WROCLAW

DRIVEN BY KNOWLEDGE

Invest in Wroclaw

ARAW

Publication prepared by ARAW and Invest in Wroclaw in cooperation
with HRK, CBRE, Knight Frank and JP Weber.

Proofreading: Mack Language Tutors

/ Why Wroclaw? Why Poland?

"The exceptional thing about Wroclaw is the fact that the city is very helpful beyond the investment stage. For all of our 20 years in Wroclaw we have always received professional and active support from the municipality and dedicated experts from the Invest in Wroclaw team."

Alain Simonnet, Managing Director of 3M Poland

Poland

38 000 000

With 38 M citizens, Poland is the largest country of the CEE region in terms of population and the 6th most populated country in the EU.

7 200 000

Between 1998 and 2012 over 7 200 000 people in Poland graduated from university or equivalent, which is the biggest number of graduates in the whole UE.*

*Digital Poland – McKinsey report 2016

1st

country in CEE in terms of the number of FDI projects and 2nd country in Europe in terms of FDI job creation according to EY 2016 European Attractiveness survey.

5 hours

is the time difference between Poland and New York and New Dehli. Poland's strategic location, in the very center of Europe, makes the country a perfect investment destination for enterprises from all over the world.

Wroclaw

1 200 000

The Wroclaw area population. The city itself boasts 637 000 inhabitants, which makes it the fourth largest city in Poland.

88%

of students would recommend Wroclaw to their friends.* Considering that fact Wroclaw – with 125 000 students – is one of the top academic centers in Poland.

*BEELINE Research & Consulting – 2015

1st

region in Poland in terms of FDI projects' acquisition – with 4628 created jobs and 863 M EUR of investment expenditures (Polish Investment and Trade Agency, 2016) – including Daimler, LG Chem, Toyota, GE/Lufthansa and Accenture.

4 capitals

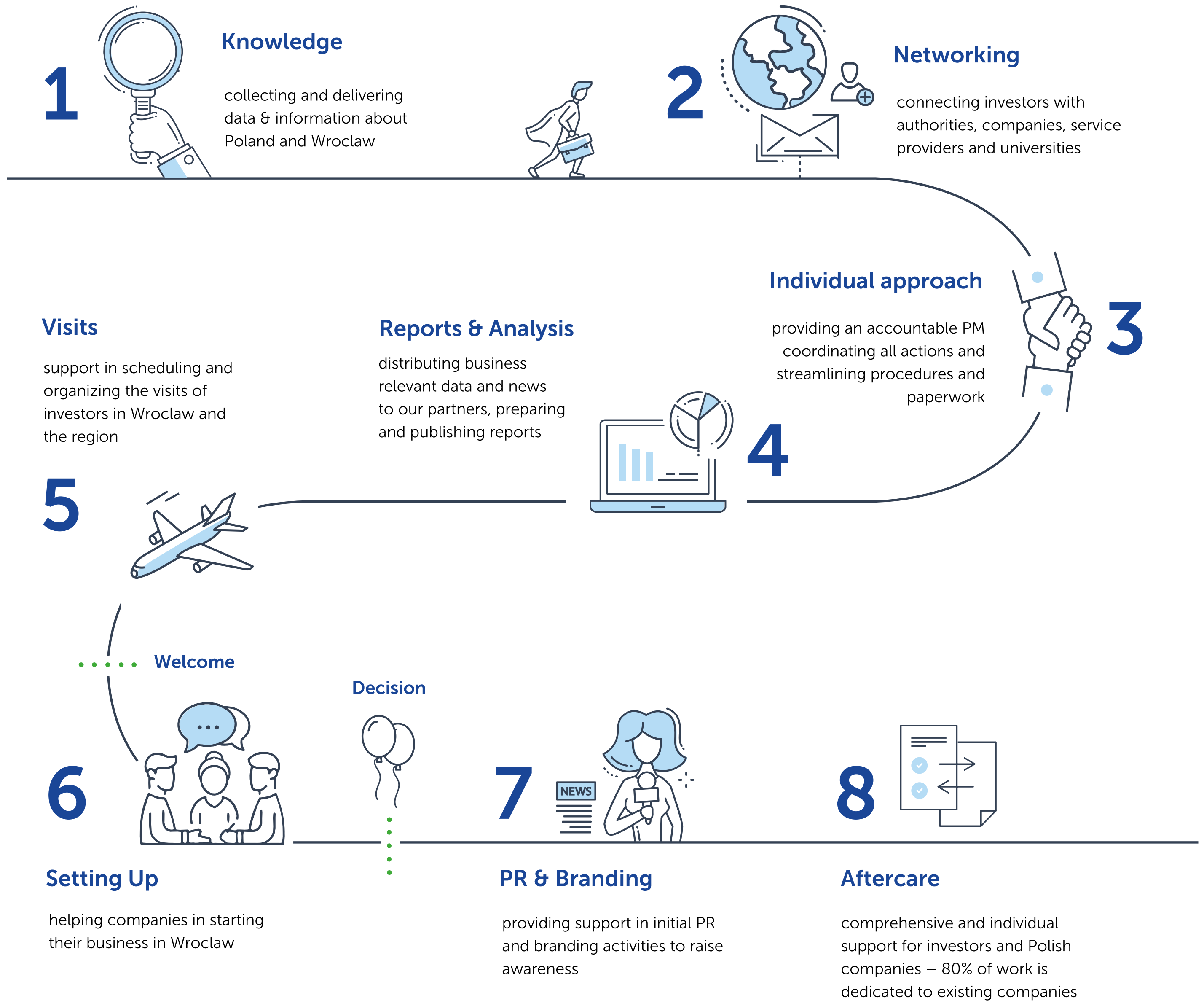
are reachable by car in less than 5 hours from Wroclaw: Berlin, Prague, Bratislava and Warsaw – thanks to the city's strategic location.

