

ADIKIA



BELLEVUE
GRAND HOTEL • VYSOKÉ TATRY



Grand Hotel Bellevue **** is located in the heart of the High Tatras, in a place called Pecná Vyhliadka (Horný Smokovec). A wide range of hotel services will satisfy even the most demanding clients.

GRAND HOTEL BELLEVUE ****

1960-

was established as a result of a merger of two hotels -Šport and Bellevue. The history of the two hotels dates back to the 1960s. At the time of its opening, Hotel Bellevue was one of the most sought-after hotels not only in the High Tatras, but in the whole Czechoslovakia.

2017



Hotel Bellevue was the first hotel in the country to boast its own indoor pool. The hotel also served as an inspiration and a stunning background for several filmmakers. In 1969, some of the most iconic scenes of the now cult Czechoslovak film the "Copper Tower" were filmed in and around the hotel, while its roof served as a stage for Hovory H, a famous show full of intelligent humor starring Miroslav Horníček, Milan Lasica, Július Satinský, Janek Roháč and Vladimír Svitaček. The hotel served as a heaven for myriad important guests including Karel Gott, Věra Čáslavská, Eva Pilarová, Ján Ciker, Lucie Bíla, Helena Vondráčková, as well as Sparta Praha, Slovan Bratislava, several sports teams and stars and the well-known psychologist Dr. Plzák.

The well-preserved guest books feature names of special guests like the ambassadors of the USA, Great Britain and Ireland, presidents, the NATO committee, and well-known scientists. The pleasant family environment and kind staff made the hotel a household name which attracted many important artists, actors and singers.

The year 2017 saw the arrival of a new strategic investor. The Grand Hotel Bellevue has undergone an extensive renovation during which 114 above-standard Exclusive rooms were renovated and 10 new rooms were added. Different types of rooms, from classic double to family apartments and the DeLuxe apartment, will meet the needs of every guest.

The newly renovated congress hall with capacity of 900 people makes the hotel one of the largest congress centers in Slovakia. The technical equipment and services of the congress center

are ready to accommodate the needs of up to 1,200 congress participants at any given time.

The hotel has a state-of-the-art wellness spa with a floor area of 1,350 m². The wellness spa includes a 20 meters long swimming pool, whirlpools, a relaxation area and a sauna world with several different saunas. The herbal sauna has softer heat than the Finnish sauna with a temperature of 40 – 43 °C and an air humidity of 100%. It is suitable for those who have hard time enduring higher temperatures.

Salt sauna, ice cave and herbal sauna are becoming very popular as more and more people become aware of their health benefits. In addition to congress tourism, the needs of families with children and retail customers are increasingly coming to the fore as these clients make the majority of hotel guests. The hotel is becoming a popular and sought-after destination for family holidays, mainly thanks to the addition of two children's pools and a children's sauna. In the near future we plan to increase the capacity of zones for children. In case of bad weather, you can spend your free time using the hotel's fitness center, play squash, bowling, table tennis or work out in the spacious gym.

Travelling with your four-legged friends? We have set up brand new dog friendly EXCLUSIVE rooms on the ground floor with direct access to the grass. No more stress from leaving your dog with strangers or separation anxiety. Enjoy your adventures with your four-legged friend to the fullest! A bowl and a welcome treat in the room await each furry guest.

ADIKIA s.r.o. was established as a special purpose company for the purchase of 100% of the shares of GRAND HOTEL BELLEVUE a.s. from the group Druhá strategická a.s. The settlement of the transaction participants resulted in the subsequent division of shares in GHB - ADIKIA owns 56% of GHB and shareholders 2 and 3 own 32% and 12% of GHB respectively. In accordance with the shareholder agreement concluded between ADIKIA and the shareholder 2, we took over the revenues of 3.0 mil. EUR, EBITDA 0.8 mil. EUR and a profit of approx. 0.2 mil. EUR per year (mid-2017).

Without further investments (no major investments recorded after the last major investment of 2008), the company was losing market share as new competing projects took the market by storm, e.g. hotel Horizont in Stará lesná and Apartments Hrebienok. This share was lost despite clear competitive advantages of GHB like location, the largest conference hall in the country, high accommodation and parking capacity.

Vast investments (almost 5.0 mil. EUR) and the change in the concept (from a conference hotel with group tours packages to a hotel focusing on individuals and conference clients), the hotel re-entered the market with grandeur. Rooms, lobby and common areas have been refurbished and the wellness spa has been redesigned (the spa is now the most stylish space of its kind in the Tatras). Thanks to renovations and refurbishment, room and bed capacity increased, revenues reached astonishing 5.1 mil. EUR, EBITDA 1.6 mil. EUR and profit after tax 0.8 mil. EUR.

We reached these numbers in the year when the wellness spa as well as a large part of the rooms were

being renovated and the first and second waves of the pandemic were hitting hard. The investments will take full effect in the coming years.

ADIKIA is an SPV whose only significant asset is a 56% stake in GHB.

The cooperation of shareholders in GHB has reached its limits and the current shareholder situation is a hindrance to the company's development.

ADIKIA wants to issue bonds in the amount of 6.0 million EUR to pay off the second largest shareholder, Medzinárodný inštitút. After the purchase of the 32% stake, the management processes will become much simpler (so far, the consensual form of management has been applied which is often slow and holds major proposals back).

Despite that, GHB is able to grow organically without concentration of shares and simplification of the decision-making structure. However, its growth is limited.

From 2017 to 2021, we managed to increase the average occupancy rate despite the increase in the average price per room (except for months hit hard by pandemic measures imposed by the government) mainly thanks to quality improvement: new rooms, new services – wellness spa, ...

