DEVELOPMENT OF MEDICAL TOURISM IN LATVIA BASED ON MEDICAL REHABILITATION SPA RESORT IN VENTSPILS
CONTENT

I. Medical tourism
II. Concept
III. Partners of the project
IV. Project implementation
V. Advantages of the region
VI. Architectural solution
VII. Medical rehabilitation SPA resort’s services
VIII. Marketing and Promotion
IX. Finances:
   I. Estimated expenses
   II. Sales plan
   III. Necessary investments
X. About the company
XI. Team
I. MEDICAL TOURISM
ABOUT THE MEDICAL TOURISM

- The medical tourism as an industry has taken shape over the last 10 years.

- The unavailability of immediate good medical help from modern experts at an affordable price in the European Union contributes to the success of medical tourism. People often have to wait for several months for planned procedures and operations. This is the reason why patients prefer to go to another country where they can get the necessary treatment much sooner.

- According to the estimates of the World Health Organization (WHO) tourism and health services will be among the leading industries by the year 2022.
The leading countries in the field of medical tourism are USA, Israel, Germany, Turkey, India, Thailand, Canada, Mexico, Costa Rica, UK, France, Spain, Jordan, Dubai, Malaysia, Singapore, Japan, Korea, Philippines, and South Africa.

In 2012 alone more than 2.7 million USA citizens went abroad to get medical help overseas.

Today the countries to profit the most from the medical tourism are USA, Germany, Turkey, India and Thailand.
ABOUT THE MEDICAL TOURISM

- In 2012 Turkey, one of the most successful players at the medical tourism world market, was visited by 617 thousand medical tourists and earned 4.2 billion dollars. By 2015 the country intends to increase the number of medical tourists to 1 million people, as well as the earnings - to 10 billion dollars.

- In 2012 the medical tourism industry all over the world accumulated about 400 billion dollars. By 2015 the market volume is expected to increase to 500 billion dollars.
The environment in Latvia is very beneficial for recovery and health improvement. It is especially suited for the rehabilitation process. This is the reason why more and more tourists use this opportunity every year.

The nature and natural resources (mineral water, clay) of Latvia are perfect for the rehabilitation and SPA procedures that are in high demand all around the world.

47% of all the foreign patients coming to Latvia are from Russia and CIS countries, followed by the citizens of Nordic countries.

The cost of treatment in Latvia is 2-3 times lower than in Western Europe.
II. CONCEPT
CONCEPT

- The medical rehabilitation SPA will be located in a very beautiful place close to the Baltic sea in the Ventspils city.

- Several benefits of nature are at work here: the clean and ionized air, the local source of unique natural mineral waters and therapeutic clay. Guests can enjoy high quality services, comfortable rooms and a well-developed infrastructure. Various SPA benefits offer a chance to enjoy both a recovery process and a wonderful holiday.
CONCEPT

- Carefully selected doctors and instructors will be working in this medical rehabilitation SPA to offer a wide range of therapeutic and diagnostic services.

- The use of local products of the Baltic sea and the benefits of nature are what make this medical rehabilitation SPA unique.

- The medical rehabilitation SPA will employ specialists that are competent in modern technologies, methods of physiotherapy and medical fitness.
CONCEPT

- High-class equipment produced by well-known medical equipment manufacturers and used in many famous treatment, rehabilitation and sports centers will also be used in this medical rehabilitation SPA resort.

- Medical rehabilitation SPA resort will be able to accommodate 700 people at any given time.

- *30% of guests* will be using *rehabilitation services*, the remaining *70%* will be using *SPA* and *medical procedures* (not complicated medical procedures).

- For more complicated medical procedures we are planning to *cooperate with Ventspils hospital*. 
III. PARTNERS OF THE PROJECT
PARTNERS OF THE PROJECT

- The project will be implemented by the Latvian company “B2B Serviss” Ltd.

- The building and construction work will be done by the Latvian company “3 RADI” Ltd.