Wroclaw - soft landing guaranteed

We provide top quality support for all foreign and Polish businesses. Our knowledge, experience, and network are at your service. Want to know more about Wroclaw or have an inquiry?

Contact us: **office@araw.pl**
Follow us: **www.facebook.com/InvestInWroclaw**

Our one-stop-shop approach



About ARAW and Invest in Wroclaw

Wroclaw Agglomeration Development Agency (ARAW) is a non-profit company established in 2006 by the city of Wroclaw and surrounding communes. The mission of ARAW is to promote the region, support its economic development and attract foreign investments. The Invest in Wroclaw team is a group of experienced professionals within ARAW structures who cooperate with business entities delivering top quality services and investment facilitation.

Within 10 years, ARAW has supported the successful landing of over 200 investment projects in the Wroclaw area what led to creation of more than 85 000 jobs.

ARAW's work was acknowledged by numerous Polish and international entities by awarding Wroclaw with the title of the most business-friendly Polish city (Forbes, 2016), European mid-sized city with the best FDI strategy (Financial Times 2016 & 2017) and the city with the best recruitment support (FDI Strategy Awards 2016).

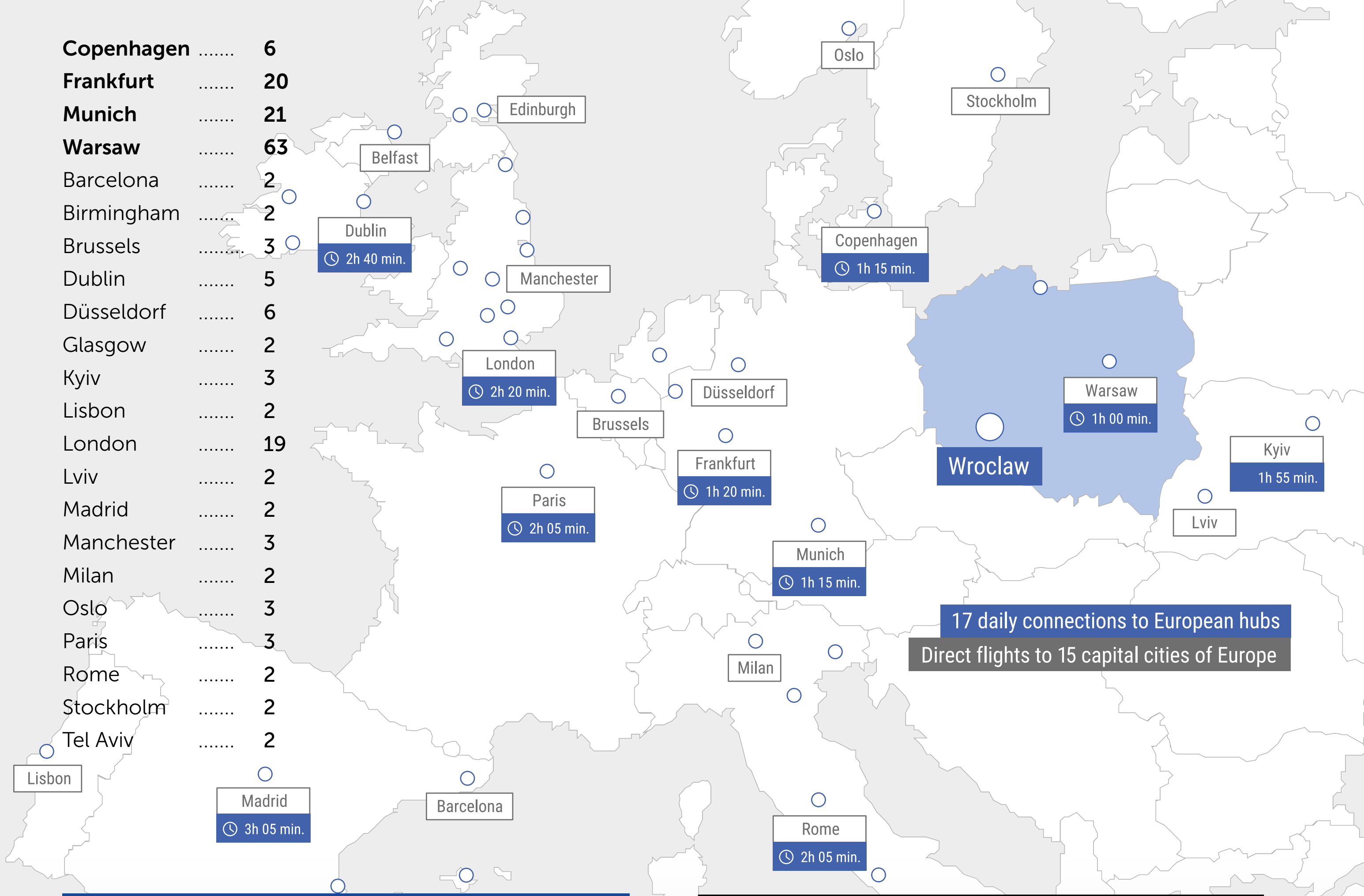
The Invest in Wroclaw team provides comprehensive post-investment care for all foreign companies, networks Polish and foreign business with a strong focus on technologically advanced projects – R&D centers, KPO, Industry 4.0, smart manufacturing. Since 2016 ARAW deploys Wroclaw's support platform for the startup ecosystem and Polish tech companies.

Location & Connectivity

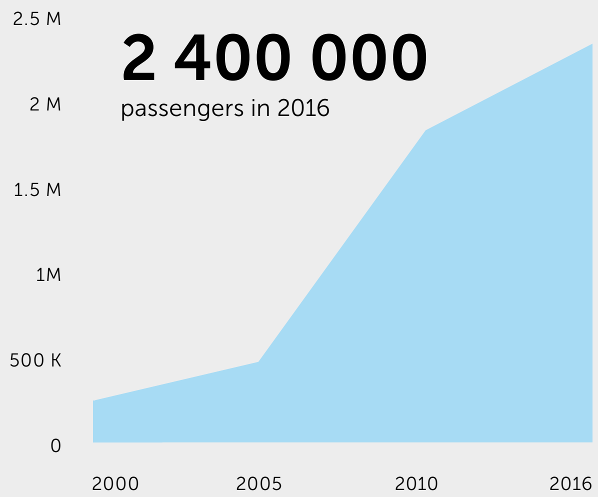
Wroclaw is situated strategically between Prague, Warsaw and Berlin, each reachable by car in less than 5 hours. Due to an excellent infrastructure – modern motorways, a constantly growing airport, and an expanded railway network – the city is perfectly connected with the whole of the continent. Numerous bus & tram lines, as well as City Bike System, make it easy to move around the city fast and encourage inhabitants to be eco-friendly.

