



A direct investment in a development project

October 2019

Equity Rumia is another real estate based project offered by HREIT SA. By providing investors with the opportunity to purchase shares in a special purpose vehicle tasked with carrying out a residential investment in Tricity's Rumia, it enables them to participate in the development project in a direct, maintenance-free way.

The structure provides the means to achieving an attractive rate of return on the capital invested while simultaneously ensuring maximum security.



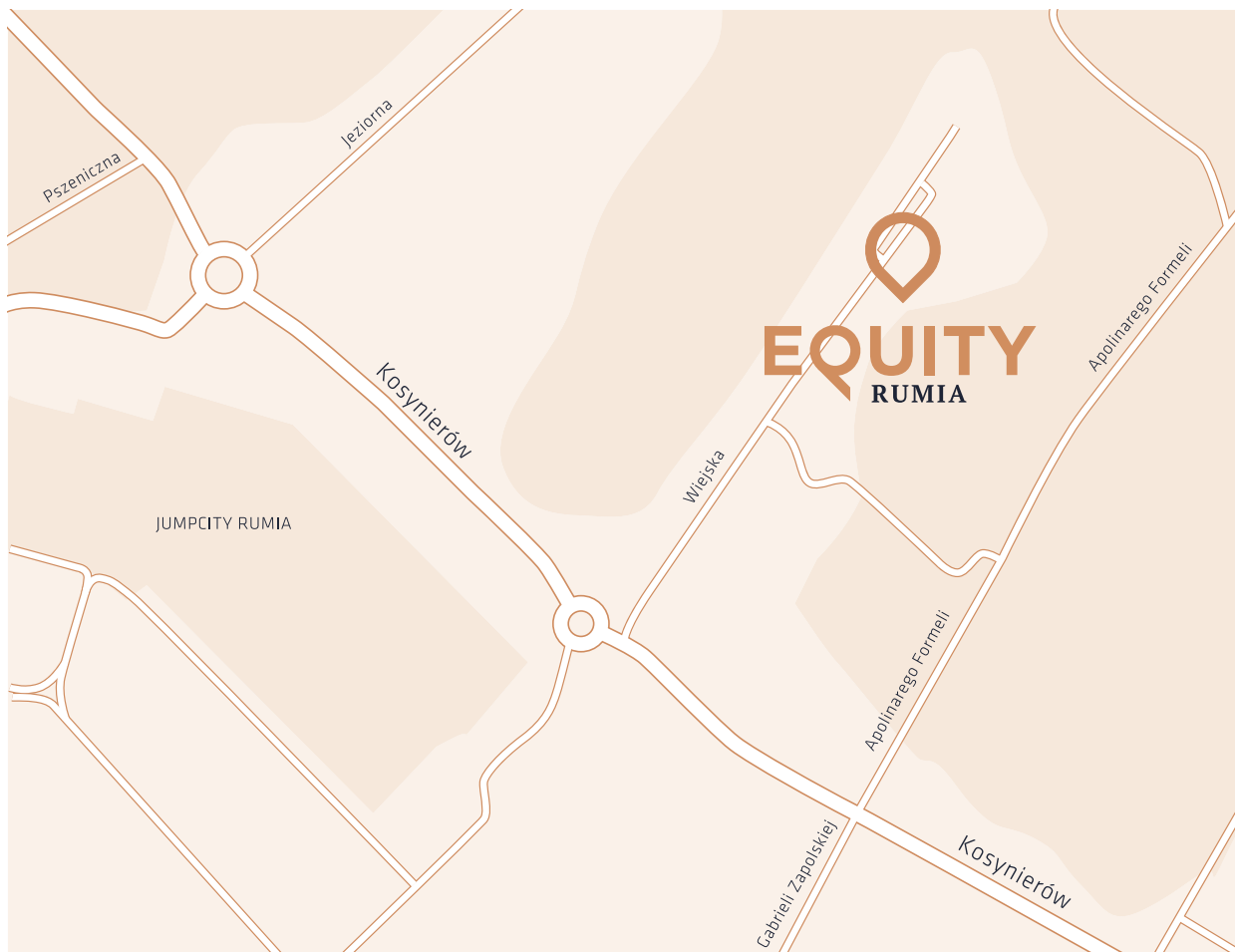
The investment, carried out by the Lotnisko Park Sp. z o.o. special purpose vehicle, is located on a 14,000 sqm plot of land. It will comprise the creation of 8 multi-family buildings, designed to accommodate 248 functional apartments, totaling approximately 10,800 sqm of usable space. Ranging between 29 and 70 sqm, the apartments can be combined to ensure that the Buyers can enjoy the best possible living space available.

