

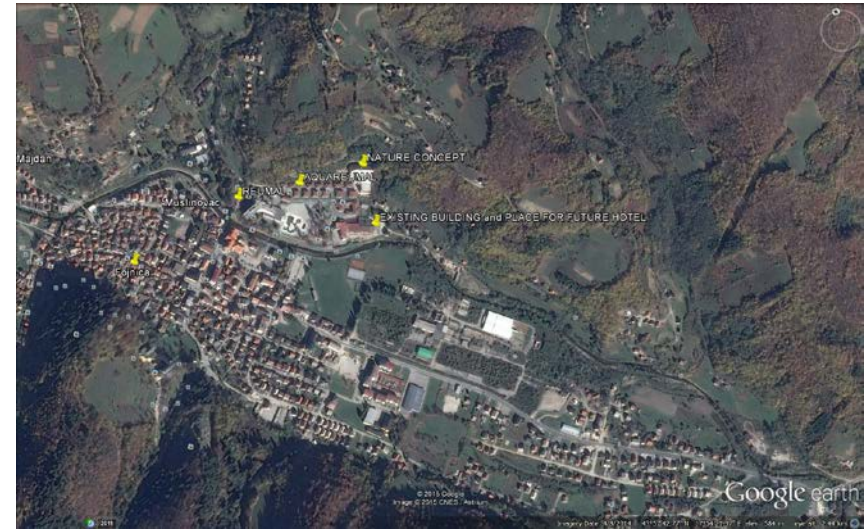
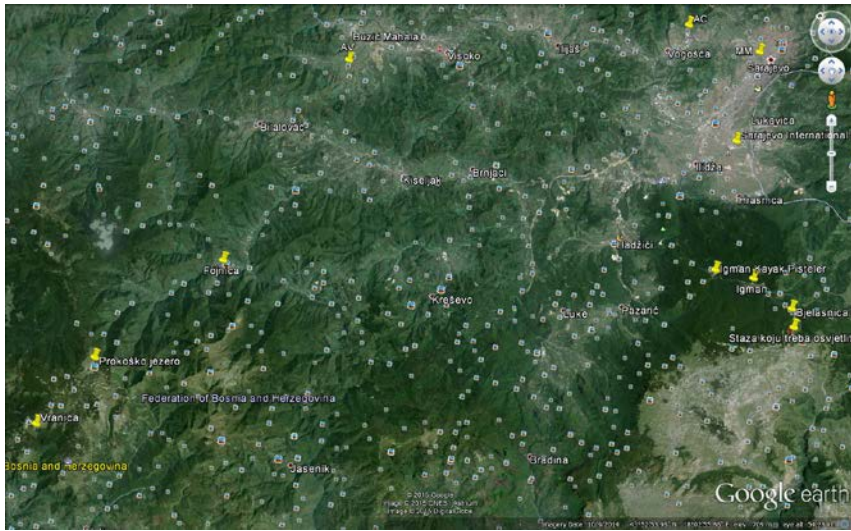
# LIVA Group - Sarajevo

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NAME OF THE SUBJECT: HOTEL-REHABILITATION CENTER FOJNICA

# Fojnica

Fojnica is located in the central part of Bosnia and Herzegovina, some 50 km on the west from Sarajevo and 587m above sea level. Good climate, ideal altitude, the effectiveness of thermal waters and the hospitality of local people are just some among many other elements which place Fojnica at the top of health tourism places in Bosnia and Herzegovina. Walking on the mountain circuit of Šćita, Zahora, Bitovanje and Vranice, a visit to the Prokoško Lake on mountain Vranica and waterfalls Kozice with the three beautiful waterfalls of height from 10m to 20m are very attractive for tourists.



# Fojnica

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Fojnica was founded at least a decade or two before it was mentioned for the first time on 18th March 1365. Its name is identical to many old Mediterranean toponyms that can be found in the ancient times as different graphic variants such as Phoenice, Phoinike, Phoinikus, Phoenicon, Phoiniks, and it is not sure whether the phonetic matching has been just a coincidence.



# Fojnica

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Fojnica is also known for its spa whose radioactivity and healing properties were even tested in the late 19th century. During the years of exploitation of radioactive mineral water, Fojnica has been recognized as an important place of health tourism.



Occupancy Rate REUMAL/NOVA BOLNICA (400 beds / 120 beds) Total 520 beds (officially WEB data) - FOJNICA							
Year	2008	2009	2010	2011	2012	2013	2014
Occupancy Rate (%)	86.37%	79.20%	79.31%	76.00%	73.00%	79.30%	82.00%
Number of overnight stays	163,934	150,323	150,534	144,423	140,000	150,520	155,636
Average				79.31%			

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# Fojnica

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With this preliminary Concept we would like to present to the potential investor the guidelines for defining the unique and whole medical-hotel structure in Fojnica on pre-defined location.

With its size and micro-location position, this presented solutions are bringing the maximum usage of construction template of the future structure with appropriate traffic infrastructure in reference to the existing ones.

