



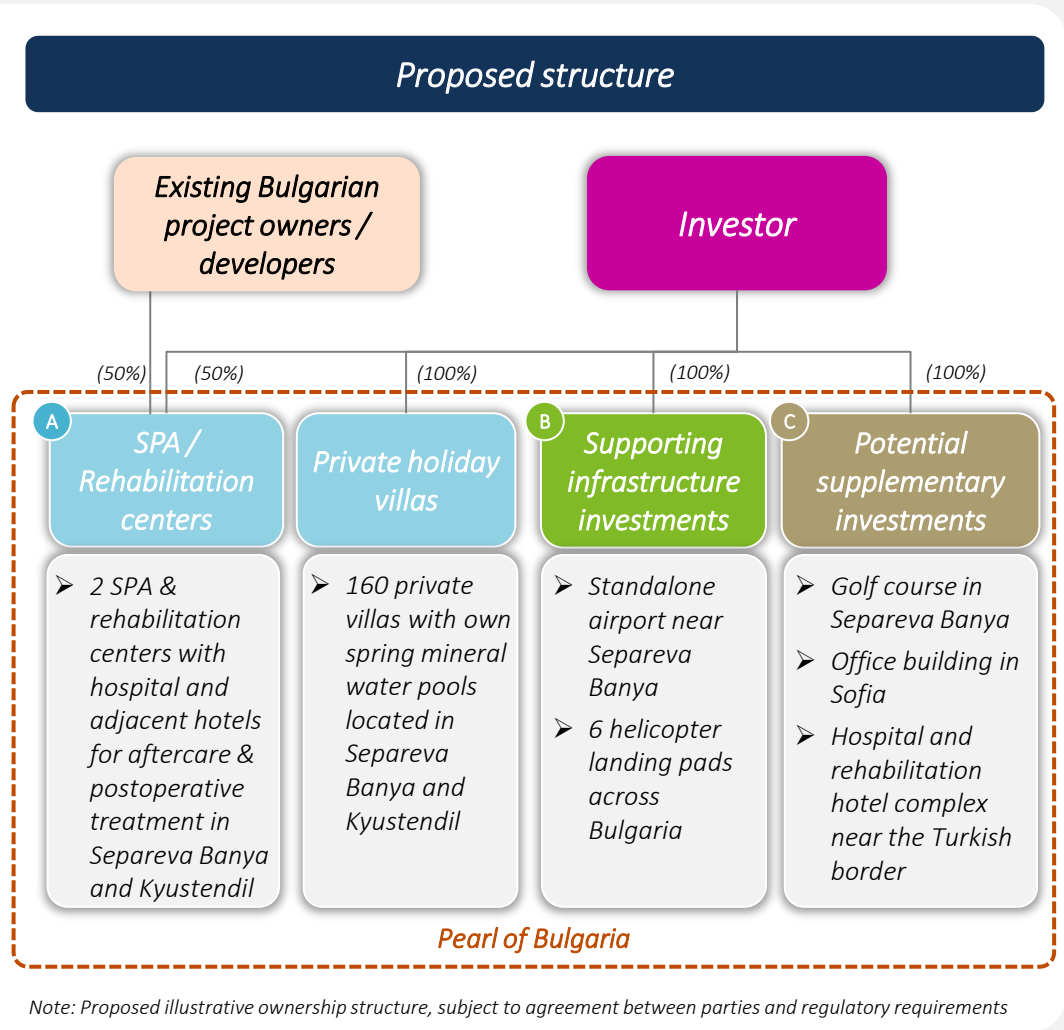
Pearl of Bulgaria: Megaproject of national importance

“Sapareva Banya-Kyustendil-Bulgaria”

*World standard for health and medicine, SPA and treatment;
Sustainable economic development and all year round tourist destination*

Executive summary of Pearl of Bulgaria

- Pearl of Bulgaria (“the Project”) is a one of a kind investment opportunity in Eastern Europe, comprising a range of investments across Bulgaria’s wellness and balneotherapy sector in close proximity to the capital Sofia
- Envisaged to develop into a regional hub for the wellness industry with its strategic location at the cross roads of the European Union and the Middle East
- Supported by several potential infrastructure and other supplementary investments to further enhance the attractiveness of the Project as well cater to potential investors requirements
- The Project enjoys strong support at local municipality and government level
- Preliminary budget estimated at USD 1.1 bn



Project Overview





World unique natural capital for balneology and wellness tourism



- ✓ Bulgaria is second to Iceland in mineral springs per capita in the world
- ✓ Strong heritage: cure & rehabilitation centres of the Thracians and Romans over 2 millennia ago

