KÖNIGSWART

EUROPEAN HEALTH, LONGEVITY & MEDICAL SPA DESTINATION







LÁZNĚ KYNŽVART

CZECH REPUBLIC

PRELIMINARY

INVESTMENT & DEVELOPMENT MEMORANDUM

SEPTEMBER 2026





~1,000 BEDS
ACROSS HOTEL ROOMS, SUITES & RESIDENCES

MEDICAL & LONGEVITY
PREVENTIVE MEDICINE, REHABILITATION, AESTHETIC & WELLNESS

CULTURE & CONGRESS
2,000-SEAT VENUE, EVENTS, CONFERENCES, SOCIAL & CULTURAL LIFE

NATURE & HEALTH
HEALING ENVIRONMENT, THERMAL RESOURCES, SUSTAINABLE DESIGN

STRONG PARTNERSHIP
STATE LAND SUPPORT, INTERNATIONAL CAPITAL, PROFESSIONAL OPERATIONS

A NEW CHAPTER IN A HISTORIC LEGACY • BAD KÖNIGSWART SINCE 1793

BAD KÖNIGSWART

PRELIMINARY INVESTMENT & DEVELOPMENT MEMORANDUM

PROJECT SCALE	CURRENT WORKING PARAMETER
Building footprint	~18,000 m² / 1.8 ha
Usable / total floor area	~38,000 m² usable / ~48,000 m² total incl. technical areas and garages
Accommodation	~500-600 rooms, suites and residences / ~1,000-1,200 beds
Medical infrastructure	~15 consultation rooms + diagnostics, treatment/procedure, rehabilitation and other clinical facilities
Indicative CAPEX	CZK 5-7bn, excluding material land acquisition cost
Land	State-retained; near-nominal long-term bankable land consideration assumed as an investment incentive, subject to law and transparent structuring

Preliminary investment memorandum. Not an investment offer, prospectus, valuation, legal opinion or financing commitment. All financial figures are scenario assumptions pending independent feasibility, operator validation, legal due diligence and quantity surveying.

1. Executive Investment Thesis

KÖNIGSWART is conceived primarily as an integrated medical, diagnostics, longevity, preventive-health and rehabilitation destination. Hospitality is essential infrastructure for multi-day and multi-week programmes, but it is not the principal economic thesis. The project is designed around revenue per patient / guest and revenue per occupied guest-day rather than conventional hotel RevPAR alone.

Primary value creation: medical and longevity programmes, advanced diagnostics, preventive medicine, rehabilitation and specialised healthcare.

Supporting value creation: accommodation, wellness/spa/balneology, nutrition and F&B, culture/congress/events, memberships, retail and complementary services.

International benchmark: the integrated medical-longevity operating logic exemplified by Clinique La Prairie. No operator or brand appointment is assumed.

The project is conceived as an anchor for the long-term regeneration and international repositioning of Lázně Kynžvart, not as an isolated hotel or clinic.

2. Development & Ownership Architecture

The proposed financing structure is deliberately more granular than a conventional PropCo / OpCo split. It combines state-retained land, a master development vehicle, individually saleable investment accommodation, institutional ownership of strategic common/medical assets, and specialist operating companies.

Layer	Principal role	Economic logic
State / land owner	Retains strategic land; grants long-term bankable land right	No material land purchase CAPEX; incentive linked to private investment and long-term use obligations
Development SPV / Master Developer	Permits, construction, financing, unit sales, common infrastructure	Development margin and recycling of capital through off-plan / completed unit sales
Individual Unit Owners	Own selected suites/apartments, potentially with parking rights	Rental-pool income net of service/management costs + limited owner use subject to operating rules
Institutional PropCo	Owns strategic non-unitised real estate: medical, spa, promenade, event/common infrastructure and/or retained accommodation	Long-duration operational real-estate exposure
Medical / Longevity OpCo	Diagnostics, longevity, rehabilitation, specialist healthcare	High-value clinical/programme revenue and operating margin
Hospitality / Rental-Pool Operator	Reservations, housekeeping, concierge, rental pool, guest services	Management fees and integrated control of accommodation inventory