Connections with selected European airports / weekly

Copenhagen	6
Frankfurt	20
Munich	21
Warsaw	63
Barcelona	2
Birmingham	2
Brussels	3
Dublin	5
Düsseldorf	6
Glasgow	2
Kyiv	3
Lisbon	2
London	19
Lviv	2
Madrid	2
Manchester	3
Milan	2
Oslo	3
Paris	3
Rome	2
Stockholm	2
Tel Aviv	2



Passenger traffic at the Wroclaw Airport



The best regional airport in Poland

Wroclaw Airport offers a wide range of direct flights to major hubs of Europe (17 daily connections to Munich, Frankfurt, Copenhagen, Düsseldorf and Warsaw), 3 daily flights to London (Luton and Stansted) and flights to 15 of the largest capital cities of Europe. Due to the modern and functional terminal and comfortable network of connections, Wroclaw Airport is willingly chosen both by outbound travellers and visitors.

The highest standards of the airport services are constantly appreciated by its passengers. For four times in a row, they have recognised the airport as the Best Regional Airport in Poland in the Business Traveller Award survey.

Growth

10 new connections in 2016, 12 new connections in 2017

Comfort

Business Traveller Award Best Regional Airport 2013 2014 2015 2016

Safety

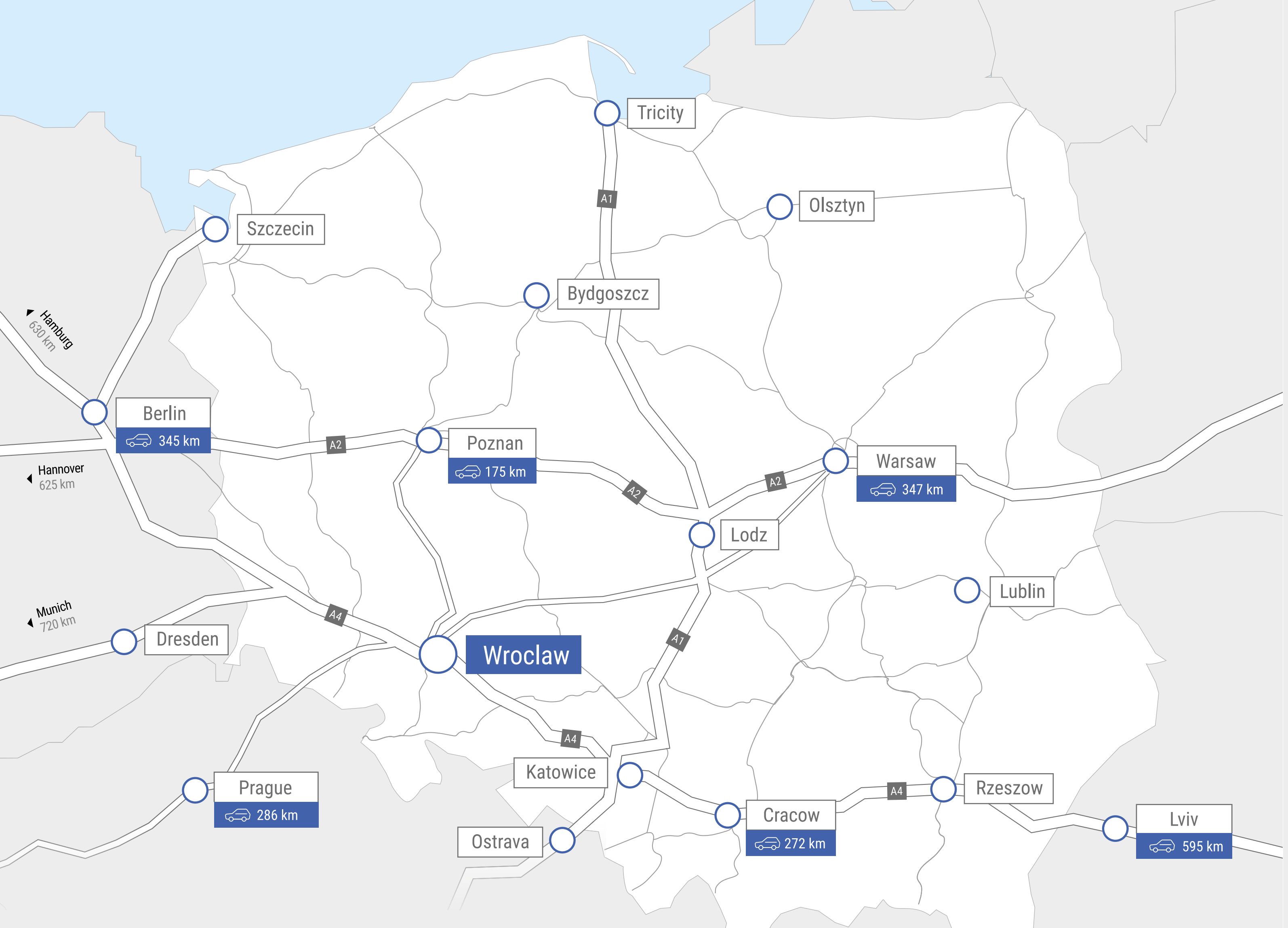
ILS CAT II landing support system. Best parameters among regional airports