Two thermal springs with complementary water characteristics and healing abilities at close proximity

1. Separeva Banya

50km

2. Kyustendil

Mineral water characteristics

- ✓ The only geyser in Continental Europe (temperature of 103°C)
- ✓ Clear, colorless, hyper thermal, hydro carbonate, sodium sulfate, fluorine, silicon and sulfide
- ✓ Used to treat amongst other disorders of the musculoskeletal system, nervous system, upper respiratory tract, skin diseases, female diseases and heavy metals poisoning

- ✓ One of the few curing water springs globally with negative redox potential
- ✓ Naturally enhances the bioenergy of the human body as a kind of barrier shield against disease
- ✓ Affects reproductive health, degenerative diseases of joints, tissue elasticity, chronic inflammatory processes
- ✓ Turf baths - healing and recreation

The combination creates a unique common product with potential for global interest



Strong underlying market fundamentals and demographic trends underpinning the future growth of wellness tourism

Major macro and demographic drivers of the wellness and SPA industry

- Aging population in developed countries
- Rising cases of lifestyle-related diseases
- Rising chronic illnesses
- Increasing consumer propensity in youngsters to spend on all things related to wellness
- Growing incomes and increasing consumer desire to adopt a wellness lifestyle
- Healthcare access and wide-ranging benefits

Key stats for the global wellness tourism market

US\$ 640bn
market size in 2017

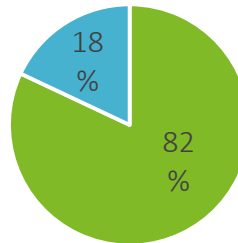
Historical growth of **6.5% p.a.** (> 2x vs general tourism)¹

Europe and the Middle East accounted for **>36%** of total trips²

Secondary wellness travelers³ account for c. **90%** of wellness tourism trips

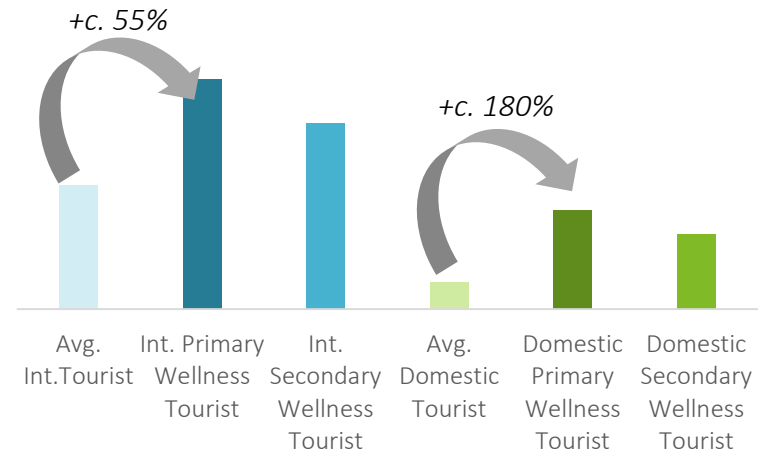
Domestic wellness travelers constitute the main share of wellness tourists and also command a higher premium vs average tourists

