50 lodges of 50m<sup>2</sup></li> <li>• 2 Pax: 20 lodges of 28m<sup>2</sup></li> <li>• Main building of 1.250m<sup>2</sup></li> </ul>
<b>Tenant Agreement</b>	X B.V., lease hold period of +20 years, renewable
<b>Area Planning Designation</b>	Recreational
<b>Building Permits</b>	Positive informal approval from local municipality and planning office, to be filed October 2021, expected April 2022.
<b>Expected Delivery</b>	April 2023
<b>Total Developed Value*</b>	EUR 35M - EUR 42M

\* depending of the final “exit yield” at an annual rental income of EUR 3M

## 06. EXIT STRATEGY



**At delivery, Company BV intends to sell the Parks to either:**

**Institutional Investor (ex. Pension Funds),** shares of the SPVs will be sold and Company BV will repay mezzanine and bank debt.

**Park Operator Network,** Units will be sold and cash will flow into SPVs, SPVs will repay Company BV, and top holding will repay mezzanine and bank debt.

## 06. EXIT STRATEGY - CONTINUED

# INDICATORS

Regional Tourism

### Spring 2021 - Occupancy rate (Luxembourg Province, Belgium)

Hotels	46%
Local Accommodation (B&B's, Holiday Rentals etc)	68%
<b>Holiday Parks</b>	<b>80%</b>
Campings	70%

### Tourism 2019 - per Accommodation Type (Luxembourg Province, Belgium)

Type	Establishments	Beds	Overnight Stays	% change
Hotels	162	5.995	1.052.966	-1,8%
Local Accommodation (B&B's, Holiday Rentals etc)	1603	15.609	1.635.038	+12,7%
<b>Holiday Parks</b>	<b>57</b>	<b>4.739</b>	<b>1.129.717</b>	<b>+7,4%</b>
Campings	98	18.450	1.058.406	0,0%

### Tourism 2019 - Visits per Country (Luxembourg Province, Belgium)

Country	BE	FR	NL	UK	DE	Other
Hotels	69%	5%	8%	1%	2%	15%
Local Accommodation (B&B's, Holiday Rentals etc)	72%	3%	21%	0%	2%	1%
<b>Holiday Parks</b>	<b>63%</b>	<b>6%</b>	<b>25%</b>	<b>1%</b>	<b>4%</b>	<b>2%</b>
Campings	40%	2%	51%	2%	4%	2%

Source: <https://www.tourismewallonie.be/>

# 06. EXIT STRATEGY - CONTINUED

# INDICATORS

M&A Activity

## M&A Activity - Holiday Park Sector

Jan 2021	Blackstone acquires Bourne Leisure, a premier UK holiday company.
Sept 2020	Dutch Holdiay Park Operator X acquires sector partner Y.
June 2020	Capital X acquires Dutch Holdiay Park Operator X for USD 1,1B.
June 2020	EuroParcs takes over Dreamparken.
Jan 2020	Sykes Holiday Cottages, the UK's leading independent holiday home provider, acquires Pure Cottages Group
May 2019	Ducth investment company Waterland acquires a majority stake in EuroParcs.





## 07. PROJECT PHILOSOPHY

# BIOPHILIA

the desire to commune with nature

### Company's 4 key sustainability pillars

1. Preservation of biodiversity
2. Respect for the socio-cultural authenticity of host communities
3. Ensuring the social well-being and economic security of host communities
4. Sustainable use of environmental resources

#### HABITATION Q-ZEN

répondant à la future réglementation PEB 2021

Niveau K :  $\leq K35$

Niveau  $E_w$  :  $\leq 45$

Niveau  $E_{spec}$  :  $\leq 85 \text{ kWh/m}^2\text{.an}$

Surchauffe :  $< 6500 \text{ Kh}$

$45 < E_{spec} \leq 85$

A

source: [www.energie.wallonie.be](http://www.energie.wallonie.be)





## 08. SUSTAINABLE DEVELOPMENT

### Renewable Energy

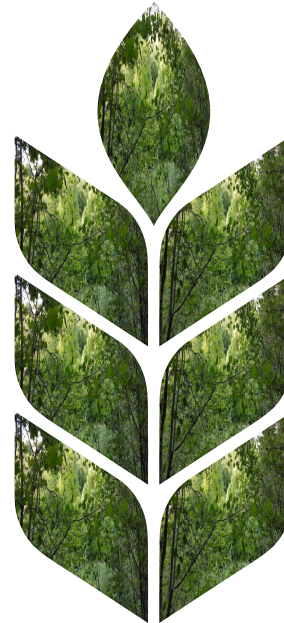
In order to decrease the ecological footprint of the parks, but also to influence the mindset of the end customers, all units will be equipped with solar panels, geothermal heat pumps etc., giving the units the prestigious Energy Performance Label A.