The buildings are characterized by simple, cohesive architecture. Their varied facades incorporate an array of materials and utilize

a harmonious, toned-down color palette (whites, grays, and pewters) that complements the natural surroundings perfectly. Accentuated by the stately entry areas that dominate the facades, the building exteriors are also underscored by rustications, vertical windows, balcony lines, and stairwell windows. Indoor parking garages coupled with outdoor parking spaces ensure an adequate balance of places to park one's car. The development is to be further compounded by greenery, elements of townscape architecture, and a playground for the youngest residents of the estate.

Main assets of the investment:

- ownership of the land
- modern architecture
- small, functional apartments
- excellent transport links with Tricity (bypass, Fast Metropolitan Railway)
- easily accessible urban facilities
- vicinity of green areas (the Tricity Landscape Park)



The City of Rumia is located within the Tricity Sprawl, approximately 10km from the center of Gdynia. It extends across the area of about 30sq km, which, as of the end of 2018, housed 48,000 inhabitants. Statistical data confirms that the number continues to rise, boosted by the vicinity of Tricity and the dynamic development demonstrated by the part of the Pomerania in question.

Rumia is an important residential and transport center. Thanks to a neighboring bypass and a Fast Municipal Railway line, the inhabitants can conveniently reach the other cities of the region. For this reason Rumia is becoming increasingly popular with Tricity residents looking for a quiet place to live, offering a welcoming atmosphere as well as easily accessible urban facilities. Its attractiveness is further enhanced by the closeness of the Tricity Landscape Park that provides a wide expanse of recreational areas for those wishing to enjoy nature actively.

In addition, the vicinity of Tricity, well-developed transport links, and attractive landform features make Rumia an interesting location for entrepreneurs and investors. Situated by the Szczecin-bound state road No. 6, and the Gdańsk-Szczecin Main Railway Line, Rumia is located approx. 3km from the Tricity bypass. The Lech Walesa Airport in Gdańsk is based barely 25km from the city, while the seaports of Gdynia and Gdańsk can be found within 10 and 38 km of the city respectively. The north and north-eastern parts of Rumia offer over 130ha of catalogued investment grounds that may serve as a natural backup to the Port of Gdynia as a part of the so called "Logistic Valley." Creating conditions

Financial expenditure

PROFIT AND LOSS ACCOUNT

PLN

TOTAL REVENUE 60 129 015,28

Revenue from sales of apartments 58 600 560,00

Revenue from sales of parking spaces 1 528 455,28

TOTAL COSTS 48 043 165,69

Plot purchase 8 500 000,00

Construction 32 376 000,00

Administrative services 2 158 400,00

Sales and marketing 2 705 805,69

Design documentation 863 360,00

SPV supervision 539 600,00

Financial costs 900 000,00

GROSS PROFIT 12 085 849,60

PROJECT PROFITABILITY 20,10%

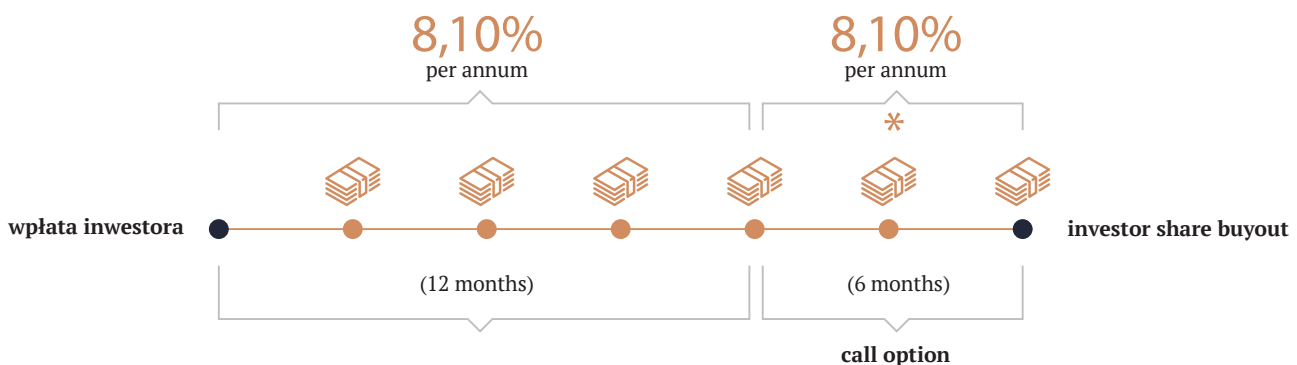
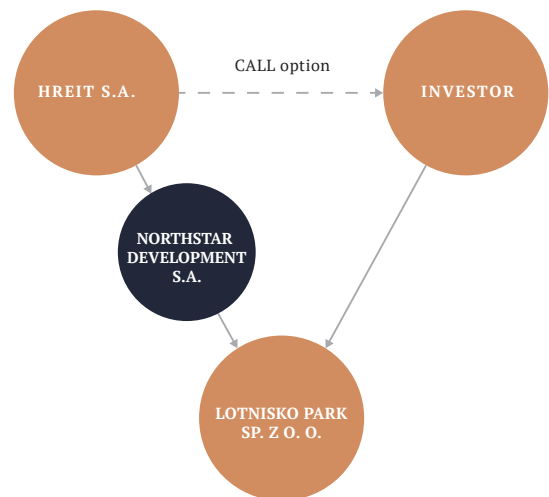
conducive to the creation of new businesses and the development of existing ventures is one of the crucial objectives the City intends to pursue.

