



THERMO - MINERAL WATER, SPA AND REHABILITATION CENTER, USORA

| | |
|-----------------------------|---|
| Name of the project | Exploitation of thermo-mineral water in Usora Spa treatment and rehabilitation center in Usora |
| Sector | Health tourism, Tourism sector |
| Place | Zabljak, Usora Municipality |
| Location description | <p>The building and plot is located in Zabljak, only 300 m from the main road M-4, which connects Dobož and Teslic, and thus the big centers: Tuzla-Dobož-Banja Luka and Zenica-Zepce-Banja Luka. The location is about 6.5 km from the busiest highway M-17.</p> <p>Within a radius of approx. 1 km from the location of the object, there are: Complex ĆOSIĆPROMEX, Hotel, Banks, Post Office, large and small shopping centers, business area and other facilities of the urban social community</p> <p>The spatial location of the subject of the concession is in Zabljak, Usora.</p> |
| Company description | <p>Firm Ćosić promex doo Usora was founded in 1996. In the beginning, she was engaged in trade and catering. It soon expanded its business to metal processing and manufacturing of metal structures, and in 1998. started working as a subcontractor in the leading Croatian shipyards in Split, Rijeka and Pula.</p> <p>The main activity of the company Ćosićpromex doo Usora is the production of metal structures and metal processing, which we carry out in our production facility in Usora.</p> <p>In addition, a large part of the income comes from construction activities, and we perform works from this activity throughout BiH during the construction and renovation of buildings, in the field of high-rise construction and civil engineering.</p> <p>The company is also engaged in catering activities, and owns the "Hotel Split" with a capacity of 35 rooms, 10 apartments and 25 double rooms, a meeting room with 170 seats, with all the accompanying equipment and a restaurant with 100 seats.</p> <p>Through a continuous development strategy, the company reached the official level - rating of business companies by "akta.ba" in the AA+ category .</p> <p>Considering the many years of experience in the hotel industry and the existence</p> |



| | |
|--|--|
| | <p>of our own hotel (in the immediate vicinity of the object in question for the "Center") with enviable capacities and quality standards in the provision of services, as well as the existence of land and a purpose-built facility for the needs of the Spa treatment and rehabilitation center, one of the development the company's strategy in this year and the next is to start the mentioned project according to the principle of concession activity.</p> |
| <p>Project status</p> | <p>In progress The main project with a business plan was prepared.</p> <p>The investor is obliged, in accordance with the legal regulations, to carry out all the necessary actions in order to obtain a concession permit, as well as the approval of research (which, among other things, also includes soil drilling). These activities realistically require 6 months, when the research would officially begin.</p> <p>The Ministry of Agriculture, Forestry and Water Management of the ZEDO Canton sent a request to the Municipality of Usora for a statement on whether this project and exploitation can be treated as of social public importance on July 16, 2024.</p> <p>The municipality of Usora voted a positive opinion on the project at the municipal council.</p> <p>Based on that, the aforementioned ministry issued a Decision on the formation of a concession awarding commission on September 12, 2024.</p> <p>After the concession has been awarded, the Contract is concluded and the next activity is to obtain approval from the Federal Ministry for the valuation of wells and geo-surveys at the specific location.</p> <p>After the research is completed, the time required to complete the building with accompanying capacities is up to 12 months. The exploitation activity would start in a rough estimate in 1.5 years from the beginning of the activity.</p> |
| <p>Description of the project</p> | <p>In addition to the above as information about the investor, it is important to point out that Ćosićpromex doo for the needs of the "Spa Treatment and Rehabilitation Center" financed the purchase of land from its own funds, as well as the construction of a specially designed building (current construction phase). In order to start the concession activity, work on the completion of the building continues with timely preparation for the adequate use of all parts of the building.</p> <p>The ĆOSIĆ PROMEX company, within the framework of its business activities, and in accordance with its development strategy, after the analyzes and results of preliminary research on the existence of thermomineral water, undertakes business ventures in the sense of starting a project for the construction and realization of a health facility of the type "Spa spa and rehabilitation center" in order to provide health services for citizens .</p> <p>General information about resources: Location: Žabljak bb, Usora 74320, municipality of Usora, ZE-DO Kanton Building: Business building, 1/4 basement + ground floor + first floor Dimensions: L-shaped in plan: 36x14.3+17.7x13.3 Total usable area: basement + P + 1 = 1430.67 m2 Land area: 5185 m2</p> |



Ownership structure of land and building: 1/1 ĆOSIĆPROMEX doo

Permits: Building and land with all necessary permits for work

Benefits / possibility of public interest.

In order to start the concession activity project, a main project with a business plan was prepared, according to which the phases are divided into:

- Purchase of land,
- Construction of a purpose-built facility (currently under construction phase)
- Preliminary work necessary for the purpose of research and verification of the alignment of the topographical base with maps of thermomineral waters and Bosnia and Herzegovina
- Creation of an economic justification study for the research and exploitation of thermomineral water
- Self-initiated request for granting a concession
- Hydrogeological and geophysical research of the microlocation
- Signing the concession contract
- Completion of the facility for concession activities (with pumping station and reservoir)
- Procurement of medical equipment and provision of employees of the medical profession with adequate professional training and experience in the field of medicine, which includes the concession activity
- Marketing activities

Conceptual solution

Considering the existing building and plot owned by the company Ćosićpromex doo, the conceptual solution is reflected in the construction of a reservoir and a pumping station (option 1) or a reservoir without a pumping station if artesian pressure were to be established (option 2) for the exploitation of thermo-mineral water.

