

# Health-improving and tourist complex Verkh-Katun in East Kazakhstan oblast

## Tourism

### Project description:

Construction of a health-improving and tourist complex Verkh-Katun in the Katon-Karagai region of the East Kazakhstan oblast. Project will create 16 additional workplaces.

### Location:

East Kazakhstan oblast, Katon-Karagai region, Aksharbak village

### Initiator:

Verkh-Katun LLP - has its own farm for breeding marals, based on a small hotel complex provides pantotherapy services.

### Provided services and potential clients:

The room fund includes 50 standard rooms; 4 junior suites and 4 suites. The target market of the resort is lovers of recreational tourism and nature living in the country and abroad.

### Advantages:

- An ecologically favorable area with unique nature, high mountain climate and clean air;
- A wide range of entertainment to cover the interests of all segments of visitors;
- The presence of a large land plot will allow expanding the area of the LOK and the range of services.

### Types of services provided on the territory of the complex

- Hotel complex for 58 rooms
- Medical block. Providing pantotherapy services
- Other services. Services for the organization of hunting and fishing.

### Investment attractiveness of the Project

Indicator	Results
Investment amount, US\$ thous.	5,478
Project NPV, US\$ thous.	3,121
IRR, %	19.3%
EBITDA yield, %	61%
Payback period, years	6.96
Discounted payback period, years	11.85

### Investment structure



Construction and assembly work

50%

\$2.7 mln



Machinery and equipment

50%

\$2.7 mln

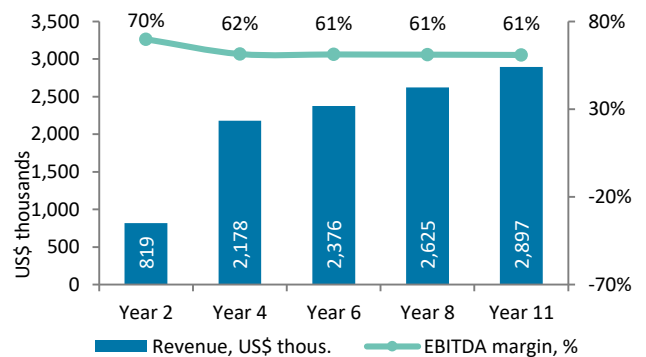
### Prerequisites for implementation of the Project

**Growing demand for tourism services.** Since 2015, the number of domestic tourists has risen more than 200 times from 30 thousand people up to 8 587 thousand people, while the number of outbound tourists has hardly changed over the past five years.

**Growth of attendance at resort areas of the RK.** In 2019, 1,239 thousand people stayed in tourist accommodation places. The average annual growth rate of this indicator for 2015-2019 amounted to 24%. Moreover, the closure of borders connected with the COVID-19 pandemic could contribute to the development of domestic tourism in the country.

**Year-round offer and attractive location.** An attractive location for a year-round offering, including hotel accommodation, recreational activities (antler therapy, aquatherapy), hunting, fishing and hiking. Katon-Karagai State National Natural Park is an ecologically clean area with picturesque landscapes with trails, waterfalls and rich flora and fauna.

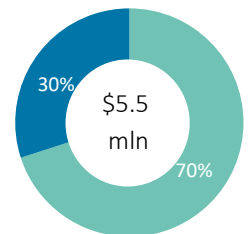
### Project Profitability



### Financing structure

Debt financing subject to collateral  
70% (\$3.8 mln)

Participation of the Investor  
from 30% (\$1.6 mln)



The proposed financing structure is indicative, the final financing and Project participation structures will be determined based on the results of negotiations with the Investor.