Equity Rumia

- a unique solution, dedicated to Clients who value secure investments and regular profits
- a proposal aimed at those who wish to draw profits from development projects without having to purchase properties, involve significant capital or run a development company
- a maintenance-free, direct form of participating in development projects by purchasing shares in a special purpose vehicle carrying out the investment
- legal security (notarial deed) corresponding to the shares contributed

Participants of the process

- **INVESTOR**
Purchases shares in the increased share capital of Lotnisko Park Sp. Z o. o. and becomes its member
- **LOTNISKO PARK SP. Z O. O.**
a special purpose vehicle incorporated to conduct the project
- **HREIT S.A.**
the entity responsible for organizing the performance of the project and investment sales, in possession of the relevant assets, experience, and know-how
- **NORTH STAR DEVELOPMENT S. A.**
the majority shareholder, eventually in possession of approx. 60% stake in the special purpose vehicle



During the performance of the project, the Investor receives an **8.10% rate of return** on the capital invested, **payable quarterly**.



Michał Sapota

President of the Board

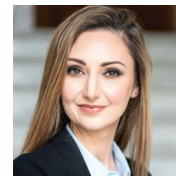
A visionary that has transformed the construction industry in Poland. For the past decade he has been relentless in helping Polish families achieve their dreams of having a place to call home and can now boast a track record of 135 completed investments with 17 thousand apartments sold.



Alina Landowska

Chief Investment Officer

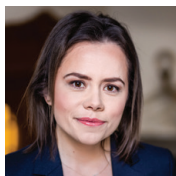
+15 years of experience, manages over EUR 500m of public assets, M&A of SMEs for foreign investments in the field of advanced technologies



Iwona Kurylak

Head of Legal Department

+10 years of experience, attorney specializing in mergers, acquisitions and debt financing, representing investment funds and businesses from the development industry



Aleksandra Piekarczyk

Attorney at Law

+10 years of experience in providing legal services for real estate companies; proficient at construction and administrative law; her key competences include performing legal due diligence for properties and negotiations



Katarzyna Golczyk

Head of Sales

+10 years of experience in selling properties, expert knowledge of sales techniques, excellent client acquisition skills, adept at developing and maintaining relations, managing projects and negotiating; over 2000 apartments sold



Przemysław Wasiewicz

Architect (PM)

+15 years of experience in designing large-size structures in Poland and abroad, 7 years of experience in managing administrative procedures on obtaining construction permits, member of the Polish Chamber of Architects and the Milan Chamber of Architects (Italy)



Izabela Skotarska

Head of Marketing

+10 years of experience in managing marketing strategies for the biggest development companies in Poland; experience gained while preparing numerous sales campaigns and hundreds of events accompanying development projects



Aneta Karczmarczyk

Head Office Manager

+10 years of experience in managing CEO offices, particularly in legal issues related to the real estate market



Aneta Rembiś

Financial Controller

+10 years of experience in real estate finance, specializing in financial controlling and budgeting, creating processes and management control tools in business

HREIT

Following years of experience and comprehensive analyses, we have developed Hreit to serve as a platform connecting Polish and European development companies with investment funds with a view to creating optimum conditions for their coexistence and further development of the industry.

We believe that cooperation and mutual support offered by entities from the development industry and investors will help them develop in a sustainable, steady manner and will constitute a pillar of safety that they can rely on regardless of the market conditions. The development industry is an important sector of Polish economy, and the soundness of development companies translates into increased security for property buyers.

We hold the opinion that the future of premium residential construction lies in the transfer of state of the art construction and materials technologies to the widest possible group of recipients and their mass-scale application.

Demanding quality and energy efficiency standards pose significant challenges for the years to come, and meeting them will enable us to create optimum living conditions for the residents.

HREIT

- aggregates special purpose vehicles carrying out residential construction projects throughout Poland
- has a comprehensive range of competences that enables to organize and supervise the entire process of performing and selling the investment, beginning with acquiring the property and culminating with it being commissioned into use
- has experience both in terms of conducting development projects as well as raising and accounting for capital
- when selecting projects to be conducted takes local demand resulting from residential needs voiced by the market into account rather than a purely speculative one
- allows Investors to participate in the profits made at a rate proportional to the shares they have contributed



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