3. Medical Platform - Centres of Excellence

Centre	Illustrative service scope	Base-case treatment
Longevity & Preventive Medicine	Physician-led programmes, executive health, prevention, personalised pathways	Core
Advanced Diagnostics & Genomics	Laboratory/imaging pathways, genomics/DNA-related screening, preventive oncology screening	Core after pricing/operator validation
Rehabilitation & Recovery	Orthopaedic, post-operative, respiratory, dermatological and other rehabilitation	Core
Metabolic & Reproductive Health	Diabetes/metabolic medicine; reproductive medicine/IVF	Conditional on licensing, partner and demand validation
Aesthetic Medicine & Dentistry	Dermatology, plastic/aesthetic medicine, hair restoration, restorative/aesthetic dentistry and implantology	Conditional on clinical and market validation
Oncology Prevention & Recovery	Screening, prevention, supportive/recovery pathways; treatment only where licensed and partnered	Conditional
Microbiome / Novel Therapies	Evidence-based, legally permitted indications only	Excluded from Base Case until regulatory and clinical validation

No experimental or unapproved therapy is relied upon to make the Base Case work. Specific patented or novel treatments enter underwriting only after evidence, licensing, responsible medical-partner and commercial validation.

4. Stabilised Operating Underwriting

Scenario	Revenue	EBITDA margin	EBITDA	EBITDA/CAPEX 5bn / 7bn	Simple CAPEX payback 7bn / 5bn
Downside	CZK 1.45bn	25%	CZK 363m	7.3% / 5.2%	19.3y / 13.8y
Base	CZK 1.95bn	30%	CZK 585m	11.7% / 8.4%	12.0y / 8.5y
Upside	CZK 2.55bn	34%	CZK 867m	17.3% / 12.4%	8.1y / 5.8y

Simple CAPEX payback is EBITDA-based, not equity payback or IRR. It excludes tax, debt service, maintenance CAPEX, working capital, ramp-up losses and terminal value.

5. Base-Case Revenue Architecture

Revenue stream	CZK m	Share
Medical & longevity programmes	620	31.8%
Advanced diagnostics / screening	250	12.8%
Rehabilitation / therapy	230	11.8%
Specialised outpatient / procedural medicine	180	9.2%
Accommodation / rental-pool operating revenue	260	13.3%
Wellness / spa / balneology	125	6.4%
Food & beverage / nutrition	120	6.2%
Culture / congress / events	85	4.4%
Memberships / retail / other	80	4.1%
TOTAL	1,950	100.0%

Medical, diagnostics, rehabilitation and specialised medicine account for approximately two-thirds of illustrative Base-Case revenue. Accommodation is deliberately not the dominant value driver. The final model must be rebuilt bottom-up from patient cohorts, annual clinical capacity, programme prices, procedure throughput, length of stay, payer mix and operator economics.

6. Operating Cost & EBITDA Build - Base Case

Y5 stabilised Base Case	CZK m	% revenue
Revenue	1,950	100.0%
Clinical payroll, physicians, therapy & consumables	470	24.1%
Hospitality & resort payroll	220	11.3%
F&B cost of sales	55	2.8%
Sales, international distribution & marketing	105	5.4%
Energy / utilities	85	4.4%
Maintenance / operating supplies	95	4.9%
Admin / IT / insurance / compliance / other	135	6.9%
Operator / brand / management allowance	100	5.1%
Clinical governance / lab outsourcing / other direct costs	100	5.1%
TOTAL operating cost	1,365	70.0%
EBITDA	585	30.0%

7. Development CAPEX Envelope

CAPEX category	Illustrative range (CZK m)
Saleable / rental-pool accommodation & parking allocation	2,500-3,200
Medical / longevity / diagnostics / clinical	900-1,250
Wellness / spa / pools / rehabilitation	450-650
Culture / congress / social / media-capable venue	250-400
F&B / public areas / covered promenade	250-400
Infrastructure / retained parking / landscape	350-550
Design / pre-development / technology / contingency	300-550
TOTAL	5,000-7,000

The allocation is illustrative and intentionally separates the potentially saleable accommodation/parking component. An independent QS cost plan must confirm both total CAPEX and the cost attributable to unitised inventory.

8. Hybrid Condo-Resort Financing Strategy

The core financing concept assumes that a material part of accommodation is sold as individually owned investment suites/apartments, potentially bundled with or allocated parking rights, while remaining within a professionally controlled resort rental system. The purpose is to recycle development capital and reduce the permanent institutional equity requirement without weakening operational control.

Illustrative unit-sales case	Low	Base	High
Units sold	300	400	450
Average gross sales price / unit incl. allocated parking value	CZK 2.5m	CZK 3.0m	CZK 3.5m
Illustrative gross unit-sales proceeds	CZK 0.75bn	CZK 1.20bn	CZK 1.58bn
Share of 6.0bn midpoint CAPEX	12.5%	20%	26.3%

Revised pricing assumption: CZK 2.5-3.5m per unit; Base Case CZK 3.0m. Pricing is deliberately capped at CZK 3.5m pending independent local market/absorption validation.

