



«VISTA-INVEST»

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Brief Description of the Project

The project involves an installation of the to Panoramic View Towers (PVT) in the EU cities.

PVT is not an amusement ride it is a product that provides tourists an opportunity to look at objects of their interest from an unusual angle, to observe them in general, to make unforgettable photos and video materials, to examine a specific tourist site or part of a city from a height of 50-70 meters.

These products are infrastructural elements of the global market for the provision of tourism services.

The PVT has an original technical design (that has no analogues in the world) and can be adapted to any stylistic form that can make it an adornment of any city and will attract many visitors.

Advanced technologies and modern materials used in the manufacture of the tower guarantee the high quality of the product its compliance with all international technical regulations and safety requirements.

EU patent No. 004068484-0001 of 06.29.2017 protects an intellectual property.

Such art projects are fully funded by private investors.

The visualization of the tower operation can be viewed at: <https://youtu.be/MoE5bIKMD9k>

Along with making a profit the implementation of this project contributes to the fulfilment of two main tasks of UNESCO:

1. Preservation of the World Heritage of Humanity - after the payment of mandatory taxes part of the profit from the operation of towers installed near specific tourist sites can be used to finance work related to their conservation;
2. Popularization of the heritage sites of mankind - the observation opportunities of one or another tourist site that the tourists can gain from the towers will additionally attract many people.

To implement this project it is necessary to find and arrange a purchase or a long-term lease (in the historical parts of cities or in areas adjacent to them) of the following:

- One or two-story buildings requiring major repairs
- Vacant land plots ranging from 200 to 700 square meters

Investment offer

1. The investment offer is developed by the group of companies Vista-Invest that includes LLC “Balkan Imeks”, LLC “Sarmat” and LLC “Analog Varna”. Hereinafter - “Plant”.
2. The object of investment is a program for the manufacture and installation of Panoramic View Towers and Ferris Wheels in the EU, hereinafter referred to as the Product, which are serially produced by the plant.
3. The necessary amount of investment.
 - 3.1. The cost of production of one Product at the plant is **1000000 euros** (the minimum price for similar products produced by the third parties is at least 2 times more expensive).
 - 3.2. The other costs (in case of registration of a land plot for a long-term lease) will amount to no more than **1000000 euros**. This consists of design and construction work, permits obtaining (including the product itself), installation of foundations (if required), transportation and installation.
4. The deadline for receiving a return on investment is **no more than 14 months** from the start of project financing. The duration of each of the projects is from 10 years to unlimited (in case of purchase of a land plot or its inclusion in the authorized capital of the enterprise).
5. Guarantees of return on investment
 - 5.1. This project requires investments from 300000 to 1500000 euros from the Investor while the market price of the installed and operating Product in the EU is at least 3000000 euros. The liquidation value of the project at any stage of its implementation will be guaranteed to exceed the initial investment (selling the Product to a third party, obtaining a loan for an installed Product as a collateral, etc.).
 - 5.2. The Investor can exit the project provided that he does not accept the economic indicators of the return on investment or if he is not satisfied with any other aspects of the operation of the Product in the place its installed. In this case the Plant guarantees to repay the Investor (within 6 months) all the funds invested by him in the project.

Thus the Plant **provides a full guarantee of return on investment** after the completion of the manufacturing phase of the Product. The Plant always has one finished Product in its warehouse.

An additional guarantee that the Plant will fulfil its obligations to the Investor refers to its property that can be notarized as a pledge with a coefficient of at least **1.3** with respect to the estimated value of this property (at the time of signing of the investment agreement) for the entire amount of investment.

6. Implementation of each of the projects includes:
 - 6.1. Site selection (from 100 to 200 square meters). Agreeing lease or purchase of a land for the installation of the Product.
 - 6.2. Start of manufacturing the Product at the Plant. The duration is 4-6 months.
 - 6.3. Development of a project for the installation of the Product.
 - 6.4. Obtaining permits for the installation of the Product.
 - 6.5. Shipment of the Product.
 - 6.6. Installation of the Product.
 - 6.7. Operation of the Product.

The Plant is technically prepared for the release of 2-3 Products per year.

