

Annex 1.2. Estonia Spa Hotels AS – Company Overview for Tender Participants

Purpose of the document

The purpose of this annex is to provide tender participants with a concise overview of Estonia Spa Hotels AS. The document is intended as supplementary material to the RFP, helping participants understand the size of the company, its business logic, the general structure of its assets and the role of the two spa hotels with different concepts within the company.

This document is not an information memorandum or a full financial, legal or real estate overview. More detailed financial, contractual, real estate and operational information will be made available to the selected service provider during the work, in accordance with the agreed confidentiality framework.

General company description

Estonia Spa Hotels AS is a spa hospitality company operating in Pärnu and is 100% owned by the City of Pärnu. The company has operated in its current legal form as a public limited company since 1994 and is one of Pärnu's most important providers of accommodation, spa and resort services.

The company comprises two spa hotels with different concepts and target groups:

- **Estonia Resort Hotel & Spa**
- **Estonia Medical Spa & Hotel**

The company's main strength lies in the combination of two spa hotels with different business logics. Resort primarily addresses demand from modern wellness spa, leisure and conference customers. Medical is based on demand related to medical spa services, rehabilitation, traditional spa treatment and repeat customers.

In total, the company has 299 hotel rooms, of which 106 are located in Estonia Resort Hotel & Spa and 193 in Estonia Medical Spa & Hotel.

Key company indicators

Financial and operating indicators of the company:

Indicator	2025
Revenue	EUR 11.45 million
EBITDA	EUR 2.12 million
EBITDA margin	18.5%
Net profit	EUR 1.08 million
ROE	14.2%
Average occupancy	74%
Number of employees	204 (FTE)
Market share in Pärnu	20% (of total overnight stays in Pärnu city).

Two spa hotels

1. Estonia Resort Hotel & Spa

Estonia Resort Hotel & Spa is a wellness spa and conference hotel in the beach area of Pärnu. The hotel operates at A.H. Tammsaare pst 4A and A.H. Tammsaare pst 6.

Key indicators and services:

- **106 hotel rooms**
- wellness spa and conference centre concept
- Restaurant NOOT
- SPA & SAUN water and sauna centre
- wellness and spa services
- conference centre
- 2025 revenue: EUR 6.25 million
- 2025 EBITDA: EUR 1.39 million

The role of Resort within the company's portfolio is to serve higher value-added leisure, wellness, conference and business customers. The hotel's commercial profile is based on accommodation, spa services (the water and sauna centre and various wellness services), food and beverage, sauna and water centre services, and group and conference business.

2. Estonia Medical Spa & Hotel

Estonia Medical Spa & Hotel is a spa hotel with medical spa and health resort traditions. The hotel operates at Sääse 7 and Pärna 12.

Key indicators and services:

- **193 hotel rooms**
- medical spa, rehabilitation and health resort treatment concept
- buffet restaurant
- shop and café
- TERMID water and sauna centre
- medical, wellness and beauty services
- 2025 revenue: EUR 5.20 million
- 2025 EBITDA: EUR 0.72 million

The role of Medical within the company's portfolio is to provide medical spa and recovery-supporting services and to serve repeat customers, longer-stay guests and health-conscious target groups. In addition, during weekends and the summer period, Medical also serves the more price-sensitive demand for conventional spa breaks.

Business model

Estonia Spa Hotels AS is not a hotel business based only on accommodation revenue. The company's revenue base consists of several service lines:

- accommodation;
- spa centres and sauna and water centres;
- medical, wellness and spa services;
- food and beverage;
- package sales;
- group and conference business;
- other ancillary services.

The combination of the two hotels enables the company to serve different target groups and types of demand. Resort and Medical have different business logics, but together they provide the company with a broader market position than a single-concept spa hotel.

In addition to room sales, the company's performance depends on integrated service sales, the utilisation of spa centres, the attractiveness of packages, repeat customers, group business and the ability to increase ancillary service sales.

General real estate description

The company owns four main properties in Pärnu, all of which are directly related to the two spa hotels mentioned above:

- **A.H. Tammsaare pst 4A – the main hotel and restaurant property of Estonia Resort Hotel & Spa;**
- **A.H. Tammsaare pst 6 – Resort's conference, spa and wellness services property;**
- **Sääse 7 – property within the Estonia Medical Spa & Hotel complex;**
- **Pärna 12 – property within the Estonia Medical Spa & Hotel complex.**

In 2026, the company has also acquired an additional land plot at Sääse 9, located immediately next to the Medical complex.

As at 31 December 2025, the carrying amount of the company's property, plant and equipment was EUR 10.18 million, of which buildings accounted for EUR 9.10 million. The outstanding balance of the investment loan from Swedbank AS was EUR 5.39 million, with final maturity on 30 December 2027.

The real estate information presented in this document is general background information. More detailed real estate, technical and financial information will be provided to the selected service provider during the work.

Company position

Estonia Spa Hotels AS is one of Pärnu's leading spa operators. The company's estimated market share in the Pärnu accommodation market is approximately 20%.

The company's position is supported by:

- long-standing operating experience in Pärnu's resort and spa market;
- two different but complementary hotel concepts;

- locations near Pärnu's central tourism area and beach area;
- strong brand recognition in the Estonian, Finnish and Latvian target markets;
- a diversified service portfolio;
- an established customer base;
- an important role for spa services, medical services, food and beverage, and group business in addition to accommodation.

The value of the company does not lie only in its real estate or room count, but in the combination of the two spa hotels, their market position, the service portfolio and the ability to offer both a wellness spa and a medical spa experience in Pärnu.

Information for tender participants

This document has been prepared as background information for tender participants. The information presented in the document is intended to help understand the company's general profile, size and business logic.

As part of the tender process, participants will be provided with at least the following materials:

- the RFP together with its annexes;
- an overview of the Pärnu market and tourism environment;
- this company overview;
- the audited annual report for 2025.

More detailed financial, real estate, contractual and operational information will be made available to the selected service provider during the work and in accordance with the agreed confidentiality framework.