

Black Sea Property AS

Org. No. NO 914 892 902



**Sunrise River
Beach Resort**

June 2023

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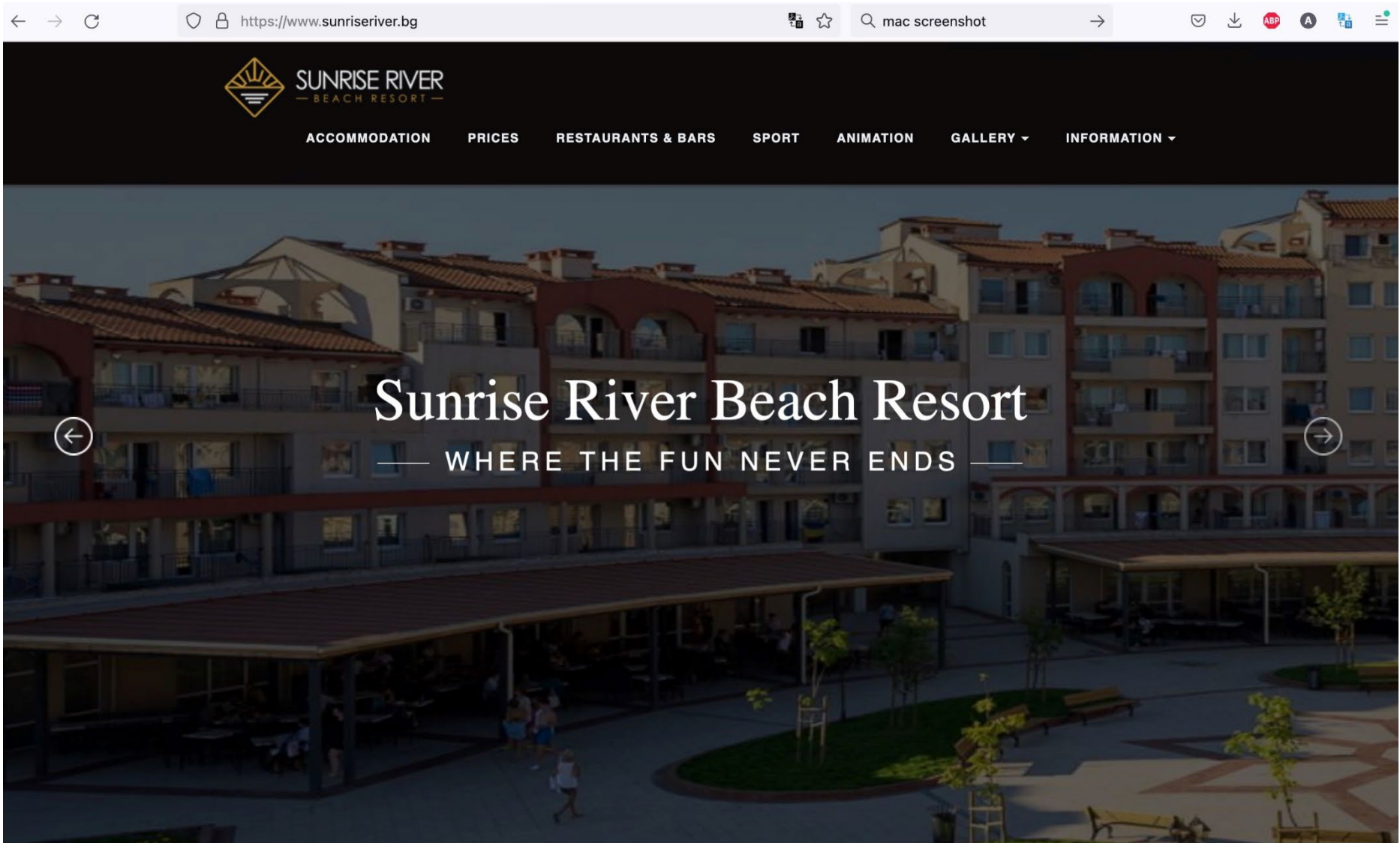
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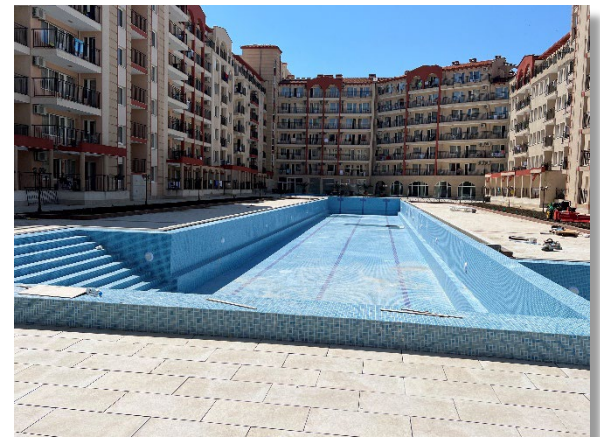
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The Resort

