

Unique Hotel Investment in Łódź

Investment Opportunity

October, 2023



Hotel Professionals
Advisory + Management Services



Introduction

Hotel Professionals has been retained on an exclusive basis by the current owner of the real estate (Aqua Park Łódź sp. z o.o.) to advise on the sale process of the plot of land (the **"Plot"**) designated for a hotel investment, attractively located in the city of Łódź.

Purpose

This confidential document has been prepared and is being delivered to prospective interested parties with the purpose of obtaining initial Letters of Intent for a purchase of the Plot. The condition for the transaction is a guarantee of developing the Plot with a hotel project, what will be secured in the final purchase-sale agreement (**"PSA"**).

The hotel parameters described in this document are provisional and may be adjusted to the needs of a final buyer, according to local requirements.

Confidentiality

This document has been prepared for the information of our Client and for presentation to relevant third parties. All holders of this document shall keep and treat it as such. It may not be published, reproduced or quoted in part or as a whole, nor may it be used as a basis for any contract, agreement or other document without our prior consent, which will not be unreasonably withheld.

Disclaimer

Hotel Professionals gives notice that particulars provided in this Teaser are set out as a general outline only for the guidance of intending entities and do not constitute any part of an offer or contract. Details are given without any responsibility and any intending entities or third parties should not rely on them as statements or representations of fact, but must satisfy themselves by inspection or otherwise as to the correctness of each of them.

Project Profile

High interest of the largest hotel chains in providing franchise or management agreement

**5 LETTERS OF INTENT
ALREADY SECURED**

Initial parameters*

Hotel

Category Standard

Midscale Hotel
3 - 3.5*

Number of rooms

ca. 110 standard rooms
ca. 35 family rooms
ca. 5 apartments

Total number of rooms

ca. 150

Average Net Area per Room

ca. 22 sqm

Total area of the building

ca. 5 700 sqm

Other functions

ca. 970 sqm
Restaurant, Lobby Bar, Roof Top Bar, Conference Space, Fitness

Parking units

ca. 75 under / above ground

*The parameters described above are provisional, however they are prepared based on experience and market intelligence of Hotel Professionals and constitute our initial recommendations for a potential hotel investment