Preliminary studies has been done oh the following places:

- 1) ITALY - Rome (5 places including the Vatican project), Pompeii, Resort on Lake Gard in Ravenna
- 2) SPAIN - Valencia
- 3) BULGARIA - Nessebar
- 4) CROATIA - Pula, Split, Dubrovnik

- 5) POLAND - Wroclaw, Warsaw, Krakow
- 6) AUSTRIA - Salzburg, Linz, Vienna
- 7) BELGIUM - Bruges
- 8) UKRAINE - Uman, Kiev
- 9) RUSSIA - Sochi, Rostov-on-Don, Yekaterinburg
- 10) TURKEY - Istanbul
- 11) MEXICO - Puerto Vallarta
- 12) Tunisia

**Feasibility study of the model project
«Panoramic View Tower»**

Initial Data			
Cost price + assembling + transportation (<i>euros</i>)			2 000 000
Capacity, <i>people per hour</i>	282		
	Number of seats	47	
	Number of cycles per hour	6	
Working hours, <i>hours per day</i>	12		
Operating duration, <i>months</i>	12		

Operating costs (<i>euros annually</i>)			
Electricity		10 000	
	Rated power of consumed electricity including lighting and illumination, <i>kW per hour (at most)</i>	100	
	Electricity cost, <i>euro per kW</i>	0,07	
Depreciation expenses		18 000	
	Replacement of components	8 000	
	Maintenance	6 000	
	Repainting	4 000	
Annual staff salary		72 000	
	Number of staff	4	
	Monthly salary	6 000	
Other (land lease, "overheads"), <i>at most</i>		25 000	
Total (annual operating costs, <i>euros</i>)			125 000

Volume of sales (<i>euros annually</i>)			
Ticket cost, <i>euro</i>		4	
Estimated number of visitors annually		1 235 000	
Occupancy rate (seasonally adjusted)		0,3	
Total:			1 480 000

Gross income (<i>euros annually</i>)			
			1 350 000
Payback period (including VAT refund and reduction of the tax base for profit)		Up to 2 years	

Estimated annual profit - at least 1 million euros. The annual dividends after taxation is at least 600 000 euros.

Explanatory letter
to the feasibility study of the project
taking into account the installation of the Product in Rome.

Two distinctive features of the project are:

1. High profitability of its operation not requiring any working capital.
Only **2 sold tickets** (for each cycle) fully cover all the operating costs of the “Product” (taxes, depreciation, electricity, staff salaries, etc.).
2. High stability both in terms of profit and in the dynamics of its growth over a long period of time.

The flow of visitors to significant tourist sites is unlikely to dried up in the next 100 years. For instance, the ancient Roman amphitheatre has been extremely popular for more than 2 thousand years. Even economic crises are “beneficial” to the project as people have more free time and a desire for positive emotions including from travel. For instance, the global crisis of 2008 demonstrated a steady increase in economic indicators merely in the tourism business.

One of the main criteria for the economic indicators of the project is also its payback period, which entirely depends on the place of installation of the “Product”!

Italy applies one of the “heaviest” taxation comparing to other EU countries where the calculations below will be more optimistic for investors. The calculation takes into account the average salaries in the region and local taxes.

1) The source data

- a. Number of cycles per hour, at least: 6
- b. Number of seats, at least: 47
- c. Load factor, at least: 0.6 *
- d. Number of working hours per day: 13 (from 10.00 to 23.00)
- e. Number of working days per year: 365
- f. Average ticket price, euro: 7

2) Annual volume

6 cycles x 47 places x 0.6 x 13 hours x 365 days x 7 euros = € 5 600 000.

3) The operation of the tower during the year includes:

- a. 10 staff with an average salary of 2 000 euros (local taxes and deductions for salary payments - 60%): € 380 000
- b. Depreciation expense: 50 000 euros
- c. Electricity 400 000 kW at the price of 0.1 euros per kW: 40 000 euros
- d. Other unforeseen expenses (tickets, video surveillance, insurance, garbage collection), at most: 30 000 euros.

Thus, the total annual operating cost will be around **500 000 euros**.