www.sunriseriver.bg

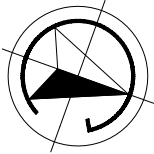








This detailed architectural site plan illustrates the layout of the 'Improved Resort Facilities'. The plan is oriented with a north arrow in the upper right corner. The central feature is a large, circular paved area with a flower-shaped pattern in the middle, surrounded by green spaces and trees. To the left of this central area is a large, irregularly shaped green space with a winding path and a small building labeled 'K1'. To the right of the central area is a large, rectangular paved area with a flower-shaped pattern in the middle, surrounded by green spaces and trees. This area is divided into several sections labeled M1, M2, M3, and M4. To the right of this paved area is a large, rectangular building complex with several wings, labeled P1, P2, P3, P4, and P7. The building complex has a central courtyard with a flower-shaped pattern. The entire site is bordered by a blue line representing a river or canal. The plan includes numerous details such as parking spaces, landscaping, and building footprints.



Facilities and Accommodation for 2023 Season

- Operating Buildings M & N with 358 apartment units, having maximum capacity reaching 1'500 beds, and 24h reception
- Two all-inclusive restaurants in building M, both providing indoor and outdoor seating
- Show cooking snack buffet at the main plaza
- Gift and groceries store
- Two pool bars
- Two swimming pools, including a 50m Olympic pool
- Indoor sports hall and two covered sports halls for gymnastics and power sports
- Outdoor soccer and basketball field
- Beach volleyball field
- Amphitheater
- Camping fire pit
- River access and perimeter running track
- Medical emergency office
- Education and event rooms
- Handicap access

Progress Update

- The first guests at the Resort arrived on June 10 for the 2023 season. With full occupancy level to be reached by the first week in July.
- Most of the essential construction works for the season are now complete, with some supplementary construction activities remaining on the newly erected covered gymnastics sports hall.
- The operational model for the 2023 season is for the Resort to function as a kids camp, with the addition to family orientated accommodation. For this reason the Resort is being promoted to ordinary guests on Booking.com and other platforms.
- The kids camp will operate predominately with children from Ukraine ages from 12 to 17, with the addition of various sports camps for Bulgarian children.
- The majority of staff are Ukrainians.

Financial Achievements

- EPO Aheloy has signed an agreement for a long term EUR 10 million loan with First Investment Bank:
 - ❖ EUR 6.5m are provided as Tranche 1 for refinancing of the EUR 4.5m UniCredit loan and EUR 2m for construction works for the current phase (including reimbursement of the Construction Costs occurred year-to-date)
 - ❖ Maturity term 15 years
 - ❖ Interest rate 5% plus 1% in fees (monthly interest payments)
 - ❖ Due to establishment of mortgage collaterals over the assets the loan utilization has been delayed, with realistic expectations for Tranche 1 to be utilized by July 15th.

- Additionally EPO Aheloy in early 2023 secured a short term Bridge Financing of up to EUR 10 million. Out of this facility the company has as today used EUR 6.437 million.
 - ❖ In near term, the bridge loan facility will be repaid and reduced down to below EUR 5m

Construction at the resort

- EPO Aheloy has engaged BHP International to monitor the CIW performance, cost and budget control.
- For the 2023 construction season EPO Aheloy has spent approximately to date EUR 1.9m (excluding VAT) for CIW at the resort and they included the following scope of works:
 - ❖ Finished the second PMN swimming pool and surrounding sunbed areas
 - ❖ Finished the boxing and power sports hall
 - ❖ Erected a new gymnastics sports hall
 - ❖ Completed the kids club villa
 - ❖ Completed a second restaurant and second pool bar
 - ❖ Expanded the outside seating area
 - ❖ Completed the main plaza façade appearance of K building
 - ❖ Made a road and parking to the pumping station
 - ❖ Repaired roofs in buildings N&M
 - ❖ Made fire suppression system for M building
 - ❖ Allowed for ease of beach access
 - ❖ Irrigation system and landscapingetc.

BSP's Forward Focus

- BSP is focused on complying with FIB bank and adapting to fully utilize the newly granted EUR 10m facility, to the best possible use of the EUR 3.5m Tranche 2
- Exploring various options to repay the bridge loan facility by February 2025
- To complete and enter in operation building P for the 2024 season

To find a solution together with the external owners in the P building. The company has already initiated contact with the majority of them and has presented 3 alternatives to chose between:

- ❖ pay their monetary participation to complete the building respective to ownership percentage;
 - ❖ for the external owners to rent out long term (15 years to EPO Aheloy) and have their apartment complete with option for use;
 - ❖ EPO Aheloy has initiated an investment program limited to EUR 300'000 to buyout apartments in building P priced at EUR 200 per sq. meter.
- The near term Business plan is to operate the resort with income generated from kids camp and family orientated accommodation services, and to reaching capacity of 2'500 guests (when the Resort's first stage (building P, N and M a total of 602 units) are put into operation).



Thank you for your attention.