These are financing sensitivities, not sales forecasts. Gross proceeds are not equal to cash available for construction: VAT/tax treatment, sales commissions, marketing, financing, fit-out/FF&E, escrow, buyer protection, completion obligations and development margin must be modelled separately.

9. Rental-Pool / Unit-Owner Economics

The investor proposition is ownership of a specific real-estate unit combined with professional resort management, not a guaranteed financial product. The rental-pool agreement must preserve adequate room availability for medical programmes and define owner-use limits, service charges, FF&E reserves, operator fees, maintenance standards and distribution mechanics.

Illustrative owner economics	Example only
Purchase price	CZK 3.0m
Illustrative annual gross room/rental revenue attributable to unit	CZK 330k
Less operating / rental-pool / distribution / housekeeping costs	(CZK 120k)
Less service charge / maintenance / FF&E reserve	(CZK 60k)
Illustrative net distributable income before owner tax/finance	CZK 150k
Illustrative net yield on purchase price	5.0%

No guaranteed yield is assumed. The final owner return must be based on audited rental-pool mechanics, occupancy, achieved rates, service charges, operator fees, reserve policy, taxes and financing. Consumer/investor marketing must comply with applicable Czech/EU law.

10. Operational Control Safeguards

Do not sell the entire accommodation inventory unless the rental-pool documentation gives the operator reliable availability for medical clients.

Preferred structure for feasibility testing: approximately 300-400 saleable units with a meaningful retained inventory, or an equivalent mandatory/long-term rental-pool structure.

Owner-use periods should be capped and coordinated around peak medical demand.

Uniform design, FF&E replacement, maintenance and service standards must remain under operator/master-community control.

Change-of-use, short-term independent letting and incompatible alterations should be contractually restricted where legally permissible.

11. Land Structure - Strategic State Incentive

The underwriting assumption is that the investor does not purchase the strategic land. The Czech state retains ownership and grants the project vehicle a long-term, bankable land right - potentially a right to build, long lease/pacht or hybrid structure - at near-nominal consideration against a multi-billion-crown private investment commitment.

Public-side principle	Private-side counter-performance
State retains land ownership	Private capital finances development and bears development/commercial risk
Long-term bankable land control, potentially up to 99 years where legally available	Construction milestones and minimum investment obligations
Near-nominal / highly preferential consideration assumed	Long-term medical/spa use, operation and maintenance obligations
Reserved matters / use restrictions / reversion / step-in protections	Reporting, compliance, unit-sale framework and change-of-control restrictions

'Almost free land' is an underwriting assumption, not an agreed concession. Any preferential consideration must be transparently justified and legally assessed under Czech state-property, competition/procurement and state-aid rules. The financial model assumes zero material land acquisition CAPEX.



12. Capital Structure - Two Cases

Funding source	A: No Unit Sales (6.0bn CAPEX)	B: Hybrid Base (6.0bn CAPEX)
Gross unit-sales proceeds	0	1.2bn
Senior construction / investment debt	2.4bn (40%)	1.8bn (30%)*
Institutional / sponsor equity	3.6bn (60%)	3.0bn (50%)*
TOTAL SOURCES	6.0bn	6.0bn

**Illustrative only. Timing matters: unit-sale deposits/proceeds may not be fully available before completion and may require escrow or lender-controlled release. The hybrid case therefore requires a monthly construction cash-flow model, bridge facilities and presale-release assumptions.*

13. Why the Hybrid Case Can Be More Attractive

Potentially CZK 0.75-1.58bn of gross unit-sale proceeds can recycle development capital rather than leaving the full CAPEX permanently funded by institutional equity and debt.

Land acquisition CAPEX is assumed to be immaterial because the state retains the land.

Permanent institutional capital can concentrate on strategic retained assets and the medical/longevity platform rather than all accommodation inventory.

Medical and diagnostics revenue remains the principal long-term operating thesis; unit sales are a development-financing engine, not a substitute for viable operations.

Successful unit sales can create development margin in addition to recurring operating EBITDA, but this margin is not included in the current Base-Case EBITDA.