Total number of wellness tourists



■ Domestic
■ International

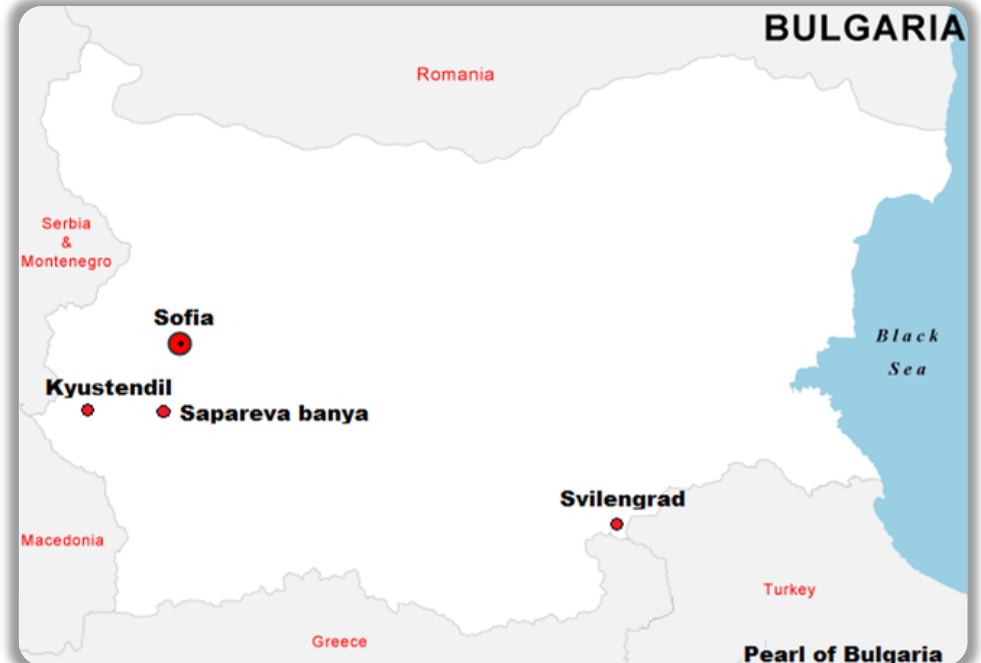
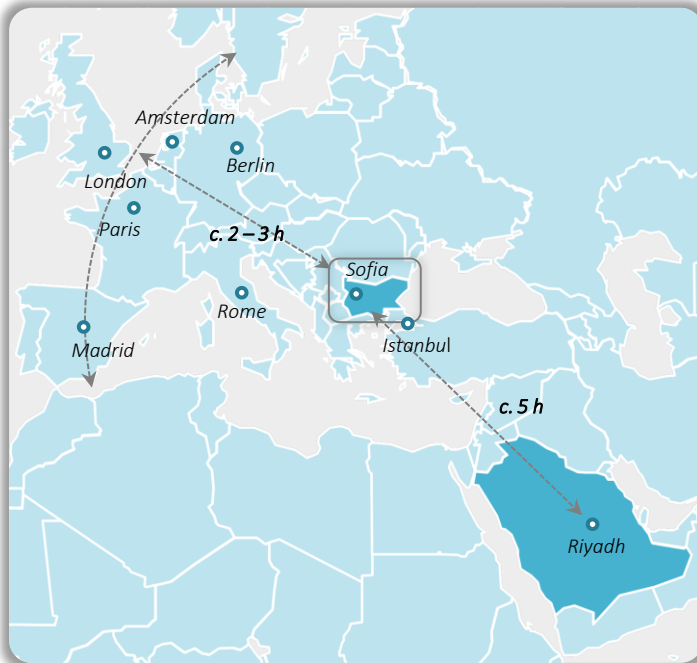
Estimated wellness tourism spending premiums vs. average tourism (%)



Wellness tourism diversifies the tourism sector, carves out a unique niche, reduces seasonality and brings higher benefits to local communities and small businesses



Strategic geographical location at the cross-roads of continental Europe and the Middle East



- ✓ Gateway to Central and Western Europe
- ✓ Close proximity to Saudi Arabia, the UAE and the rest of the Middle East

- ✓ Favourably located assets in close proximity to Bulgaria's capital Sofia: Sofia – Kyustendil – Sapareva banya at < 1 hour by car
- ✓ SPA and rehabilitation centers within close driving distance to country borders with Greece, Serbia, North Macedonia and Turkey



Diversified investment proposal across several assets and complementary locations to ensure year-long demand

A

SPA / Rehabilitation centers & private holiday villas

*Sapareva Banya
SPA and
Rehabilitation
Center*

- ❖ 60 decares land plot
- ❖ 60 villas with private yards and mineral water pools – 240 beds
- ❖ Hotel with SPA and rehabilitation facilities – 360 beds
- ❖ Historical heritage location
- ❖ Budget of \$110 million



*Kyustendil SPA and
Rehabilitation
Center*

- ❖ 100 decares land plot
- ❖ 110 villas with private yards and mineral water pools – 440 beds
- ❖ Hotel with SPA and rehabilitation facilities – 600 beds
- ❖ Unique turf trove for mud treatment
- ❖ Budget of \$190 million



*Medical Center for
diagnostics, post-
treatment, long-
term treatment -
Kyustendil*

- ❖ Hub for medical tourism / regional medical centre
- ❖ 40 beds accommodation for diagnostics and treatment
- ❖ Expert medical staff for treatment and diagnostic
- ❖ Budget \$20 million



*Park Hotel
"Kyustendil" -
Kyustendil*

- ❖ Capacity of 200 beds
- ❖ Balneotherapy and rehabilitation
- ❖ Six private houses with pools to be built
- ❖ Budget \$15 million





Diversified investment proposal across several assets and complementary locations to ensure year-long demand (cont'd)

B

Supporting infrastructure investments

Airport - Sapareva
Banya

- ❖ Plot of 780 decares
- ❖ Gateway for tourism and business
- ❖ 70 km from Bulgaria's capital, Sofia
- ❖ Public-private land ownership
- ❖ Estimated Budget \$300 million