Object is designed as polyvalent space structure but with its content it can exist as an “A” class Hotel, at the same time offering its thermal capacities and rehabilitation center possibilities that should provide to the future investor better insight of this future facility Concept.

Described area is autonomous and isolated in strictly defined borders. Offered Concept is well adjusted to this shape, size and maximum usage of construction area. The position of the Object is in the vicinity of the town center, surrounded with green areas and appropriate visual structure shapes and visors. The thermal water wellspring is located nearby the Object, enabling the natural resources put into the service of health and future guests.

In the nearby network of the city traffic flow, this Object will be adjusted to existing roads as well as to the existing city infrastructure.

This Concept is only a proposal to the future investor, to see its potentials and possibilities, while final terms and a content will be defined accordingly.

# Fojnica

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# Fojnica

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A: Basement

Secure the ramp for the vehicles 4.60 wide and additional internal fire lane.

Within the limited area secure the parking for private vehicles, maximum possible.

Central access point, covered area for smaller buses

Maximum number of garage parking spaces

Technical room

Defined number of service areas.

Economy access

Central wardrobe

Technical room

Surveillance room

Sanitary areas

Vertical communication with two hydraulic elevators (600 kg capacity)



# Fojnica

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ARH. KONCEPT REHABILITACIONOG CENTRA - FOJNICA

# Fojnica

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B: Ground Floor

Main entrance with wind protection

Reception area

Information desk

Lobby

Café corner

Toilets with separate access for disabled persons

Vertical communication with two elevators

Medical examination area

Souvenir shop

3 offices for hotel management with interview room

Closed pool – medical treatments

Wardrobe for guests and visitors with toilets and showers

Wellness center

Area for treatments, massage and different baths

Area for Sauna

# Fojnica

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# Fojnica

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C: High Ground

Vertical communication with two elevators

Restaurant – 200 sitting places

Meeting room

Presentation room

Toilets

Kitchen area with necessary storage areas

Vertical communication with storage rooms from the basement

Terrace

Physical treatment and specialized disciplines

Central wardrobe

Reception and dining lodges

# Fojnica

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D: Installation floor

Area for deployment of all necessary installations used in the Object including the area for maintenance of the same

E: I – VI Floor

Accommodation capacities are based on room-unit-structure: double bed, night table, dressing table, mini-bar, sofa with chairs and tea table, luggage compartment, wardrobe, terrace.

Rooms should have category “A” – minimum 35m<sup>2</sup> of used space with all necessary installations (smart room)

Separate toilets, shower cabin, massage, bathtub, toilette sink

At least 1/3 room capacity should be living space with mini-bar and toilet area. Rest room should have its own shower with toilet and separate wardrobe. All rooms should be defined and constructed so they receive the most of the daily light with the view toward the nature and green areas. The air-climate comfort must be included.

# Fojnica

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Approximate area value of the Object		
Basement (Garage and service areas)	App.	2.641,32 m <sup>2</sup>
Ground floor (facility entrance)	App.	2.641,32 m <sup>2</sup>
High ground (restaurant and halls)	App.	2.008,80 m <sup>2</sup>
Installation floor	App.	2.008,80 m <sup>2</sup>
I floor (guest rooms)	App.	2.008,80 m <sup>2</sup>
II floor (guest rooms)	App.	2.008,80 m <sup>2</sup>
III floor (guest rooms)	App.	2.008,80 m <sup>2</sup>
VI floor (guest rooms)	App.	2.008,80 m <sup>2</sup>
V floor (guest rooms)	App.	1.221,43 m <sup>2</sup>
VI floor (guest rooms)	App.	859,16 m <sup>2</sup>
Total:		19.416,03 m <sup>2</sup>

Construction Cost Assumptions: 20,781,740.00 \$

### Operating Assumptions

Revenues Assumptions:

Number of Rooms: 158

RevPAR (Revenue Per Available Room)- USD/Day: 93.00 \$

Inflation Rate: 3%

Occupancy Rate: 70%

Other Revenues - Room Service and Conferences: 31%

Operating Expense Assumptions

Number of Staff: 175

Average Salary per Annum USD: 4,400.00 \$

Overhead Percent: 30%

Other Cost: 60%

Cost of Food: 39%

Corp Tax: 10%

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### FINANCING ASSUMPTIONS

GEARING PERCENTAGE: 63%

REPAYMENT PERIOD: 8 YEARS

LIBOR RATE: 4.50%

CREDIT SPREAD: 1.50%

TARGET MIN DSCR (DEBT SERVICE COVERAGE RATIO): 1.30

EQUITY IRR: 6.7%

PROJECT IRR: 5.99%

MIN DSCR: 1.36

INVESTMENT: 20,781,740.00\$

Sources of Funds

Debt: 13.146.620,20\$

Equity Capital Issued: 7.635.119,80\$

Cash Flow Statement	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EBTIDA		2,862,658.34	2,934,224.80	3,007,580.42	3,082,769.93	3,159,839.18	3,238,835.16	3,319,806.04	3,402,801.19	3,487,871.22
Less: Taxes		23,522.11	8,395.78	7,387.65	23,861.35	41,060.30	59,021.44	77,783.77	97,388.43	117,878.90
Cash From Operations	-	2,886,180.45	2,942,620.58	3,000,192.77	3,058,908.58	3,118,778.88	3,179,813.72	3,242,022.27	3,305,412.76	3,369,992.32
Less: Capital Expenditures	20,781,740.00									
Cash Before Financing	- 20,781,740.00	2,886,180.45	2,942,620.58	3,000,192.77	3,058,908.58	3,118,778.88	3,179,813.72	3,242,022.27	3,305,412.76	3,369,992.32
Add: Cash From Equity Holders	7,635,119.80									
Add: Cash From Debt Issues	13,146,620.20									
Cash Before Debt Service	-	2,886,180.45	2,942,620.58	3,000,192.77	3,058,908.58	3,118,778.88	3,179,813.72	3,242,022.27	3,305,412.76	3,369,992.32
Less: Interest Expense		788,797.21	709,100.34	624,621.66	535,074.01	440,154.01	339,538.55	232,886.16	119,834.63	3,369,992.32
Less: Debt Repayment		1,328,281.16	1,407,978.03	1,492,456.72	1,582,004.12	1,676,924.37	1,777,539.83	1,884,192.22	1,997,243.75	-
Dividends	-	769,102.08	825,542.21	883,114.39	941,830.45	1,001,700.50	1,062,735.34	1,124,943.89	1,188,334.38	3,369,992.32





<b>Free Cash Flow</b>		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EBIT			553,576.12	625,142.58	698,498.20	773,687.71	850,756.96	929,752.94	1,010,723.82	1,093,718.97	1,178,789.00
Taxes on EBIT			55,357.61	62,514.26	69,849.82	77,368.77	85,075.70	92,975.29	101,072.38	109,371.90	117,878.90
Free Cash Flow											
EBTIDA			2,862,658.34	2,934,224.80	3,007,580.42	3,082,769.93	3,159,839.18	328,835.16	3,319,806.04	3,402,801.19	3,487,871.22
Less: Taxes on EBIT			55,357.61	62,514.26	69,849.82	77,368.77	85,075.70	92,975.29	101,072.38	109,371.90	117,878.90
Less: Cap Exp											
FCF		20,781,740.00	2,807,300.73	2,871,710.54	2,937,730.60	3,005,401.16	3,074,763.48	235,859.87	3,218,733.66	3,293,429.29	3,369,992.32
Free Cash Flow		20,781,740.00	2,807,300.73	2,871,710.54	2,937,730.60	3,005,401.16	3,074,763.48	235,859.87	3,218,733.66	3,293,429.29	3,369,992.32
Project IRR	5.99%										
Equity IRR and DSCR											
Cash Flows to Equity											
Dividends			769,102.08	825,542.20	883,114.39	941,830.21	1,001,700.51	1,062,735.35	1,124,943.90	1,188,334.38	3,369,992.32
Less: Equity Capital Issued		7,635,119.80									
Total Equity Cash Flow		7,635,119.80	769,102.08	825,542.20	883,114.39	941,830.21	1,001,700.51	1,062,735.35	1,124,943.90	1,188,334.38	3,369,992.32
Equity IRR	6.73%										
		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Free Cash	20,781,740.00	2,807,300.73	2,871,710.54	2,937,730.60	3,005,401.16	3,074,763.48	235,859.87	3,218,733.66	3,293,429.29	3,369,992.32
	Equity Cash	-7,635,119.80	769,102.08	825,542.20	883,114.39	941,830.21	1,001,700.51	1,062,735.35	1,124,943.90	1,188,334.38	3,369,992.32
Gearing	63%	Term (YEAR)	8	DSCR	1.36	RevPar	\$93.00				
			2016	2017	2018	2019	2020	2021	2022	2023	2024
		Cash Before Debt Service	2,886,180.45	2,942,620.58	3,000,192.77	3,058,908.59	3,118,778.89	3,179,813.72	3,242,022.27	3,305,412.76	3,369,992.32
		Divide by Debt Service	2,117,078.38	2,117,078.38	2,117,078.38	2,117,078.38	2,117,078.38	2,117,078.38	2,117,078.38	2,117,078.38	0.00
DSCR Ratio by Year			1.36	1.39	1.42	1.44	1.47	1.50	1.53	1.56	
Minimum DSCR	1.36										
ROE		0.00%	-3.18%	-1.31%	1.35%	5.10%	10.33%	17.44%	26.71%	37.96%	
Return on Investment		0.00%	2.70%	3.48%	4.54%	6.03%	8.29%	12.08%	19.70%	42.63%	

# LIVA Group - Sarajevo

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<http://www.ncf.ba/galerija9.htm>

<http://www.aquareumal.ba/>

<https://www.youtube.com/watch?v=egrQgTFFzeg>

<https://www.youtube.com/watch?v=2CYRgbtnBBA>

<http://www.brusnica.ba/>