4) Profit of the enterprise

With the gross income of the enterprise 5 600 000 - 500 000 = 5 100 000 euros, its annual profit will be:

5 100 000 - 934 000 (VAT 20%) - 500 000 (direct costs) - 1 250 000 (income tax 34%) = 2 400 000 euros

With an initial cost of € 2 million for the implementation of the project the payback period will be less than a year.

This is already completely “legal” money that can be used for further entrepreneurial activity. As an option these funds can be transferred (as dividends) to the personal accounts of the founders excluding dividend tax: for the resident founder - 20%, for non-residents of Italy - up to 40%, depending on the amount.

2 400 000 - 40% = 1 400 000 euros per year

The status of this money: legal cash owned by a non-resident individual and declared in accordance with the current EU legislation.

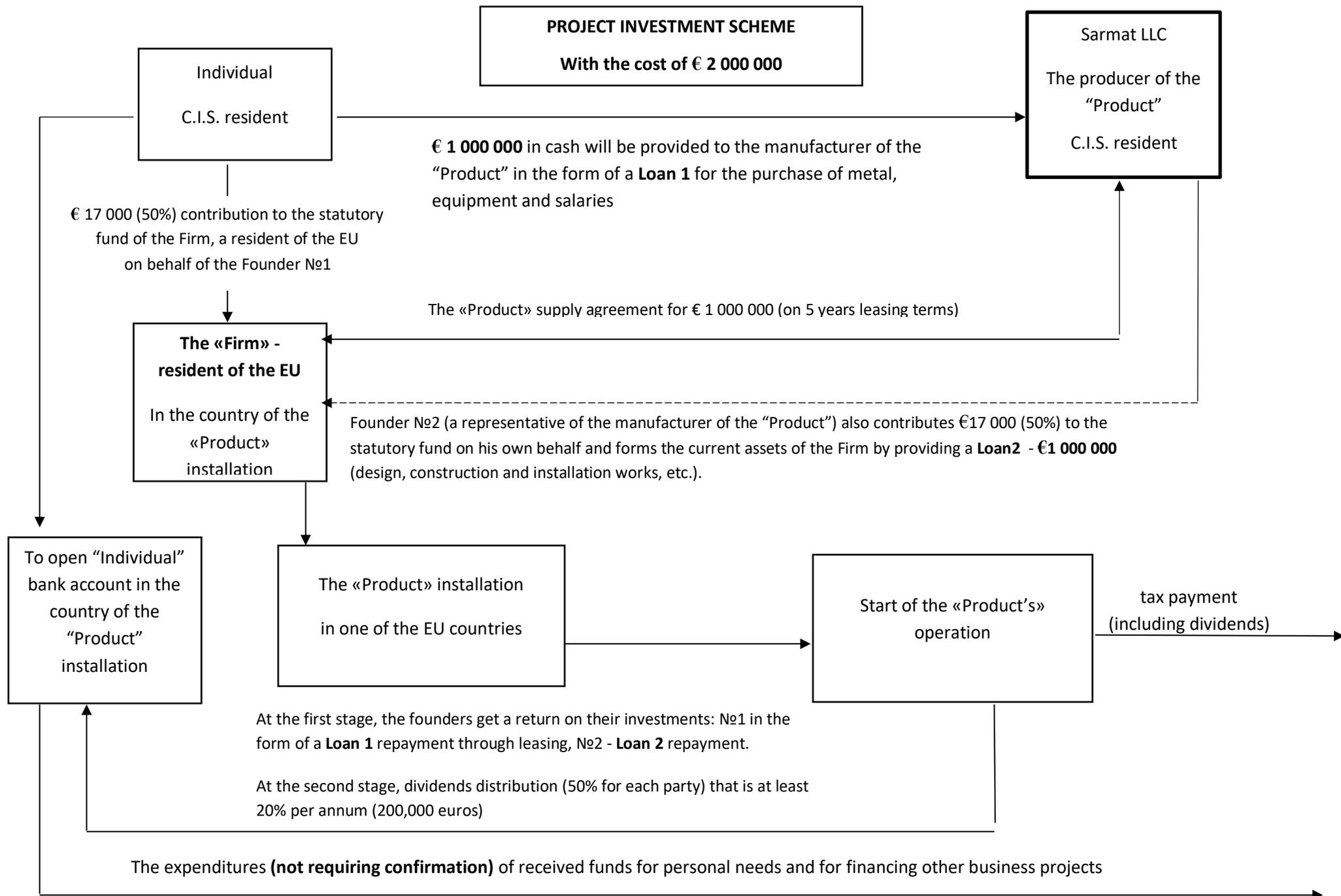
After taxes, considering interstate agreements on the avoidance of double taxation the funds can be transferred to any country in the world without additional taxation and explanation of their origin.