### Intelligent Waste Management

With global demand for clean water doubling every 10 years, the needs for more effective and smart wastewater management have been greater than ever before. Efficient fresh water supply and safe wastewater processing are key features of the parks.

### Low Impact Foundations

Classic foundations such as concrete, are known to have a negative impact on nature. For this reason, Company will make use of low impact foundation solutions such as screw-piles



CERTIFIED  
PROJECT

### Green Roofs

Maintaining the green character is key when developing a hospitality project in the middle of the woods. Our green roofs will complement the scenic views in harmony with nature.

### Creating Natural Sanctuaries

Instead of disturbing and destroying nature, a key focus of management is the creation of natural sanctuaries in which local flora and fauna can be preserved and observed by wildlife lovers.

### Proximity Sourced

Instead of disturbing and destroying nature, a key focus of management is the creation of natural sanctuaries in which local flora and fauna can be preserved and observed by wildlife lovers.

## 08. SUSTAINABLE DEVELOPMENT - CONTINUED

# MODULAR

Mitigating common development risks

### **GREENER**

The factory-controlled process generates less waste, creates fewer site disturbances and allows for tighter construction.

### **FASTER**

Construction of modular buildings occurs simultaneously with site work, allowing projects to be completed in half the time.

### **SMARTER**

Modular buildings are built with the same materials and to the same building codes and architectural specifications as traditional construction. Once assembled, they are virtually indistinguishable from their site-built counterparts.

## 09. KEY MANAGEMENT

Seasoned and complimentary

### **FirstName Last**

CEO

FirstName has 35 years of experience in the construction and real estate development industry. FirstName initially started by taking over the family business, active in construction and real estate development, in 1996 along with his two brothers, where he was responsible for the general management, finance and sales. In 2000, he decided to found his own company with a focus on pure real estate development and construction, ranging from retail (road-side shopping malls), over residential to logistic real estate. During these years FirstName developed many projects with an aggregate value of ca. EUR 110M. His latest noteworthy EUR 20M development was the acquisition of a large part of the historical building in Ghent which he developed into a high-end boutique hotel with 38 rooms in 18 months time.

### **FirstName Last**

CFO

FirstName worked for 19 years at BDO of which 10 years within Audit & Assurance and 9 years within Corporate Finance as TS partner during which he advised both national and international companies in a wide range of industries and sizes. Beginning of 2018 he re-oriented his career and supplemented a Luxembourg based Asset Management fund as CFO of one of the investments until December 2019. From then onwards, FirstName has continued to work on a free lance basis in strategic, M&A related and C-level roles.





## 09. KEY MANAGEMENT

continued

### FirstName Last

#### HEAD OF DEVELOPMENT & STRATEGY

In the beginning of his career, FirstName fulfilled various commercial and strategic roles in companies such as Randstad, Adecco and Trace, before joining the company ZA ASSURANCES in 2008 as District Manager. In 2012 he joined SFS EUROPE as sales director and in 2015 he was promoted to Group Development and Strategy Director, a function in which he managed to realize annual double-digit growth until 2018. In 2018, the SFS Group was sold and FirstName joined Promobe, a major player in real estate development in Luxembourg, to manage various strategic commitments of the Group. Beginning of 2020, FirstName launched his own management and consulting company to provide ad-hoc strategic advice for entrepreneurs and finally joined Company on a full-time basis.

### FirstName Lasy

#### CONTROLLING & ACCOUNTING

FirstName worked for 6 years within the lift industry as Head of Accounting and 12 years within a construction and project development company as Finance Manager. Mid 2019 he launched himself an independent Finance Consultant. FirstName has advised both companies as a member of the management team and strategic committee in the fields of analytical accounting, cost price systems, cash planning and the negotiations of financing both at banking level and through public bond issues.





10. **KEY PARTNERS**  
solid & experienced

**X BV**

LONG-TERM TENANT

Founded in 1965, X is the largest provider of holiday parks in the Netherlands, and Europe's number two, with more than 2,100 employees and 13 million nights are booked each year. In total, the group's portfolio has more than 185 holiday parks in the Netherlands, Germany, Belgium, France and Spain, with more than 17,000 holiday accommodations.

B+ Credit Rating  
€ 400M Annual Revenues  
Expansion plans for an additional  
50 Holiday Parks.