Plot Overview

Address - 4, Unii Lubelskiej St, Łódź

Land area (total) - 10 000 sqm

Plot number - 44/21, 44/22

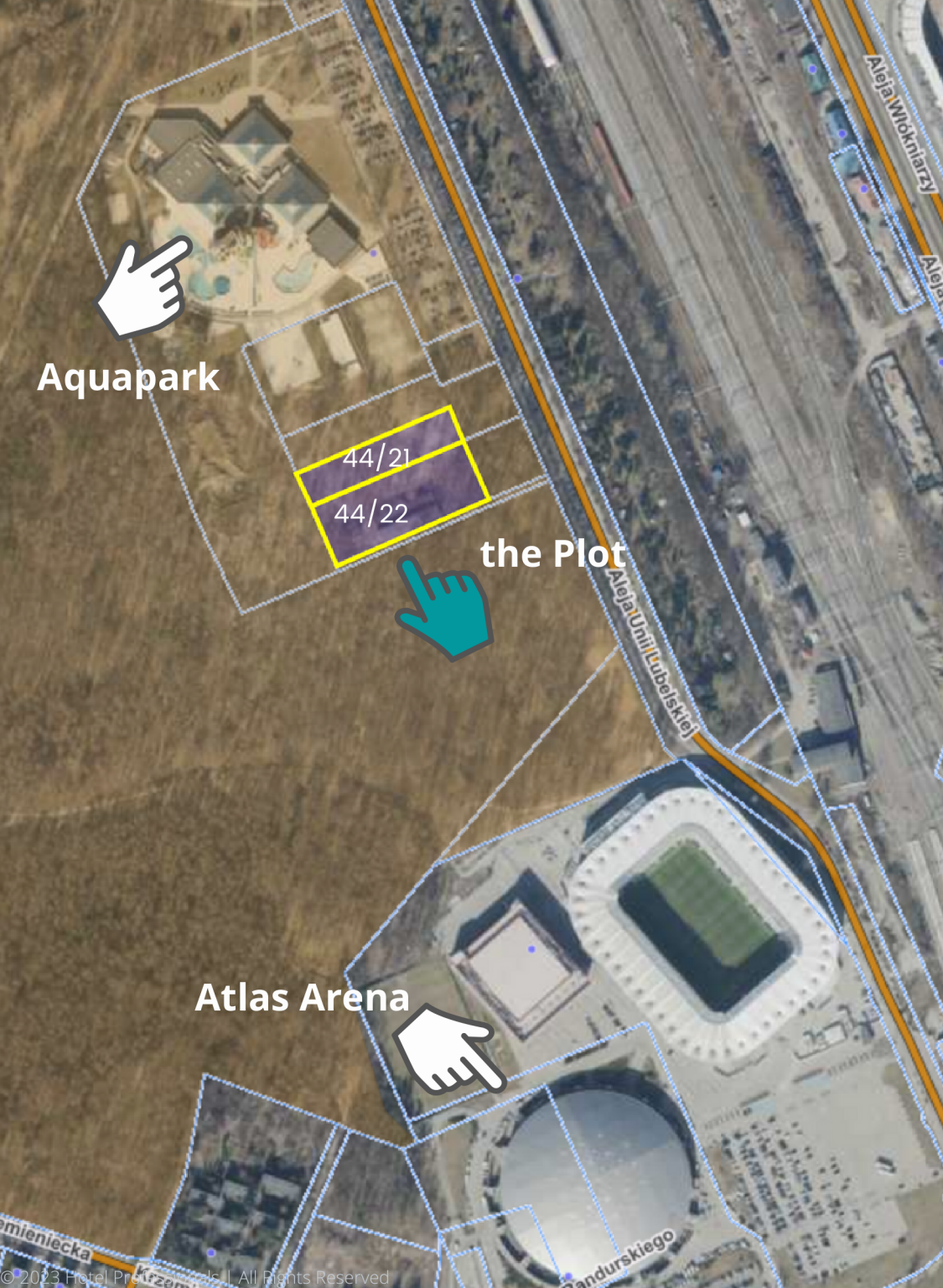
land and mortgage register - KW nr LD1M/00178206/6

Right to the property - ownership

Development - the property is currently developed with 2 old buildings - to be demolished

According to the current development conditions (Warunki Zabudowy) the hotel building may not be higher than 4 stories (22 m).

Municipal urban planning office is currently working on the masterplan for this part of the city. The owner indicates the possibility of amending the height of the building up to 25 meters.