Convenience

Only 10 km away from the city center

Driving time & distance to selected ports:

- Bremerhaven – 7 h, 760 km
- Hamburg – 6.5 h, 630 km
- Tricity – 5 h, 550 km
- Rotterdam – 9.5 h, 1000 km



Polish transportation infrastructure and its development plans

Poland has significantly upgraded its infrastructural network over the past decade, putting into use motorways and expressways with a total length of 3 500 km (2003-2016). Under the National Road Construction Programme (2014-23) 107 billion PLN will be spent for the construction of 3 900 km of motorways and expressways and 57 new ring roads. Moreover by 2023 67.5 billion PLN will be spent for upgrading the Polish rail network.

Wroclaw is the first Polish city to complete a planned network of motorways and expressways. Driving times to other major cities in the CEE region were greatly reduced including: Warsaw (3h via S8 road), Szczecin (4.5h via S3 road), Dresden (2.5h via A4), Cracow (2.5h via A4). The S5 road connecting Wroclaw and Poznan will be ready by the end of 2017, reducing driving time to 1.5h. Completion of the motorway ring in 2011 released the city center of Wroclaw from transit-related traffic.

3 500 km
motorways and express roads built in Poland 2003-2016

107 billion PLN
planned road infrastructure investment in Poland by 2020

67.5 billion PLN
planned rail infrastructure investment in Poland by 2023

14.8 %*
share of the Polish transportation industry in the EU market (2015)

* Eurostat

Public transport system of Wroclaw

Wroclaw's efficient public transport system consists of bus and tram lines, agglomeration trains, and the City Bike System. An advanced city-wide Intelligent Transport System is prioritizing public transport and increasing its efficiency.

The total number of passengers using buses and trams exceeded 197 M people in 2016. The comprehensive pre-paid ticket system, URBANCARD, allows easy travel around the city while single fare tickets can be bought in all vehicles using debit or credit cards. In 2017 Wroclaw has become the first Polish city to have signed a contract for an electric car rental system.