[www.X.com](http://www.X.com)

**Capital X**

X PARENT COMPANY

Capital X is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. Capital X acquired X on an unleveraged basis through its Core Investments fund, which targets longer-term opportunities in a range of 12 to 15 years.

A+ Credit Rating  
\$ 251B AUM  
\$35B Invested Capital  
\$20B Book Value

[www.capitalX.com](http://www.capitalX.com)

**Partner I GROUP**

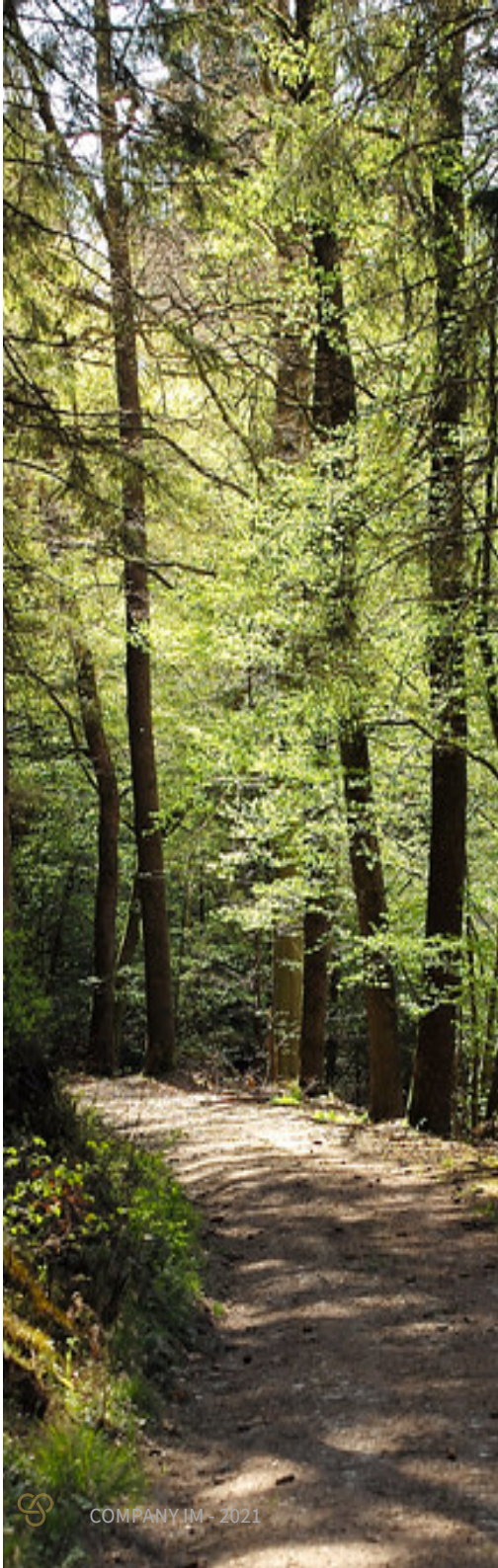
CONSTRUCTION

Partner I is a one stop solution for modular, energy neutral wood building techniques. Part of Group Riche (established in 1970), it has proven track record in the Holiday Park construction industry (Your nature). The company favours locally sourced wood, circular economy principals and short transport line, resulting in an exceptionally low carbon footprint.

80.000 m2 factory surface  
5 production locations  
*(Member of Lignebois, an organisation promoting sustainable wood construction)*

[www.PartnerI.be](http://www.PartnerI.be)    [www.groupepex.be](http://www.groupepex.be)





## 10. KEY **PARTNERS** continued

### **GREEN KEY**

#### SUSTAINABLE HOSPITALITY

The Green Key award is the leading standard for excellence in the field of environmental responsibility and sustainable operation within the tourism industry. This prestigious eco-label represents a commitment by businesses that their premises adhere to the strict criteria set by the Foundation for Environmental Education.

### **Partner 2**

#### CONCEPT & DESIGN

Award-winning international Design Firm with extensive expertise in the Hospitality Industry led by Géraldine Dohogne. Amongst many of her projects, she was the lead designer of hotel group Zannier. Géraldine ensures Company's unique and recognisable look & feel.

### **Partner3 Architects**

#### STUDIES

Partner3 Architects is responsible for soil investigation and construction engineering, while Architects deals with all the regulatory aspects of the projects including filing permits etc.

## AVAILABLE DOCUMENTS

The following documents are available upon request:

1. KYC Documents
2. Financial Models
3. Project Development Plans
4. Copy of LOI signed by X B.V.
5. Reference letter for Mr. LastName from Senior Lender, X Bank Belgium (client since 1986)
6. Detailed UBO description
7. Any other documents that may be required

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