14. Institutional Investor Role

An institutional investor such as a European real-estate / operational-real-estate manager could participate at Development SPV and/or retained PropCo level, provide credibility to lenders and unit buyers, and retain exposure to strategic medical, wellness, public and selected accommodation assets. The preferred structure should be determined by the investor after legal, tax, operator and market due diligence.

The key investment question is therefore not whether an institution must finance the entire CZK 5-7bn project. It is whether institutional capital can anchor a structure in which state land support, senior debt, unit-sale proceeds and specialist operating capital together produce an attractive risk-adjusted return.

15. Value-Creation Sensitivity

Stabilised EBITDA	6.5% yield	7.5% yield	8.5% yield
CZK 450m	6.92bn	6.00bn	5.29bn
CZK 585m	9.00bn	7.80bn	6.88bn
CZK 700m	10.77bn	9.33bn	8.24bn
CZK 850m	13.08bn	11.33bn	10.00bn



16. Key Investment Gates

Gate	Required deliverable
Land / legal	Cadastral, zoning, environmental, spa-resource and state-property DD; bankable land right; unitisation/right-to-build feasibility
Unit-sales feasibility	Legal structure, title mechanics, parking rights, presale rules, escrow, consumer/investor protection and absorption study
Medical concept	Clinical service catalogue, licensing map, evidence/claims policy and Centres of Excellence
Operator / partners	Medical-longevity operator strategy, hospitality/rental-pool operator and Czech clinical partners
Market	Independent medical demand/pricing study plus DACH/CEE investor-unit sales study
Space programme	Retained vs saleable inventory; room mix; medical/diagnostic/rehab capacity; BOH and technical programme
CAPEX	Independent QS cost plan separating saleable-unit cost and retained-asset cost
Financial model	Monthly development cash flow + 15-20y operating model; tax, debt, presales, working capital, maintenance CAPEX and exit
Hydrogeology	Protection of natural healing resources, groundwater regime and construction impacts

17. 120-Day Feasibility & Transaction Programme

Workstream	Decision output
1. Site / land / planning / legal DD	Proceed / stop; define bankable state-land and unit-title structure
2. Unit-sales / absorption study	Validate 300-450-unit sales range, pricing, buyer markets and sales velocity
3. Medical operator & partner sounding	Define Medical OpCo and clinical partner structure
4. Hospitality / rental-pool structuring	Define operator control, owner-use, fee and reserve mechanics
5. International medical demand & pricing study	Validate patient cohorts, programme pricing and acquisition channels
6. Masterplan + detailed area schedule	Freeze retained vs saleable inventory and medical capacity
7. Independent CAPEX report	Confirm / rebase CZK 5-7bn envelope and unitised cost
8. Integrated financial model	Calculate development profit, permanent capital need, DSCR, equity IRR, equity multiple and downside cases
9. Public transaction framework	Confirm bankability, transparency, state-aid/competition and long-term obligations
10. Investment Committee	Approve phased investment / feasibility continuation / reject

18. Preliminary Investment Committee View

The hybrid structure materially strengthens the potential financing logic of KÖNIGSWART. At a CZK 6.0bn midpoint development cost, an illustrative CZK 1.2bn of gross unit sales would equal 20% of project CAPEX before sales costs, taxes, timing effects and reserves. This can reduce permanent institutional capital requirements while preserving the long-term medical/longevity operating thesis.

The current Base Case of CZK 1.95bn stabilised revenue and CZK 585m EBITDA remains a scenario, not an investable forecast. Its credibility must be established bottom-up from medical capacity, patient volumes, programme pricing and operator economics. Likewise, the unit-sales case must be validated by an independent absorption and pricing study.

If both engines are validated - (i) a high-value medical/longevity operating platform and (ii) a legally robust, marketable investment-unit programme - the project could offer three distinct sources of value: development margin/capital recycling, recurring medical and hospitality EBITDA, and long-duration retained real-estate value.

19. Final Positioning

KÖNIGSWART is not underwritten as a hotel with a clinic attached. It is conceived as a medical and longevity destination financed through a hybrid of state-retained land, institutional capital, senior debt and individually owned professionally managed accommodation. The accommodation supports both the clinical ecosystem and the development financing; the long-term economic engine remains healthcare, diagnostics, rehabilitation, longevity and related services.

20. Status & Disclaimer

All figures are preliminary scenario assumptions, not forecasts, guarantees, investment recommendations or commitments. No state land concession, operator appointment, Clinique La Prairie agreement or institutional investment is assumed agreed. The memorandum must be updated through independent legal, medical, market, cost, tax and financing due diligence.