This means legal residency in the EU, legal acquisition of real estate and other financial assets both for founders and their family members.

The calculation does not take into account the costs of “using” or purchasing a land plot (from 100 to 300 square meters). For instance, the land lease cost in Vienna equals 35 000 euros per year for the first three years and 50 000 per year after the third year.

In case of a proper organization of the Panoramic View Towers’ (the “Product”) operation there can be the following methods to increase profit:

1. The “Product” can be a VERY good advertising tool.
2. By cooperating with "local" tour operators (who organize excursions to the area of the towers installation) the load factor of the “Product” can be brought up to 0.65 - 0.85.
3. The operating time can be increased to 15-16 hours a day from 9 am to 2-3 am for resort places such as Lake Garda or Rome where most of the entertainment facilities operate during the season and at night.
4. In many places the ticket price will be up to 10 euros. In comparison, the ticket price (despite the fact that almost always there are long queues) for the Ferris wheel in Paris (Place de la Concorde) is €10, for the London Eye wheel in London is about £20, for the panoramic view tower in Brighton - £15.



DESCRIPTION
of the project investment scheme

1. The “Investor” (or his representative - child, wife, etc.) and the representative of the plant (an individual, hereinafter the “Individual”) hereinafter the “Parties” jointly act as founders of the new enterprise in the EU, hereinafter referred to as the "Enterprise". The parties have 50% to 50% terms of participation.
The Parties form the minimum statutory fund of the Enterprise by transferring 34 000 euros (17 000 each) from their personal account to the company’s current account.
2. The money transfer procedure takes place at the bank in which the Enterprise and the Parties have accounts. There is a procedure for confirming the origin of money (17,000 euros for each of the Parties) that is being technically solved in place during the opening of a personal account. The Investor, on his own behalf or on behalf of an authorized person, finances the project in the amount of 1 000 000 euros by transferring money to the Individual’s account during a six to eight months period. Such transfer is registered as financial assistance (loan).
This money is used for an acquisition of metal, wages and electricity and other direct material costs payments.
At this stage the Individual can provide the Investor with a 3-fold pledge of such a loan with its property.
3. The Enterprise and the Individual conclude a contract for the supply of PVT on lease at a price equal to the cost of loan officially issued between the Parties and with a deferred payment of 3 years.
4. The Individual manufactures, ships and installs PVT at the Enterprise’s address.
5. The operation of the Tower begins. After paying all taxes, including dividends, the Enterprise transfers the amount of its dividends to the Investor’s personal account.
6. Within 3 years, the Enterprise transfers the leasing funds to the account of the Individual thereby fulfilling the contract for the supply of PVT.

The Parties can account this money as dividends received by the Individual and register them as a loan closure.

Thereby, a completely legal scheme is established for organizing a highly profitable Enterprise where the Investor is a founder and receives stable incomes ranging from 100,000 to 500,000 euros annually depending on the location of the PVT.

It should be borne in mind that at the time of the start of the PVT’s operation the actual estimated cost of the PVT in particular and cost of the Enterprise as a whole will be significantly higher than 2,000,000 euros comparing to the actual costs for the Investor in the amount of 1,000,000 euros with consideration of a three times collateral in the form of the Individual’s liquid real estate. So merely the market price of the Tower itself is more than 4,000,000 euros and the Enterprise can cost significantly more (depending on profitability (depending on location)).

In the most unfavourable situation for the Investor, the Individual guarantees (with the Individual’s collateral property) to redeem Investor’s stake in the Enterprise with the amount 1.3 times higher of the Investor’s financing in this project.

The selection of places for the installation of the Products shall be carried out on the basis that the estimated period for the return on investment should not exceed **3 years**.