Key facts

Buses
117 bus lines

day and night buses

online real-time tracking system

Trams
22 tram lines

56 new trams to be bought in 2016 and 2017

online schedule

Bikes
220 km of bike lanes

740 bikes and 74 stations in City Bike System

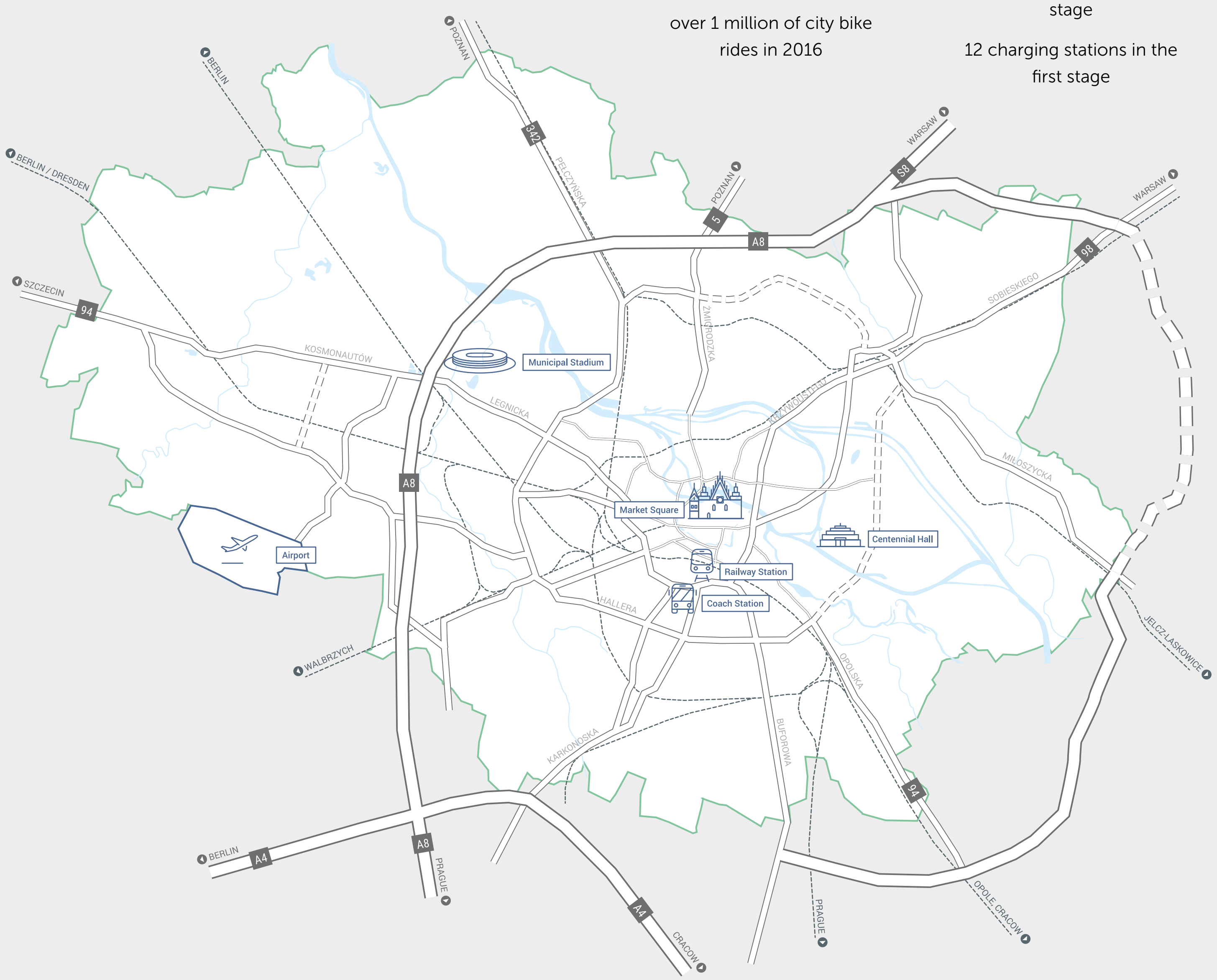
over 1 million of city bike rides in 2016

Electric cars
first Polish city to launch electric car rental in 2018

200 electric cars in the first stage

12 charging stations in the first stage

Wroclaw city plan



/ Shared services, BPO & IT sector

Wroclaw is one of the leading destinations for business services, IT sourcing, and software development in Poland and Central Europe. The key factors constituting the attractiveness of the city are the large talent pool of professionals and graduates, the high quality of education, high level of language skills, and quantity of modern office stock. The large number of R&D centers together with strong IT and finance sectors are features that distinguish Wroclaw as a high quality location.

40 000* employees in the modern services sector in Wroclaw

47 destinations from Wroclaw Airport

151* shared services, BPO & IT sector

30+* languages spoken in Wroclaw service centers

848 thousand sq. meters of modern office stock (Q4 2016)

SSC / BPO: HR, F&A, Admin

3M / US
Amrest / PL
Axiom Law / US
Becton Dickinson / US
BNY Mellon / US
Credit Suisse / CH
Contract Administration / US
CSS / US
Delaval / SE
EY GSS / US
Fortum / FI
Fresenius Kabi / DE
Fresenius Medical / DE
Geoban / ES
Getsix Holding / DE
Google / US
Hewlett Packard Enterprise / US
HP Inc. / US
Impel Business Solutions / PL
Kaufland / DE
Merck / DE
Qiagen / DE
Parker Hannifin / US
Toyota / JP
SSAB / SE
UBS / CH
UPS / US
Volvo / SE
Wabco / BE
XL Catlin / UK