Preliminary concept

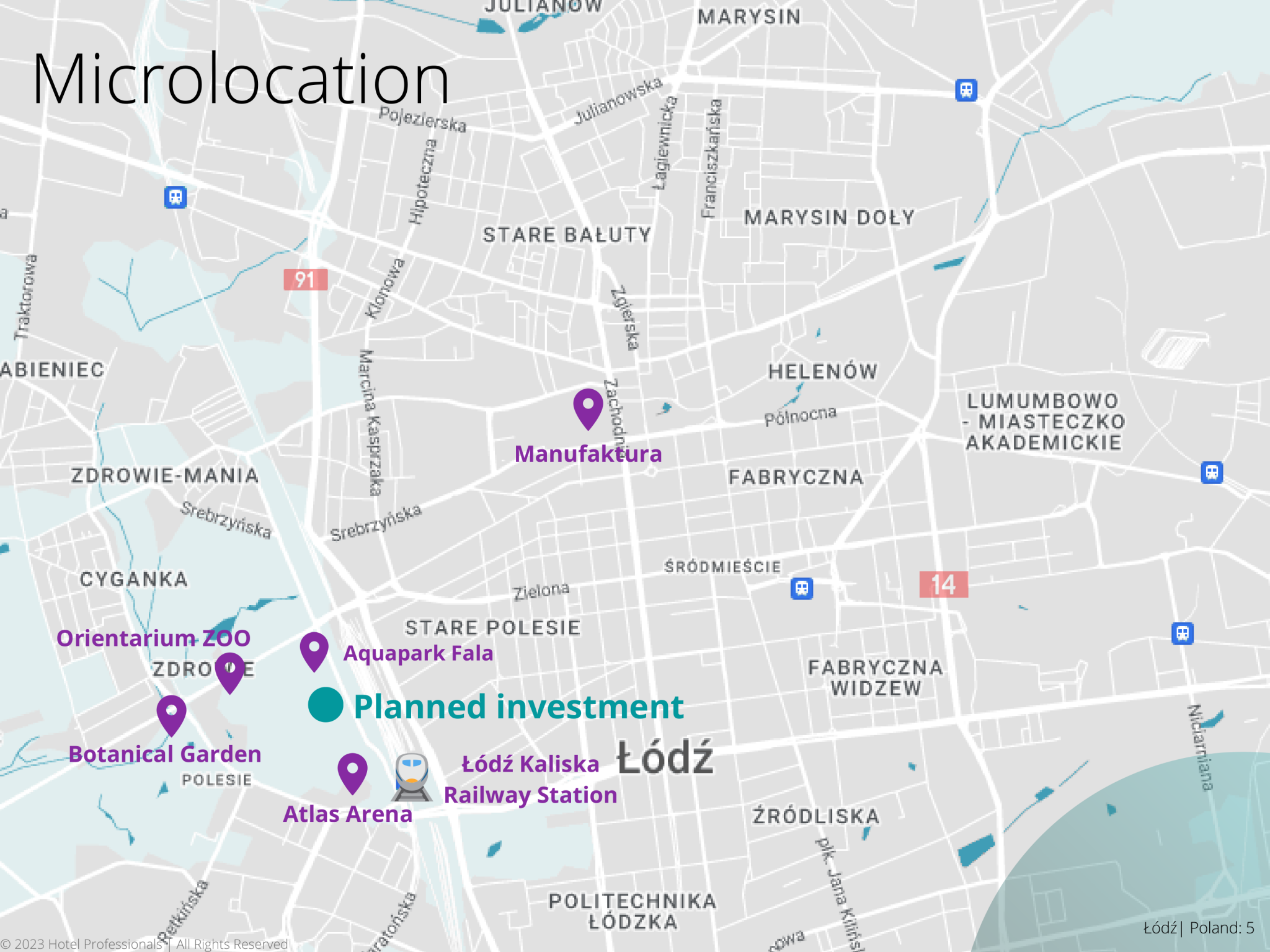


Hotel project

**Aquapark extension
project**

Existing aquapark

Microlocation



Investment Highlights

plot

Close proximity (750 m) to the Atlas Arena, one of the largest venues for organization of a variety of entertainment and sports events in Poland, established in 2009.

Atlas Arena is a venue where large conferences, congresses, trade fairs as well as concerts and major sport events (volleyball, basketball, track & field competitions, skating etc.) take place. In 2022, ca. **100 events** (including Women's World Volleyball Championship) were held at the Arena, attended by some **600,000 people**.

Direct vicinity and possible connection with **Aquapark Fala**, one of the biggest water parks in Poland, frequented yearly by ca. 1 mil visitors, with further expansion plans.

High interest of the largest hotel chains in providing franchise or management agreement

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Very close distance to other important demand generators like **Zoological Garden, Botanical Garden, City Stadium** and **Orientalium** - a modern complex presenting flora and fauna of Southeast Asia, including oceanic part that houses about 1,300 fish, which can be admired from the level of the largest underwater tunnel in Poland.

Location in green area of **Park na Zdrowiu**, the largest city park in the city (188 ha) creates a great potential for social events like weddings, anniversaries etc., also excellent for families visiting water park and the city.

Location only 5 minutes from **Łódź Kaliska** train station and direct vicinity of road 91 connecting Łódź with A1, A2 and S8 highways.

Public transportation close to the hotel, with access to main interest points in the city.

No competitive hotels in this part of Łódź.

Investment Highlights

city

Central location of Łódź in Poland and easy access by car or by train from all Polish major cities makes Łódź an excellent location for nationwide and international events. Travel time from Warsaw is approx. 1,15 hours.

Łódź Airport is located only 15 minutes from the hotel project. In 2023 airport will provide service to 335 k passengers.

Very well developed road infrastructure. Łódź is the first Polish city with full highway ring road.

Diversified offer of meeting facilities in special locations, landmark buildings and post-industrial revitalized objects.



The progressive revitalization of Łódź and its historical tenements and industrial buildings, the city's growing potential in the MICE sector, and the increasing number of tourists visiting Łódź are just some of the signs of city's dynamic transformation.