- The medical rehabilitation SPA resort will be designed by the Latvian company “Oliver Medical” Ltd., which belongs to a group of international companies providing design and construction solutions and complex equipment for medical institutions.
IV. PROJECT IMPLEMENTATION
**PROJECT IMPLEMENTATION**

Stage 1:
- Gathering information, meeting municipalities and land owners, choosing a place.

Stage 2:
- Preparing applications for different funds, writing a business plan.

Stage 3:
- Meeting potential investors.

Stage 4:
- Receiving finances from funds and investors. Commencement of the design work.

Stage 5:
- Commencement of the construction work.

Stage 6:
- Medical rehabilitation SPA resort’s official opening.
V. ADVANTAGES OF THE REGION
ADVANTAGES OF THE REGION:

- Ecology
- Sea air (for people having vascular and respiratory diseases, allergies, skin diseases, stress syndrome)
- Local sources of therapeutic mud, clay, amber and mineral water
- Privacy
- Security
- European level of services
- High-quality (organic) food
- 3 nearby cities: Ventspils, Kuldiga, Liepaja.
VI. ARCHITECTURAL SOLUTION
ARCHITECTURAL SOLUTION OF THE MAIN BUILDING

- Main building will have 4 floors with different types of rooms (in total 100 rooms).

- The building will be built according to global SPA resorts standards and will be able to compete with other SPA resorts and hotels in neighboring countries.
2 types of bungalow houses are planned to be built:
- **Standard** (100 m²) for 6 people
- **VIP** (175 m²) for 8 people

Wooden houses have the following advantages:
- ecology;
- European quality;
- High reliability;
- A large range of colours and textures;
- Durability over a long time;
- Attractive appearance;
- Wide and constantly updated range of facilities;
- Easy to operate and construct;
- Availability and exclusivity.
VII. SERVICES
Medical rehabilitation SPA resort will include:

- Central (main) building - 100 rooms
- 60 bungalow houses will be located around central building
- 4 restaurants (with different cuisines and therapeutic diets)
- 2 swimming pools (1 indoor and 1 outdoor - with differing temperatures and levels/zones, relaxation zone with a hot tub)
- 3 outdoor hot tubs close to the SPA
- Bath complex
- Mineral water baths
- Thalasso SPA area (wraps, massages etc.)
- Separate area for the medical complex
- Hairdresser and beauty salon (pedicure, facials etc.)
- Playground with a daycare centre
- Tennis court, volleyball and basketball courts, mini golf
- 4 stores (gift shop, grocery store, various accessories for beach holidays, tourist information centre)
DIAGNOSTIC SERVICES

- Department of functional diagnostics
  - Including a department of cardio diagnostics
- Radio diagnostics (possibly also mammography and densitometry)
- Endoscopic procedures
- Offices of different specialists
- Laboratory
THERAPEUTIC SERVICES

- Department for water and mud treatments
- Massage rooms
- Rooms for wet treatments
- Swimming pools and sauna
- Offices of different specialists (nutritionist, psychologist, therapist etc.)
- Gym
- Room for endoscopic procedures
- Small operating room
- Cosmetology rooms
- Treatment rooms
- Dentist
<table>
<thead>
<tr>
<th>№</th>
<th>Departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Administration &amp; Management area</td>
</tr>
<tr>
<td>2.</td>
<td>Area of clinical specialists</td>
</tr>
<tr>
<td>3.</td>
<td>Area of noninvasive diagnosis (ultrasound, X-ray, stress test, ECG, Holter)</td>
</tr>
<tr>
<td>4.</td>
<td>Pharmacy (storage and distribution)</td>
</tr>
<tr>
<td>5.</td>
<td>Cosmetology room</td>
</tr>
<tr>
<td>6.</td>
<td>Dentistry (Medical and Cosmetic)</td>
</tr>
<tr>
<td>7.</td>
<td>SPA area</td>
</tr>
<tr>
<td>8.</td>
<td>Hydrotherapy department</td>
</tr>
<tr>
<td>9.</td>
<td>Physiotherapy department</td>
</tr>
<tr>
<td>10.</td>
<td>Laboratory department for the diagnosis and treatment of sleep disorders</td>
</tr>
<tr>
<td>11.</td>
<td>Salt room and inhalation</td>
</tr>
<tr>
<td>12.</td>
<td>Laboratory</td>
</tr>
<tr>
<td>13.</td>
<td>Massage rooms</td>
</tr>
<tr>
<td>14.</td>
<td>Lymphatic drainage department</td>
</tr>
<tr>
<td>15.</td>
<td>Cellulite Treatment</td>
</tr>
<tr>
<td>16.</td>
<td>Endoscopy unit (Gastro / Gynecology)</td>
</tr>
<tr>
<td>17.</td>
<td>“Tea / Phyto bar”</td>
</tr>
<tr>
<td>18.</td>
<td>Alternative treatments</td>
</tr>
<tr>
<td>19.</td>
<td>Customer service (storage, cleaning etc.)</td>
</tr>
</tbody>
</table>
WATER AND MUD TREATMENTS