Helicopter landing
pads

- ❖ National strategic program
- ❖ 6 Heli landing pads across Bulgaria
- ❖ Public-private partnership
- ❖ Estimated Budget \$15 million



Sport center
In
Sapareva Banya

- ❖ Football field
- ❖ Swimming pool
- ❖ Tennis courts
- ❖ Estimated Budget \$10 million





Diversified investment proposal across several assets and complementary locations to ensure year-long demand (cont'd)

C
Potential supplementary investments

Golf Course
Separeva Banya

- ❖ 18 holes course
- ❖ Regulated land plot
- ❖ Proximity to Sofia
- ❖ Proximity to Greece and North Macedonia
- ❖ \$100 million estimated



Office Building in
Sofia

- ❖ Mixed development comprising office space and hotel
- ❖ Communicative business location with quick access to the city centre
- ❖ Proximity to Sofia International Airport
- ❖ SPA and rehabilitation facilities
- ❖ Budget \$150 million



Hotel and Hospital
complex
Svilengrad

- ❖ Strategic location close to the Turkish border
- ❖ Hotel area of 17,000m²
- ❖ Hospital and diagnostic centre
- ❖ SPA and rehabilitation
- ❖ Budget \$150 million





Wide range of supplementary year-round activities and tourist attractions in close proximity to the wellness centres

Potential activities to attract further tourists

Sapareva Banya:

- Located within the highest mountain range in Eastern Europe
- Access to alpine, cross-country and extreme ski slopes across several nearby ski resorts
 - Borovets ski resort: 30 slopes and trails (located 35 km)
 - Panichishte ski resort: 9 slopes (located only 9 km away)
- Other leisure activities include: mountain sports, hiking, cycling (mountain biking and road cycling), hunting, fishing and gastronomy, etc.
- Select heritage sites and attractions in the surrounding areas include the Monastery of Rila, Rila National Park and its famous Seven Lakes
- East Gate of ancient city of Germanea

Kyustendil:

- Thracian and Roman Heritage
- Two Fortresses from different periods of Bulgarian Kingdom
- Home of famous Bulgarian Painters and Cultural leaders
- Home of many bio fruits and vegetables
- Beautiful green Nature in the foot of Rila Mountain





Favourable investment climate and strong governmental incentives support the long term sustainability of the Project

Favourable investment climate

- ✓ 10% corporate tax – one of the lowest in Europe
- ✓ Lowest average salary in EU-28
- ✓ Among the countries with most doctors per capita in EU
- ✓ Sustainable growth of graduates in medicine, dentistry, health care, rehabilitation
- ✓ Good staff education and training - many students from Greece and Turkey receive their medical education and specialization in Bulgaria
- ✓ Cooperation with the National Hospital “St. Ivan Rilski”

Bulgarian Government to provide funding for ancillary projects and requirements, administrative support, infrastructure and other incentives; Project to be designated of strategic national importance

- ✓ Recognize and regulates the status of a land for the potential Golf Course
- ✓ Investment and construction of a new waste water plant in Sapareva Banya
- ✓ Realization of waste water and water supply systems for the needs of the subprojects
- ✓ Power supply and connections
- ✓ Supports and facilitates land acquisitions, if and when required
- ✓ Options to provide support to the investor through public-private land ownership
- ✓ Facilitates and assists with the administrative needs of the project
- ✓ Selling land with priority and at a preference price to the investor
- ✓ Helps and invests in staff training

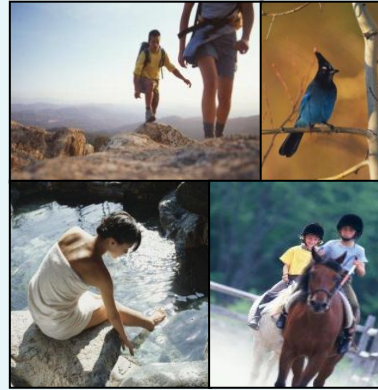
WINTER



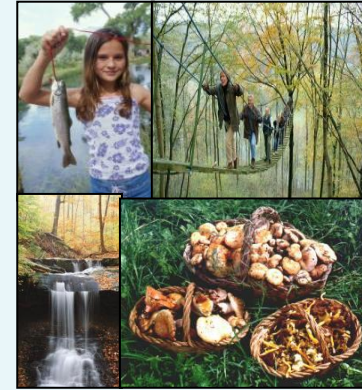
SPRING



SUMMER



AUTUMN



A

Appendix – Business Idea Description

Note: For more details of this proposal, please find the attached Appendix A