Active and effective promotion of the city carried out by Łódź Convention Bureau resulting in increasing demand for hotels and venues.

Łódź is a "young in spirit", dynamic city with an excellent educational and cultural offer. It is also a center of polish street art which adds a positive vibe to the city atmosphere.

The walls of more than 170 buildings in downtown Lodz are covered with large-format murals. They form the country's largest urban street art gallery. They attract the eyes of the world and are the Polish showcase of street art. Lodz's murals are among the most highly regarded around the world.

Macrolocation

Łódź

According to the Central Statistical Office of Poland (GUS), Łódź is populated by ca. 658 thousand people (April of 2023). Łódź's unemployment rate in Feb 2023 was at the level of 4.5% and was lower than Poland's average (5.5%) by 1.0 pp. The gross average remuneration in Łódź amounted to PLN 6,718 and the average remuneration in Poland was at the level of PLN 7,065.

Łódź is one of the largest urban centers in Poland. The greatest development of the city took place in the 19th century when Łódź became one of the most important locations of textile industry in Europe. For last several years, the city has been developing dynamically. New hotels are opening, entire blocks of the historic center are being revitalized, and in the heart of the city, on an area of 100 hectares, the New Center of Łódź is growing.

One of the main advantages of Łódź is its central location. The city is located both in the central part of Poland and in the heart of Europe, making "everywhere is close by". It has well-solved transport connections, so it is an ideal place to organize national and international events, congresses and conferences.

An additional advantage of the city is its wide range of high-class conference facilities, including special, historic and post-industrial venues. The offer of creative accompanying services is also at a high level. Łódź is a city still undiscovered by many. Its potential is evidenced by many large international events organized in the city for the last few years.

Łódź is a "young in spirit", dynamic city with an excellent educational and cultural offer. It is home to 28 universities, 26 museums, 16 theaters and hosts more than 40 annual festivals.



Macrolocation

Łódź

Łódź is the country's 4th largest city. Today, Łódź's economy is mainly based on the service industry, including primarily such sectors as trade, transportation, logistics, BPO, hospitality, information and communication. Many large international companies have relocated their branches to the city. Łódź is also a center of creative industries, related to art, culture, fashion, design, street art or photography. The city is one of the country's largest cultural and academic centers.

Established in 1997, The Łódź Special Economic Zone (LSEZ) is located at the intersection of two highways A1 (north-south) and A2 (east-west). There are two international airports located in the zone's territory (Warsaw and Łódź) and an extensive cargo rail network – these give the Łódź Special Economic Zone a huge logistic potential. Its strategic location, access to well-educated employees, as well as tax incentives, have placed the Łódź SEZ among the world's leading zones in the ranking prepared by the FDI Magazine. The LSEZ portfolio includes more than 400 investors, 150 Industry 4.0 startups, business partners and cooperating business-related institutions. The total amount of capital expenditure incurred by all companies operating in the Zone, since its inception until now is approx. PLN 23 billion. Total employment in the Zone: 75,000 jobs created, and leading sectors are household appliances, food processing, plastics processing, cosmetics and pharmaceuticals, IT / BPO.

The Central Transportation Port (CPK) is a planned interchange between Warsaw and Łódź, which will integrate air, rail and road transportation. The project, located ca. 90 kilometers from the center of Łódź, will see the construction of an airport on an area of 3,000 hectares, which will be able to handle 40 million passengers a year during the first stage. The investment also includes a new railroad central station, closely integrated with the airport. Railroad investments are one of the main parts of the project. For the Łódź region, it means the construction of 219 km of new railways and the modernization of 305 km of existing lines. 2 million residents of the area will be within reach of the new railways. Train travel time to Łódź from other Polish cities will be significantly shortened, e.g. from Warsaw - 0,5 hour.