- Wraps (mud, clay, algae)
- Turkish sauna
- Wet sauna
- Infrared sauna
- Dry sauna
- Salt room
- Hot tubs
- Various types of shower
- Thalassotherapy
- Underwater massage baths
- Swimming pool, including water aerobics
- Mineral and contrast baths
- SPA capsules, chromotherapy and sound therapy
ANTI-AGING THERAPY

- Cosmetology: epilation, dermatologic laser procedures, manicure, pedicure, hairdresser
- Vascular surgery
- Clinical nutrition
- Body cleansing programs (cleansing enemas, gynaecological irrigation and underwater massage, mineral baths, CO2 baths)
- Therapeutic and restorative massage
- Psychological rehabilitation
- Dentistry
PREGNANCY CARE

- Pregnancy care during the first two trimesters
- Observation by specialists
- Psychological support
- SPA procedures for pregnant women

Advantages:
- Privacy
- Ecology
- Stress management
- Medical control
- Proper nutrition
CARDIO DIAGNOSIS

- ECG
- Holter
- Stress test
- Ultrasound systems
Possible outsourcing of external resources

**Recommended:**
- Clinical biochemistry

**Additionally:**
- Microbiology
- Sensitivity to medicine, pathogenic organisms
- Parasitology
- Virology
- Coagulation
- Toxicology
- Immunology/Serology
- Urine analysis for different purposes. Clinical urine and blood tests.
IN ADDITION

- Restaurants offering customized menus for specific dietary needs
- Conference hall with a movie theatre
- Tennis court
- Volleyball court
- Basketball court
- Mini golf
- Playground with daycare facilities
- Rent of bicycles and other seasonal equipment
VIII. MARKETING AND PROMOTION
MARKETING AND PROMOTION

- The sale of the products will be carried out by the *Marketing Department* in cooperation with *Rewards Media Ltd.*

- Our distribution network will include following channels:
  - B2B
  - B2C

*Rewards Media Ltd.* is performance-based online marketing company owned by “B2B Serviss” Ltd. Company offers highly experienced team, virtual client focused platform and access to market leads for more than 300 mln. active users in more than 100 countries worldwide thus ensuring the success of the company.
IX. FINANCES
## Costs of Facilities and Equipment