The hotel is able to bring even bigger revenues, show better EBITDA and bring profit. The hotel entered the current phase after major renovations in June 2020, however, due to the COVID measures, the hotel could not fully use its current potential.

While maintaining the current growth trend, the hotel expects to reach 70,000 overnight stays per year at an average room rate of 110 - 120 EUR in 2023 - 2024.

ABOUT ADIKIA

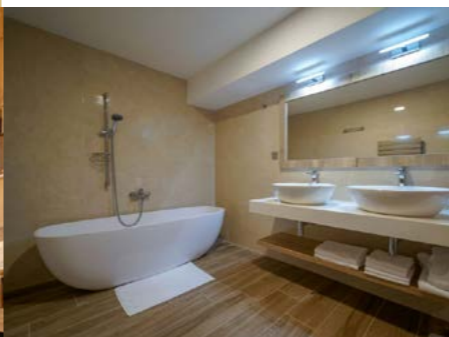
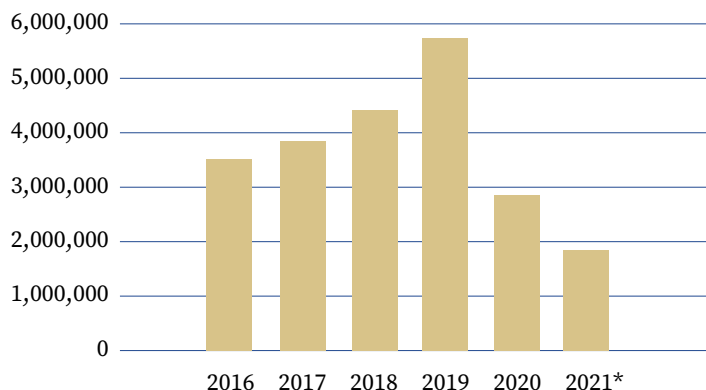


FIGURE 1

REVENUES (€)

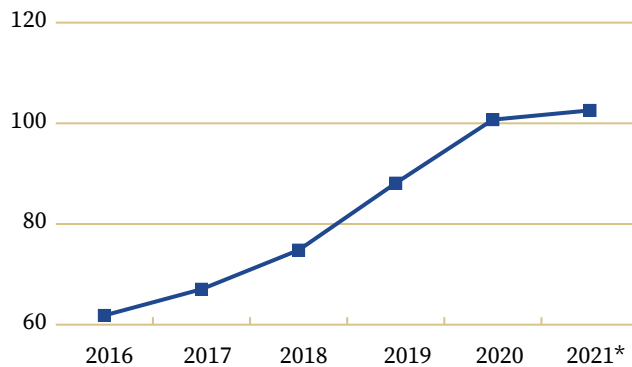
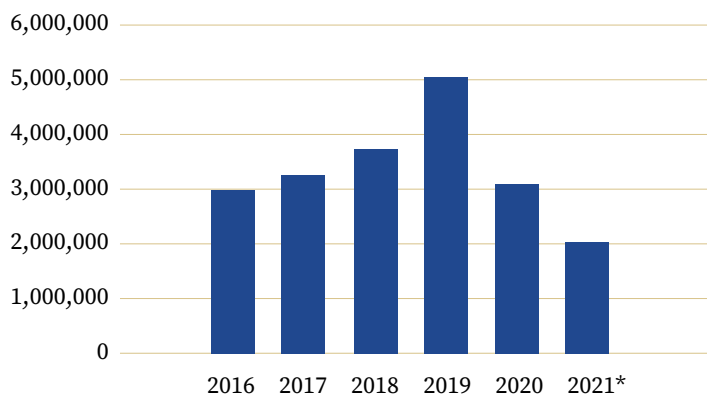


TAB. 1

OVERVIEW OF THE AVERAGE ROOM PRICE, AVERAGE AVAILABILITY AND REVPAR INDICATOR FOR THE PERIOD FROM 01/2016 TO 08/2021

	Average price (€)	Average occupancy (%)	No. of occupied beds	REVPAR	Revenues (€)	Price/ person (€)
2016	52.52	48.70	48,799	25.58	3,017,535	61.84
2017	57.40	50.20	49,046	28.81	3,287,885	67.04
2018	65.29	51.40	50,313	33.56	3,763,757	74.81
2019	90.19	55.90	57,838	50.42	5,096,555	88.12
2020	109.46	25.20	30,927	27.58	3,115,271	100,73
2021*	157.26	9.4	19,742	14.78	2,023,752	102.51

* data valid as of 08.2021



* data valid as of 08.2021

FIGURE 2

REVENUES (€)

FIGURE 3

PRICE/ PERSON (€)

BOND

Title	ADIKIA - GHB
ISIN	SK4000019345
Issue	6,000,000 €
Nominal value	2,000 €
Interest	6,5 % p.a.
Security	Security agent
Maturity	22. 09. 2027

More info at <https://dlhopis.com/dlhopis/adikia-grand-hotel>

FIGURE 3 COMMENTARY

The average revenue per person per night increased from 67.04 EUR in 2017 to 102.51 EUR in 2021. At the same time we managed to increase the number of overnight stays. Due to COVID-19 measures we focus on overnight stays for the month of July, an increase from 4,956 overnight stays in 2017 to 7,068 overnight stays in 2021. In the record month of August 2021, the average selling price per room without extras was 148.45 EUR compared to 54.16 EUR in 2017. The RevPar indicator, which evaluates the total selling price per room and occupancy reached in August 2021 the value of 106.90 EUR, which is a significant increase compared to 2017 (the difference of 39.86 EUR). This was achieved thanks to the increase in the quality of services provided (renovations and refurbishment of rooms, wellness spa areas).