Macrolocation

Poland



- Poland opened the list of 23 best destinations worth seeing in 2023, which was prepared by CNN.
- Poland with its population of ca. 38 mln people and administrative area of over 312,000 km² is strategically located in the centre of Europe.
- The unemployment rate published by Eurostat in March 2023 amounted to 2,8%, which was the second-lowest in the EU.
- Around 61% of the employed population works in the service sector, 31% in manufacturing, and 8% in the agricultural sector.
- As of 2023, Poland's economy and Gross Domestic Product (GDP) is the sixth largest in the European Union by nominal standards.
- Poland has also become the key destination in terms of political, military and commercial affairs, getting completely new and unique segment of travelers ("the shadow segment"), comprising in representatives of the NATO, EU, USA, NGO's, ambassadors and consulates, defence and military industry, intelligence, Ukrainian companies and construction related entities, who will take part in reconstruction of Ukraine ("The Shadow Segment")

Hotel Market

supply&demand

There are currently 36 hotels operating in Łódź. Of the approximately 3,200 hotel rooms, about 58% belong to hotel chains. There are no 5-star hotels in Łódź.

The market is dominated by rooms in the 4-star segment, which accounts for 40% of the city's room supply, while the 3-star segment accounts for about 36% of Łódź's total rooms supply.

Most hotels in Łódź are in the 3* category (17). The second largest number of hotels are properties in the 2* segment (9), followed by 4* with 8 hotels.

Last year city reached good level of occupancy (close to 60%). In 2021, occupancy oscillated at 37% for the full year. The opening of the Orientarium, sports events and concerts at the Atlas Arena attracted a record number of visitors - according to City Hall, Łódź was visited by almost 2.5 million tourists last year.

The autumn period of 2022 showed exceptional results with September's record occupancy of around 80%, while October closed with an occupancy level of around 76%. That's 30.8% and 21.2% higher than in the same months of 2021, respectively.

Importance of Łódź as tourist, meetings and business destination is on the rise. With continuing promotional activities of the city, Łódź due its location and offer is to become one of the most important destination in the country.

Information Clause

Aqua Park sp. z o.o.

T1. The personal data controller is Aqua Park Łódź Sp. z o.o., with its registered office in Łódź, at Unii Lubelskiej 4, registered in the register of entrepreneurs of the National Court Register maintained by the Łódź - Śródmieście District Court in Łódź, 20th Commercial Division of the National Court Register under KRS (National Court Register Number): 0000196146, NIP (Tax Identification Number): 7272616658.

2. The Controller has appointed a Data Protection Officer. The DPO can be contacted by e-mail rodo@aquapark.lodz.pl at or in writing at the registered address of the Controller.

3. The personal data of the persons who are Parties or representatives of the Parties are processed based on Article 6(1)(b) of the GDPR (processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract), or – in the case of the persons appointed for working contact and responsible for the coordination and performance of this cooperation – based on Article 6(1)(f) of the GDPR (processing is necessary for the purposes of the legitimate interests pursued by the controller), for the purposes obtaining Letters of Intent from potential investors, expressing interest in potential cooperation with the personal data controller.

4. We process the personal data of persons who are the Parties or representatives of the Parties to the following extent: first name, last name, business address, NIP and REGON, and we process the personal data of the persons appointed for working contact and responsible for the coordination and performance of the potential cooperation to the following extent: first name, last name, position, phone number, e-mail address.

5. The personal data may be provided to service providers engaged under an agreement to process the personal data for the purposes of the services provided to the Client and their authorised employees, in connection with the management of the contract. Personal data will only be available to recipients who reasonably require such data due to the tasks they perform and the services they provide as well as parties authorised under the law.

6. The personal data will be retained for the duration of the term of the cooperation, contract and the period required to establish, exercise or defend against claims connected with the performance of this contract. Providing the personal data is voluntary, but it is required for the execution and performance of potential cooperation with the personal data controller.

7. The persons appointed for working contact and responsible for the coordination and performance of the potential cooperation as well as the persons who are a Party or representatives of the Parties have the right to access the content of their data as well as the right to rectification, erasure, restriction of processing, data portability and the right to object. They also have the right to lodge a complaint to the President of the Office for Personal Data Protection if they consider that the processing of their personal data infringes upon the provisions of the GDPR.

8. The personal data of the persons appointed for working contact and responsible for the coordination and performance of the potential cooperation this have been provided in for the purposes obtaining Letters of Intent from potential investors, expressing interest in potential cooperation with the personal data controller.

9. The data will not be provided to a third country or international organisation.

10. The provided personal data will not be subject to automated decision-making, including profiling.