<table>
<thead>
<tr>
<th>Facility</th>
<th>Area</th>
<th>Cost of 1 m²</th>
<th>Total cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main building (100 rooms)</td>
<td>7 500 m²</td>
<td>569 EUR</td>
<td>4 268 615 EUR</td>
</tr>
<tr>
<td>SPA and medical complex</td>
<td>4 000 m²</td>
<td>783 EUR</td>
<td>3 130 318 EUR</td>
</tr>
<tr>
<td>Medical equipment</td>
<td></td>
<td></td>
<td>4 000 000 EUR</td>
</tr>
<tr>
<td>60 bungalow houses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 standard</td>
<td>4 000 m²</td>
<td>640 EUR</td>
<td>2 561 169 EUR</td>
</tr>
<tr>
<td>20 VIP</td>
<td>3 500 m²</td>
<td>783 EUR</td>
<td>2 739 028 EUR</td>
</tr>
<tr>
<td>Playground</td>
<td>800 m²</td>
<td>71 EUR</td>
<td>56 915 EUR</td>
</tr>
<tr>
<td>Daycare for children</td>
<td>200 m²</td>
<td>854 EUR</td>
<td>170 745 EUR</td>
</tr>
<tr>
<td>4 restaurants</td>
<td>400 m²</td>
<td>854 EUR</td>
<td>341 489 EUR</td>
</tr>
<tr>
<td>Tennis court</td>
<td>650 m²</td>
<td>569 EUR</td>
<td>369 947 EUR</td>
</tr>
<tr>
<td>Gym</td>
<td>800 m²</td>
<td>711 EUR</td>
<td>569 149 EUR</td>
</tr>
<tr>
<td>2 swimming pools</td>
<td>2 000 m²</td>
<td>854 EUR</td>
<td>1 707 446 EUR</td>
</tr>
<tr>
<td>4 stores</td>
<td>400 m²</td>
<td>398 EUR</td>
<td>159 362 EUR</td>
</tr>
<tr>
<td>Conference hall with cinema</td>
<td>180 m²</td>
<td>782 EUR</td>
<td>140 864 EUR</td>
</tr>
<tr>
<td>Volleyball court</td>
<td>162 m²</td>
<td>50 EUR</td>
<td>8 068 EUR</td>
</tr>
<tr>
<td>Basketball court</td>
<td>420 m²</td>
<td>50 EUR</td>
<td>20 916 EUR</td>
</tr>
<tr>
<td>Mini golf</td>
<td>300 m²</td>
<td>71 EUR</td>
<td>21 343 EUR</td>
</tr>
<tr>
<td>Walkways</td>
<td>3 000 m²</td>
<td>28 EUR</td>
<td>85 372 EUR</td>
</tr>
<tr>
<td>Parks</td>
<td>2000 m²</td>
<td>28 EUR</td>
<td>56 915 EUR</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30 312 m²</strong></td>
<td></td>
<td><strong>20 407 661 EUR</strong></td>
</tr>
</tbody>
</table>
10-15 ha of land are required for such a medical rehabilitation SPA resort.

Currently we are considering the former tank polygon approximately 7km from Ventspils (the closest populated area is called Vārve).
ESTIMATED EXPENSES

- The main expenses of opening the medical rehabilitation SPA resort will be:
  - Building and equipment costs ~16 407 661 EUR
  - Purchase of medical equipment ~4 000 000 EUR
  - Buying land ~200 000 EUR

- The expenses of the medical rehabilitation SPA resort after the opening will be:
  - Food and drinks for guests
  - Staff salary
  - Maintenance of the central building*
  - Maintenance of SPA and medical equipment (buying new equipment after the expiration)
  - Maintenance of all territory (electricity, waste disposal etc.)
  - Loan repayment

*Maintenance of bungalow houses will be covered by their owners.
**Estimated Earnings**

The total income of the medical rehabilitation SPA resort is expected to be generated from:

- Guests living in the central building and using SPA and medical services
- Guests living in the bungalow houses and using SPA and medical services
- Sales of bungalow houses
- Additional SPA and medical procedures that are not included in standard package

The calculations of earnings are based on an assumption that SPA works at 60% capacity during the first year and 80% capacity during the following years.
ESTIMATED EARNINGS

- The earnings from 1 person for SPA and medical services:

<table>
<thead>
<tr>
<th>Period</th>
<th>1 year</th>
<th>2 year</th>
<th>3 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.05.-31.10.</td>
<td>128,50 EUR/per day</td>
<td>171,33 EUR/per day</td>
<td>171,33 EUR/per day</td>
</tr>
<tr>
<td>01.11.-30.04.</td>
<td>89,95 EUR/per day</td>
<td>119,93 EUR/per day</td>
<td>119,93 EUR/per day</td>
</tr>
</tbody>
</table>

- The total earnings from 1 person during the 1st year of work of medical rehabilitation SPA resort will be 39 924,95 EUR.
- The total earnings from 1 person during the 2nd year are estimated to be 53 233,27 EUR.
Estimated earnings during the 1\textsuperscript{st} year of work of medical rehabilitation SPA resort at 60\% capacity will be \textbf{2 653 320 (EUR)}. Successful marketing strategies will allow to increase the number of guests, so we expect to work at 80\% capacity during the following years.

