

ECO HOTELS UK ACQUIRES STAKE IN BSE LISTED ENTITY

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ECO HOTELS UK PLC ACQUIRES MAJORITY STAKE IN BSE LISTED ENTITY FOR ENTRY INTO THE INDIAN MARKET

ECO HOTELS UK PLC

Acquisition of majority stake in BSE listed Sharad Fibres & Yarn Processors Limited
World's first Carbon Net Zero hotel brand launching in India
Abhijeet Umathe, CEO India, to oversee roll out plan
Rapid roll out of new build hotels using steel modular building technology

Corporate update

Eco Hotels UK Plc ('Eco Hotels' or 'Company'), the world's first Carbon Net Zero premium value hotel brand, today announced that it has acquired a 68% stake in the BSE (Bombay Stock Exchange) listed Sharad Fibres & Yarn Processors Limited, triggering an Open Offer. This acquisition is part of the capital raise of £10 million to initiate the roll-out of its two brands, The Eco (3 star premium) and Ecolodge (2 star budget), across India. Eco Hotels intends to roll-out the two brands with a target of operating 5,000 rooms in 5 years. Eco Hotels is an incubation project of Red Ribbon Asset Management Plc, UK, a Mainstream Impact Investment company.

Key Points

- Acquisition of a 68% stake in the BSE listed Sharad Fibres and Yarn Processors Limited, triggering an Open Offer
- This is part of the capital raise of £10 million to initiate the roll-out of the two brands across India with a target of operating 5,000 rooms in 5 years
- Abhijeet Umathe, former head of Knight Frank India Hospitality and CEO of Eco Hotels India will lead the India rollout plan
- Brands: The Eco (3 star premium) and Ecolodge (2 star value) to be rolled out in Tier II and Tier III cities across India
- Rapid roll out using 3D volumetric steel modular buildings technology of Modulex (BSE: MODULEX)
- Opportunity for early participation for Indian hotel investors in a green hotel brand

Corporate Strategy

Eco Hotels UK Plc has developed the world's first Carbon Net Zero hotel brands that it intends to launch in India, where the greatest opportunity lies for rapid growth and large scale roll out. Eco Hotel's vision is to create a premium value hotel chain that supports sustainable hospitality without compromising on customer experience. Eco Hotels is tailored to meet the needs and expectations of the conscious traveller, both business and leisure. It has two brands: The Eco™ a 3-star premium brand and Ecolodge™ a 2-star budget brand. These hotels will deliver superior guest services in a market, which is facing a severe shortage of rooms within the mid-scale and budget categories.

The roll out plan for Eco Hotels consists of two phases:

- Phase I: Acquire existing properties, refurbish to Eco Hotels Carbon Net Zero standards, rebrand and operate and/or acquire one or more operating companies with an existing portfolio of hotel assets to increase the operating inventory to circa 400 keys (4 to 5 properties). Initially, the Company will target assets in the western and northern regions namely Mumbai, Goa, Pune and Delhi NCR.
- Phase II: Eco Hotels intends to roll out new build properties through its proprietary EBOT franchise programme to increase its inventory to circa 5,000 rooms by Year 5.

Rapid roll out of new build properties will be done through the active use of steel modular buildings technology of Modulex (BSE:MODULEX), a Red Ribbon Group company. The technology of Modulex enables it to deliver a 100 room hotel from start to finish within 52 weeks. These buildings will be certified as Carbon Net Zero, designed using AI for maximum space efficiency, IOT enabled using smart sensors to capture live data and manufactured on a quality assurance programme built on blockchain. Modulex is currently constructing the world's largest steel modular buildings factory in Indapur, District Pune, which will be led by a senior team of UK modular buildings industry leaders.

Management Quotes

"There is growing consumer interest in green and sustainable hospitality without compromising on the standards of customer experience. Eco Hotels bridges this gap by providing mindful hospitality that is "Economical and Ecological". We intend to roll out Carbon Net Zero SMART buildings that are designed to give the emerging Millennial and Gen Z travellers a high standard and uniform guest experience across India. It will be a game-changer to use Modulex's steel modular buildings, which will enable us to roll out a Carbon Net Zero 100-room hotel within 52 weeks" said Abhijeet Umathe, CEO, Eco Hotels India.

"The travel market in India is projected to reach US\$125 billion by FY27 from an estimated US\$75 billion in FY20. With Eco Hotels, investors will have access to an established and scalable route to the Indian hospitality market. With the exponential growth in hotel demand post covid, the Indian Hotel and Tourism sector is set for a sustained growth over the next decade. Eco Hotels is well-poised to fully capitalise on this demand through the use of modular buildings technology under the stewardship of Abhijeet Umathe" said Suchit Punnose, Founder and CEO of Red Ribbon Asset Management Plc, the parent company of Eco Hotels UK Plc.

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