

## **GeshaView Village Transition to Ramada Resort, Dryanovo, Bulgaria**

ABN plan to acquire Geshaview village and complete it to a 5 Star brand standard and open as Ramada Resort Dryanovo on 15 year licence that will form the centre of the World's first destination hub along with 5 other (Special Interest Group villages) that embraces the change towards responsible and sustainable tourism. Set in a tranquil forest in Bulgaria's cultural centre and strategically located equal distance from each of the countries 6 cities. Set to become an 'on trend' destination through our specialised events and festival platform delivering a unique hospitality and community offering across a breadth of activities including medical and wellbeing, cultural and rural recreational, alongside specialised conferencing and commercial activity, performing arts and festivals.

### **Differentiators**

Recognised in 2012 as 'Best Resort in Bulgaria' industry award and has twice been awarded the 5 star Best Development in Bulgaria award at the International Property Awards.

Accredited by the World Health Organisation sustainable villages' project the village has been designed and built to standards and specifications that exceed most recognised authorities.

The United Nations 17 sustainable development goals are embedded in the project commercialisation.

A Location that enables 365 days a year peak season operation.

Largest employer (500) in the region offering a diversity of training to support local enterprise regeneration program.

Minimal impact build specification includes 1500 seater classic theatre and a unique 'on trend' Climate Change Educational Centre of Excellence backed by UN Institute for Research and Training.

International Dark Sky status, producing minimal light pollution is projected to drive an estimated 30% uplift in visitor numbers.

### **Our Plan**

Geshaview has officially been approved by the International Assessment Committee of Wyndham Worldwide Hotel Group to become a branded 5 Star Ramada Resort, Dryanovo, operated for us by Sophos International.

The immediate priorities are:

Acquisition of the village resort with payment of €3.1m to Unicredit Bulbank, + €620k VAT to SimpliBulgaria OOD.

Complete, furnish, equip, open, and operate the village in an SPV company ABNL BG EOOD.

Release the management to Ramada Resort brand and Sophos for opening Winter 2020.

### **Financial Requirements**

The village is 95% complete, all major building work is finished at a cost of €8m of which €4.1m is first charge debt to Unicredit Bulbank. We plan to acquire ownership by buying out this receivable debt from UCB, which is now agreed.

Construction of entrance, carpark and walkway is required along with furnishing, fittings and equipment to all properties at Ramada 5 Star Standard will complete the transition. This is nine months work which along with pre-opening costs requires €2.3m. With a VAT refund we require a loan of €5m.

Valuation of the property is c.€12m (See Valuation Section Below). The costs for acquiring, completing and opening the resort are:

Constructional (exc VAT)		2,085,283
Acquisition of village		3,720,000
Pre-Opening Services / Operating Costs		231,773
TOTAL		6,037,056
Less VAT Refund		-1,037,056
GRAND TOTAL REQUIRED	€	5,000,000

## Commercialisation

The summary below is based on the standard hotel resort operating model supplied by Horwath HTL and Ramada Resort/Sophos and along with our commercialisation plan for hosting Performing Arts, Festivals, MICE and SIG events.

<i>Profit and Loss Statement</i>	<i>Year 1 €k</i>	<i>Year 2 €k</i>	<i>Year 3 €k</i>	<i>Year 4 €k</i>	<i>Year 5 €k</i>
Resort Income	996	8,355	12,062	16,050	21,290
Costs of Sales	(572)	(4,761)	(6,610)	(8,644)	(11,245)
Gross Margin	424	3,594	5,452	7,406	10,044
Overheads	435	1,700	2,900	3,953	5,357
Operating Profit	(110)	1,797	2,589	3,453	4,687
Non Op Costs	(366)	(330)	(257)	(217)	(187)
<b>NET PROFIT/LOSS</b>	<b>(376)</b>	<b>1,467</b>	<b>2,332</b>	<b>3,235</b>	<b>4,500</b>

**Key Assumptions and Data Sources** - Figures are founded and originated on full financial modelling created by Numatis;

- Wyndham Worldwide Hotels, New Jersey, USA / London / Istanbul.
- Sophos International Hotels, Luzerne, Switzerland.
- Horwarth HTL Hospitality consultancy, Austria.
- aMpuma Independent Valuers, Bulgaria.
- Unicredit Bulbank Sofia, BG
- SimpliBulgaria OOD – Due Dilligence

## Valuation: Start up - 3/5 Year Operational

Nationally recognized and approved property valuation company, aMpuma, were appointed by Unicredit Bullbank to value the development on their behalf.

In June 2012 (prior to Ramada contract offer) the village was valued at €13,950,000. Of this approximately 2 million euros of property were under contract to other owners giving a value of circa €12,000,000. The current asset value from the valuation carried out in 2015 was €12,097,000.

With Ramada/Sophos international branding in place it is projected that the value of the resort will be automatically enhanced to around €18m upon opening which will develop further as trade and commercialisation takes place over the first 3-5 years taking valuation towards €22.5m.

## **Summary of Asset to be Acquired**

Set in over 25 acres of natural forestry land, at its village centre is an iconic 1500 seater courtyard plaza and theatre. Included in the village resort are 72 residential houses and 32 apartments in the central plaza courtyard provides accommodation for over 500 beds. In addition, 22 shops, 7 eateries, 9 rural conference centres, education spaces make up commercial space of 3900 m2.

A fully contained electrical infrastructure complete with 3 sub power stations together with a state of the art grey water and biological sewerage pumping station enables the resort fully sustainable creating a minimal impact ecologically.

Over 2 kms of rural road and pathways connect the resort as a car free destination.

## **Management Team**

### **David Hollands – Managing Director/Shareholder**

David is a visionary and entrepreneur specialising in creating sustainable, purposeful rural communities, Founding partner of Geshaview Village.

### **Chris Paget – Operations Director/Shareholder**

Chris with his experience in business operation, funding and development finance is the driving force in ensuring ABN obtain the appropriate growth funding partner and full commercialisation of the business.

### **Robert Murphy – Finance Director**

Robert has over 25 years experience in Financial Accounting, project financial modelling, forecasting and fundraising.

### **Neil Phillipson – Technical Design Director**

Neil joined the ABN team in 2010 as technical director of the Sky Village BG project, and now fills the role of design director.

### **Julian Georgiev – Project Director – Construction, Bulgaria**

Recognised as an expert in the field of investments and project management he has been four times invited as lecturer on the biggest annual investment forum in Bulgaria "BalRec". Founding partner and project manager of Geshaview Village.

### **Clive Kirkham - Construction / Development Consultant**

A designer and engineer at heart, Clive's wisdom of the housing development marketplace over the past 25 years. Health Village land owner.

### **Kevin Watkins - Business Development Director**

30 years in Financial Services with FTSE 100 Executive Board, Major Corporate Development & Non Exec Director experience.