<table>
<thead>
<tr>
<th>Room category</th>
<th>1\textsuperscript{st} year (at 60% capacity), EUR</th>
<th>2\textsuperscript{nd} year (at 80% capacity), EUR</th>
<th>3\textsuperscript{rd} year (at 80% capacity), EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>01.11.-30.04. - 01.05.-31.10.</td>
<td>01.11.-30.04. - 01.05.-31.10.</td>
<td>01.11.-30.04. - 01.05.-31.10.</td>
</tr>
<tr>
<td>Standard</td>
<td>586 440</td>
<td>781 920</td>
<td>977 400</td>
</tr>
<tr>
<td>Superior</td>
<td>358 380</td>
<td>477 840</td>
<td>597 300</td>
</tr>
<tr>
<td>Lux</td>
<td>162 900</td>
<td>217 200</td>
<td>271 500</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1 107 720</td>
<td>1 476 960</td>
<td>1 846 200</td>
</tr>
<tr>
<td>TOTAL PER YEAR</td>
<td>\textbf{2 653 320 (EUR)}</td>
<td>\textbf{3 537 760 (EUR)}</td>
<td>\textbf{4 422 200 (EUR)}</td>
</tr>
</tbody>
</table>

Guests living in the central building and using SPA and medical procedures.
ESTIMATED EARNINGS

The projected earnings from bungalow houses are expected to come from three sources:

- Earnings from the sales of bungalow houses
- Earnings from accommodating guests in bungalow houses
- Fixed earnings - payment for the maintenance of bungalow houses (laundry, cleaning etc.) which is 1 200 EUR for 1 bungalow house per year.
We expect the potential buyers of bungalow houses to be residents of Russian Federation. This particular category of potential buyers is attractive for the following reasons:

- The residents of Russian Federation are interested in buying real estate in order to get a residence permit in Latvia*.
- The residents of Russian Federation are interested to invest available funds.
- They like vacationing in the Baltic countries, especially close to the sea.

The owners of bungalow houses will have a chance to rent them out. The price will not differ from the bungalow prices all over the medical rehabilitation SPA resort.

*The price of real estate outside of Riga should be more than 71’000 EUR.
ESTIMATED EARNINGS

- Should some owners of a bungalow houses not be interested in renting out the houses themselves, they would be able to give this opportunity to the company which would be managing the whole medical rehabilitation SPA resort. In this case the earnings from rent would be divided 50/50.

- According to our estimates 70% of all bungalow house owners would not be renting out the houses themselves.
**Estimated Earnings**

- **Bungalow houses** are divided in two categories:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of houses</th>
<th>House capacity (people)</th>
<th>House price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard</td>
<td>40</td>
<td>6</td>
<td>83 000</td>
</tr>
<tr>
<td>VIP</td>
<td>20</td>
<td>8</td>
<td>171 000</td>
</tr>
</tbody>
</table>

- We are planning to sell **80% of bungalow houses** before the official opening of the medical rehabilitation SPA resort. Total earnings from sales are estimated to be **5 392 000 (EUR).**

- The rest of the bungalow houses (20%):
  - 7 are expected to be sold during 1st year of work;
  - 5 will remain in the SPA resorts’ ownership to be available at all times.
**Estimated Earnings**

- The rent price for a **bungalow house** is planned to be as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of houses</th>
<th>House capacity (people)</th>
<th>Price for 2 days (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>01.11.-30.04.</td>
</tr>
<tr>
<td>Standard</td>
<td>40</td>
<td>6</td>
<td>200 EUR</td>
</tr>
<tr>
<td>VIP</td>
<td>20</td>
<td>8</td>
<td>250 EUR</td>
</tr>
</tbody>
</table>
## ESTIMATED EARNINGS

The 1st year earnings from **bungalow houses** are estimated as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>1st year (at 60% capacity), EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70% for owners</td>
</tr>
<tr>
<td></td>
<td>01.11.-30.04.</td>
</tr>
<tr>
<td>Standard</td>
<td>243 264</td>
</tr>
<tr>
<td>VIP</td>
<td>152 040</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>395 304</strong></td>
</tr>
<tr>
<td><strong>TOTAL PER YEAR</strong></td>
<td><strong>920 808 (EUR)</strong></td>
</tr>
</tbody>
</table>

*This sum will be divided 50/50 between bungalow owners and B2B Serviss Ltd.

