

1. Brief description of the project

The proposed project involves the installation (mainly in EU cities) of the Panoramic View Towers with a static mast, Ferris wheels (FR) and Observation towers with a rising mast.

These structures are not amusement rides they are Products that allow tourists to take a look at objects of interest from an unusual angle, observe them as a whole, take unforgettable photos and video materials, examine a specific tourist site or the historical part of the city from a height of 50-70 meters.

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

A special role in this series is given to the Observation Towers with a rising mast.

The original technical design which has no analogues in the world along with the ability to take any stylistic form would decorate any city and attract many visitors.

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

Intellectual property is protected by **EU patent No. 004068484-0001 dated June 29, 2017.**

A visualization of the tower's operation can be viewed at:
<https://drive.google.com/file/d/1JIwdAMIUeyN8MIDHLr3e-5VisCNn66CW/view?usp=drivesdk>

Along with generating profit for the investor, the implementation of this project contributes to two main objectives of UNESCO:

1. Preservation of the World Heritage of Humanity

Part of the profit from the operation of towers installed close to specific tourist sites can be used (after paying mandatory taxes) to finance work related to conservation of the World Heritage of Humanity;

2. Popularization of human heritage sites

The towers provide additional opportunities for viewing a particular tourist site that attracts new visitors especially among young people. The information they receive through the audio guide during the tower's operation (ascending/lowering) provides a broad understanding of the tourist object and the era to which it corresponds.

To implement this project it is essential to identify areas near a historical site or in historical parts of cities and arrange purchase or long-term lease of adjacent to them:

- one or two-story dilapidated buildings that require major repairs and can accommodate a tower mechanism with a rising mast following reconstruction
- vacant land plots with the size from 200 to 700 square meters with the possibility of installing observation towers on them.

2. Investment offer

1. Investment offer is developed by Balkan Imex EOOD.
2. The object of investment is the program for the production and installation in EU countries of the Panoramic View Towers and the Ferris wheels hereinafter referred to as Products which are mass-produced at leading factories in Europe and Asia.
3. The required amount of investment.
 - 3.1. The average cost of implementing a project to install one of the Products is starts at 3 million euros and do not exceed 5 million euros (excluding the cost of land). This includes:
 - design and construction work;
 - obtaining permits (including for the product itself);
 - installation of foundations (if any);
 - transportation and assembling.
4. Return on investment begins on the 14th month from the start of project financing. The duration of each project is from 10 years to indefinite (in case of purchasing a land plot or when it is added to the authorized capital of the enterprise).
5. Guaranteed return on investment
 - 5.1. This project requires investments that are significantly lower than the market price of an already installed and operating Product. The liquidation value of the project at any stage of its implementation is guaranteed to exceed the initial investment (sale of the Product to a third party, obtaining a loan secured by an already installed Products, etc.).
 - 5.2. Provided that the Investor is not satisfied with the economic indicators of the return on funds invested in the project or with any other aspects of the operation of the Product at the designated location the Investor may leave the project. In this case, the Investor is guaranteed a return of all funds invested in this project within no more than 6 months.

Thus, after receiving permission to install the Product in a particular place the Investor is provided with a full guarantee of return on investment since the financing of the manufacture of the Product itself is carried out in stages with payment for work already completed. The placement of work on the manufacture of the Product on an outsourcing basis can be carried out at several factories that are independent of each other.
6. Implementation of each project includes:
 - 6.1. Selection of site with size from 150 to 700 sq. m. Drawing up a lease agreement or the purchase and sale of a land plot for the installation of Products.
 - 6.2. Start of production of the Product. Duration 4-6 months.
 - 6.3. Development of a project for the installation of Products.
 - 6.4. Obtaining permits for the installation of the Product.
 - 6.5. Shipment of the Product.
 - 6.6. Installation of the Product.
 - 6.7. Start of operation of the Product.

Established connections between various engineering enterprises in Europe and Asia through broad cooperation and supply of components allow us to produce up to 3 Products annually.

3. Feasibility study of a standard Panoramic View Tower project

Initial data			
Product cost + installation + transport + project +foundation installation (<i>Euro</i>)			4 000 000
Productivity, <i>ppl / hour</i>	282		
Number of seats	47		
Number of cycles per hour	6		
Working hours, <i>hour/day</i>	12		
Work period, <i>month</i> .	12		
Operating costs (<i>Euro a year</i>)			
Electricity		30 000	
Rated power of consumed electric energy with lighting, illumination, <i>kW/hour (no more than)</i>	100		
Energy cost, <i>Euro/kW</i>	0.07		
Depreciation expenses		18 000	
Replacement of working elements	8 000		
Maintenance of components and mechanisms	4 000		
Touch up	4 000		
Staff salaries, per year		120 000	
Number of service personnel, <i>ppl</i>	5		
Salary amount per month	10 000		
Other (land rent, "overhead expenses"), no more than		25 000	
TOTAL operating cost, <i>Euro per year</i>			193 000
Sales volume, <i>Euro per year</i>			
Cost of 1 ticket, <i>Euro</i>		10	
Estimated number of visitors per year, <i>with occupancy rate - 0.75*</i>		1 000 000	
TOTAL			10 000 000
Gross income, <i>Euros per year</i>			9 800 000
Payback period, <i>years (no more than)</i>		2	

* The occupancy rate is set to 0.75 since the calculation takes into account the target audience who specially visit to view the tourist site next to which the tower is installed. The average tourist visit to the Pompeii excavations is at least 4 million people per year. That calculation covers no more than 25% of the actual potential visitors

4. Explanatory note to the feasibility study of the project

Two distinctive features of the proposed project are:

1. High profitability of operation which does not require any working capital. Selling only **2 tickets** for each **cycle** fully covers **all operating costs** of the Products (taxes, depreciation, electricity, wages of service personnel, etc.).
2. High stability both in terms of the volume of profit received and the dynamics of its growth over a long period of time.

If a tourist site (for example, an ancient Roman amphitheater) has had a constant flow of visitors for more than 2 thousand year then it is unlikely that anything will change in the next 100 years. In addition, even economic crises are “beneficial” for the project. This is caused by increased spare time of people as well as their desire for positive emotions including from travel. For instance, the global crisis of 2008 demonstrated a steady increase in economic indicators only in the tourism business.

One of the main criteria for the economic indicators of a project is also its payback period which entirely depends on the installation location of the Product!

The calculation does not take into account the costs of renting or purchasing a plot of land (from 200 to 700 square meters). This is an additional 50 000 – 70 000 euros per year in case of renting a land plot.

With good organization of work at the Product installation sites there are the following reserves for increasing profit:

1. Tower can be a VERY good advertising medium.
2. When organizing work with “local” tour operators who organize excursions at the location where the Tower is installed the load factor of the product can be increased to 0.65 - 0.85.
3. Working hours can be increased to 15 - 16 hours a day from 9 am to 2-3 am for resort places such as the lake Gard or Rome where most entertainment facilities operate during the season and at night.
5. In many similar places the ticket price is above 10 euros. For instance, the ticket price for the Ferris wheel in Paris (Place de la Concorde) is 10 euros despite the the long queues. In London for the London Eye the ticket price is around 20 pounds. In addition, the panoramic view tower in Brighton – 15 pounds.
6. The selection of sites for installation of Products is carried out based on the condition that the estimated period for return of invested funds should not exceed 3 years