By dividing the installation by facility, and in accordance with all the necessary technical and safety aspects, the exploitation or concession activity would be "Spa spa with rehabilitation center".

Apart from the concession activity itself, this natural resource would also be used for heating the building itself.

The conceptual project solution of the facility provides for the satisfaction of all the necessary contents of the Spa treatment and rehabilitation center. The reception department, rooms for the medical staff, rooms for the provision of medical services, rooms for patients undergoing hospital treatment, supporting spaces such as a space for medical storage (medicines and other medical equipment), a dining room, a laundry room and a space for technical equipment with storage.

Analysis of supply and demand

The analysis of the currently available capacities of a similar or identical character as the "Spa Treatment and Rehabilitation Center" Źablajk, Usora Municipality established that the following Spas with thermal mineral waters exist in the wider locality: Banja Vrućica-Tesić, Banja Kulaši, Terme-Bazeni Gračanica, as well as the



exploitation of thermal mineral water of water at the Ciguše Bare location in Sočkovec, Petrovo municipality, but which has not been put into the function of spa treatment and center for rehabilitation, such as the conceptual project of the investor's concession activity.

Therefore, in the wider region of Zenica - Dobož canton and part of the RS, by starting this "Center", the offer would be practically unthreatened from the aspect of the distance of similar Centers and the number of inhabitants who gravitate to the said area.

It is important to mention that the offer, according to the proposed project, is the provision of "Spa treatment and rehabilitation center" services based on the principle of medical treatments in specially designed rooms and "bathtubs", not in open pools. In this way, spa treatment services have a completely different characteristic, which is reflected in the maximum attention and dedication to the individual patient-user, in which way the quality of services and treatment would be at an enviable level, and the satisfaction of the "privacy" aspect is indispensable.

The goal of the investor is not to base himself on the market of the Zenica-Dobož canton and part of the RS, but rather to conquer the market and users from all over BiH with its quality in a very short period of time.

Also, an indispensable potential of the possible demand for the services of this concession activity is the numerous sports clubs and associations that have a need for this type of service almost every day.

Analysis of sales and sales prices

As stated in the Supply and Demand chapter, the conceptual project of the concession activity envisages the provision of medical services "Spa Treatment and Rehabilitation Center", which specifically entails:

- Outpatient medical services (according to the principle of a day hospital)
- Physiatric - rheumatological rehabilitation (principle of day hospital and boarding treatment)
- Rehabilitation of limited-semi-mobility (principle of day hospital and boarding treatment)
- Balneo therapy - Thermomineral baths (principle of day hospital and boarding treatment)
- Rehabilitation treatment of sports injuries (based on the principle of boarding treatment)

According to the available data, a calculation was made that the return time of invested funds through the performance of concession activities would be a minimum of 6 years.

From the aforementioned facts, separately from the concession activity "Spa treatment and rehabilitation center", without considering the company "Ćosićpromex" doo as a grouping of several separate units - business activities, it can be concluded that the concession activity has all the prerequisites for



| | | |
|---|---|---|
| | <p>maintaining liquidity. The following accounting forms were used for the budgets:</p> <ul style="list-style-type: none"> • current liquidity ratio (cash + short-term financial assets / short-term liabilities) • current liquidity ratio (current assets / short-term liabilities) • coefficient of financial stability (long-term assets / capital + reserves + long-term liabilities) <p>This implies that after all the necessary initial investments, the activity itself has the ability to respond to the requirements of profitable business, to respond to all due obligations. From all budgets in the main project from the start of work until the sixth year, the liquidity rating is "medium liquid" business entity. From the sixth year onwards, the return of the invested funds is expected in full.</p> | |
| Estimated total investment cost | <p>Investment dynamics based on term plan and purpose</p> <p>investment so far in the initiation of the concession activity project, that is, until the preparation of the Study and the submission of the self-initiative request, for the purchase of land and the construction of a purpose-designed building (rohbau phase of construction) are in the amount of approximately 1.4 00,000.00 KM.</p> <ul style="list-style-type: none"> - The costs of creating a study, research and submitting a self-initiated request until the granting of a concession and drilling approval are in the amount of approx. 1.700.000,00 KM. - The costs of completing the facility for the purpose - concession activities are in the amount of approx. 1.300.000,00 KM (taking into account the existing own construction operations) - The costs of purchasing the necessary medical equipment are in the amount of approx. 1.500.000,00 KM - Therefore, the total investments up to the very start of the concession activity project are in the amount of 4.500.000,00 KM, not counting the previous investments. | |
| Inputs provided by local partner | Value | Description |
| | 55% of the total funds | Land, specially designed facility and financial resources |
| Required inputs from partners | Value | Description |
| | 45% of the total funds | Financial resources, equipment and more |
| Form of cooperation with a foreign partner | Financially | technical |
| | Joint venture and other forms of cooperation in agreement with a foreign investor | |
| Supporting information available | For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080 | |