Total earnings from bungalow houses during 1st year of work of the medical rehabilitation SPA resort are estimated to be **789 264 EUR**.
ESTIMATED EARNINGS

- During the 2nd and the 3rd year the following earnings are expected from **bungalow houses**:

<table>
<thead>
<tr>
<th>Category</th>
<th>2nd year (at 80% capacity), EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70% for owners</td>
</tr>
<tr>
<td></td>
<td>01.11.-30.04.</td>
</tr>
<tr>
<td>Standard</td>
<td>376 480</td>
</tr>
<tr>
<td>VIP</td>
<td>235 300</td>
</tr>
<tr>
<td>TOTAL</td>
<td>611 780</td>
</tr>
</tbody>
</table>

**TOTAL PER YEAR**

- 1 425 060 EUR*  
- 186 360 EUR

- *This sum will be divided 50/50 between bungalow owners and B2B Serviss Ltd.

- The total earnings from bungalow houses during the 1st year of work of the medical SPA resort are estimated to be **898 890 EUR**.

- 3rd year earnings will be the same as 2nd year earnings.
ESTIMATED EARNINGS

- Earnings from the maintenance of bungalow houses (1 200 EUR per house) will be:
  - 1st year - 57 600 EUR
  - 2nd year - 66 000 EUR
  - 3rd year - 66 000 EUR

- Total earnings from bungalow houses:

<table>
<thead>
<tr>
<th></th>
<th>0 year</th>
<th>1 year</th>
<th>2 year</th>
<th>3 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of bungalow houses</td>
<td>5 395 028</td>
<td>757 000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Earnings from renting out bungalow houses</td>
<td>0</td>
<td>789 264</td>
<td>898 890</td>
<td>898 890</td>
</tr>
<tr>
<td>Earnings from maintenance</td>
<td>0</td>
<td>57 600</td>
<td>66 000</td>
<td>66 000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5 395 028 EUR</td>
<td>1 603 864 EUR</td>
<td>964 890 EUR</td>
<td>964 890 EUR</td>
</tr>
</tbody>
</table>
**Estimated Earnings (TOTAL)**

- Total earnings of medical rehabilitation SPA resort in the first 3 years of work are estimated to be:

<table>
<thead>
<tr>
<th></th>
<th>0 year</th>
<th>1 year</th>
<th>2 year</th>
<th>3 year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resort’s guests</td>
<td>0</td>
<td>2 653 320</td>
<td>3 537 760</td>
<td>3 537 760</td>
</tr>
<tr>
<td>Sales of bungalow houses</td>
<td>5 395 028</td>
<td>757 000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Earnings from renting out</td>
<td>0</td>
<td>789 264</td>
<td>898 890</td>
<td>898 890</td>
</tr>
<tr>
<td>bungalow houses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earnings from maintenance</td>
<td>0</td>
<td>57 600</td>
<td>66 000</td>
<td>66 000</td>
</tr>
<tr>
<td>Additional SPA and</td>
<td>0</td>
<td>2 752 740</td>
<td>3 669 960</td>
<td>3 669 960</td>
</tr>
<tr>
<td>medical procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5 395 028</td>
<td>7 009 924</td>
<td>8 172 610</td>
<td>8 172 610</td>
</tr>
<tr>
<td><strong>TOTAL IN 4 YEARS:</strong></td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
<td>EUR</td>
</tr>
<tr>
<td><strong>TOTAL IN 4 YEARS:</strong></td>
<td>28 750 172 EUR</td>
<td>28 750 172 EUR</td>
<td>28 750 172 EUR</td>
<td>28 750 172 EUR</td>
</tr>
</tbody>
</table>
NECESSARY INVESTMENTS

- The implementation of this project requires an investment of 20.6 million EUR.
  - The plan is to attract 7 million EUR as investments instead of ownership shares in the company (30%).
  - 13.6 million EUR are expected to be loaned from a bank.
**REPAYMENT OF INVESTMENTS (PAYBACK PERIOD)**

<table>
<thead>
<tr>
<th>Year of work</th>
<th>Profit, EUR</th>
<th>30% of profit, EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>15 366 908</td>
<td>4 610 072</td>
</tr>
<tr>
<td>2 year</td>
<td>21 345 135</td>
<td>6 403 540</td>
</tr>
<tr>
<td>3 year</td>
<td>20 510 235</td>
<td>6 153 070</td>
</tr>
<tr>
<td>TOTAL</td>
<td>57 222 278 EUR</td>
<td>17 166 682 EUR</td>
</tr>
</tbody>
</table>

Payback period (PP) = 2 years

Receiving 30% of annual profit the investor can retrieve the initial investment in 2 years.
ROI = \frac{15,3 - 7,0}{7,0} = 1,19

The return on investments over the first working year is estimated to be 119\%.
OUR OWN BRAND

- For additional sales revenue we intend to develop our own brand for producing:
  - Cosmetics
  - SPA products
  - Souvenirs

- The materials will be supplied by local companies in Ventspils region that are already producing such products.
X. ABOUT «B2B SERVISS» LTD
“B2B Serviss” Ltd. was founded in 2012 and since then has been working to increase the quality of life for the society by developing and implementing highly effective and socially meaningful projects. Our professionals in collaboration with industry experts are able to efficiently and professionally develop and carry out projects in different fields.

Our vision guides every aspect of our business ensuring sustainable and valuable growth.

Our employees are experienced in professional project management including the development of ideas, writing business plans and attracting investments from international and local financial and economic institutions (business angels, “seed” capital investors, venture capital funds, private equity funds, bank loans etc.).
XI. TEAM
### «B2B SSERVISS» TEAM

**Sergejs Ippolitovs - Company's Strategic and Operational Management**

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Position/Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-now</td>
<td>“Wood Protect Technology” Ltd.</td>
<td>Manager, wood protection products, equipment and technology distribution and installation</td>
</tr>
<tr>
<td>2005-2007</td>
<td>“Impregnation Technology” Ltd.</td>
<td>Manager, wood construction designs and solutions, impregnation equipment distribution and installation</td>
</tr>
<tr>
<td>2001-2005</td>
<td>“Timber Trade” Ltd.</td>
<td>Manager, wooden house construction</td>
</tr>
</tbody>
</table>

**Igors Djačenko - Company's Strategic and Operational Management**

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Position/Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-now</td>
<td>“SDI Media” Ltd.</td>
<td>manager, employs 300 people</td>
</tr>
<tr>
<td>2003-2005</td>
<td>“Print House” Ltd.</td>
<td>production business development for “Metro Leo Burnett” Ltd.</td>
</tr>
<tr>
<td>2000-2003</td>
<td>“CV-Online” Ltd.</td>
<td>sales marketing development</td>
</tr>
</tbody>
</table>
«B2B SSERVISS» TEAM

Vika Dubaņeviča - Project Management and Coordination

2012-2013  Technical project management and coordination for "BM Projekts” Ltd. un”Pērlītes” Ltd.

2011-now  ”Augstu darbu serviss” Ltd. (Industrial mountaineering company) development and marketing

Jekaterina Slavgorodskaja - Project Management and Coordination

2012-now  Young entrepreneurs’ organization Junior Chamber International MB Riga department Manager (70 members), management of projects in Riga and nationwide, working with sponsors

2008-2012  Youth organization AIESEC. National president (100 members), domestic and international project management, working with sponsors

2008-2009  Ernst & Young Baltic. Consultant at Risk management department. Working with banks and ministries, the functional performance of the audit
CONTACT INFORMATION

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Adazu district, LV-2164

Jekaterina Slavgorodska
Project manager
Tel.: +371 28897699
E-mail: jekaterina@b2bservice.info