IT services

Accenture / US
Altimi Solutions / PL
Atos / FR
AxiomSL / US
Birlasoft / IN
Capgemini / FR
Ciklum / DK
Cognizance / UA
Criteriamx / AT
Data Art / RU
Divante / PL
Epam / US
Epiq Systems / US
Gorilla Group / US
HCL / IN
Hicron / PL
IBM / US
Infor / US
Infusion / US
Intive / PL
IT Kontrakt / PL
Luxoft / CH
Mphasis / US
Objectivity / UK
Ocado / UK
QAD / US
Quality Task Force / CH
RST / PL
Sente / PL
Sii / FR
Softserve / UA
Sygnity / PL
Talex / PL
Tieto / FI
Transition Technologies / PL
Unic / CH
Unity / PL
Volvo / SE
Neurosoft / PL
Nokia / FI
Opera Software ASA / NO
Pilab / PL
Redknee / CA
Red Embedded / UK
Ryanair Travel Labs / IE
S3 / IE
Techland / PL
UNIT4 / NL
Viessmann / DE

KPO

BNY Science / US
Crisil Irevna / IN
EY GSS / US
McKinsey / US

Contact center / Debt Collection

ACN / US
Crazy Call / PL
CCIG / PL
KRD / PL
Kruk SA / PL
Lindorff / NO
Qatar Airways / QA
Ultimo / PL

R&D IT

Diehl Controls / DE
Dolby / US
Etteplan / FI
Gigaset / DE
Global Logic / US

R&D industrial

3M / US
Autoliv / SE
Balluff / DE
DeLaval / SE
Hasco-Lek / PL
LG Electronics / KR
KGHM Cuprum / PL
Mondelez / US
PCC / DE
PPG / US
Sitech / DE
Robert Bosch / DE
UTC Aerospace Systems / US

* ARAW's own survey

/ Manufacturing sector

Lower Silesia with its capital – Wroclaw – is one of the top manufacturing hubs in Poland. Large numbers of foreign companies, the high qualification of employees, and innovativeness including industry 4.0 solutions, result in one of the highest levels of productivity in the country. The sector's strength and diversity are shaped by the presence of the world's leading industries – automotive, white goods, engineering, pharma and chemical.

326 000** employees in the manufacturing and construction sector in the region

1.44 million sq. meters of modern warehouse / manufacturing space for rent (Q4 2016)

2nd** region in Poland – productivity per worker in manufacturing and construction (2015)

4 Special Economic Zones

110** billion total sales of regional manufacturing and construction sectors (2015)

Automotive

AKS Precision Ball / JP
Autoliv / SE
BASF / DE
Robert Bosch / DE
Chassis Brakes / US
Daimler / DE
Eto Magnetic / DE
Faurecia / FR
Gates / US
Gestamp / ES
GKN / UK
Govecs / US
Industrias Alegre / ES
Lear / US
Leoni / DE
LG Chem / KR
NSK / JP
Pittsburgh Glass Works / US
Remy International / US
Ronal / AT
Sanden / JP
Simoldes Plasticos / PT
Sitech / DE
Sumika Ceramics / JP
Toyota / JP
Vibracoustic / DE
Volkswagen / DE
Volvo / SE
Wabco / US

Electronics / White goods

Asplex / TW
BSH / DE
Chung Hong / KR
Dongseo / KR
Electrolux / SE
Elica / IT
Heesung / KR
Hemmersbach / DE
Ilpea / IT
Italmetal / IT
Komsa / DE
Lapp Kabel / DE
LG Display / KR
LG Electronics / KR
LG Innotek / KR
MSI / TW
Posco / KR
TelForceOne / PL
Vestel / TR
Wago Elwag / DE
Whirlpool / US

Aerospace

Becker Avionics / US
GE/Lufthansa / DE/US
Paradigm Precision / US
Ryanair / IE
Unison GE / US
UTC Aerospace Systems / US

Mechanical / Engineering

ABB / CH
Aluwind / DK
Bombardier / CA
Boart Longyear / US
Danfoss / DK
DeLaval / SE
HACO / NL
KGHM Zanam / PL
Parker Hannifin / US
Rawlplug / PL
Toya / PL
Vorwerk / DE
Viessmann / DE

Food processing

Bama / US
Cargill / US
Lorenz Snack-World / DE
McCain / US
Mondelez / US
Nestle Purina / CH
Nordis / PL
PPO Siechnice / PL
Sonko / PL
Tarczynski / PL
Wratislavia / PL

E-commerce / Logistics

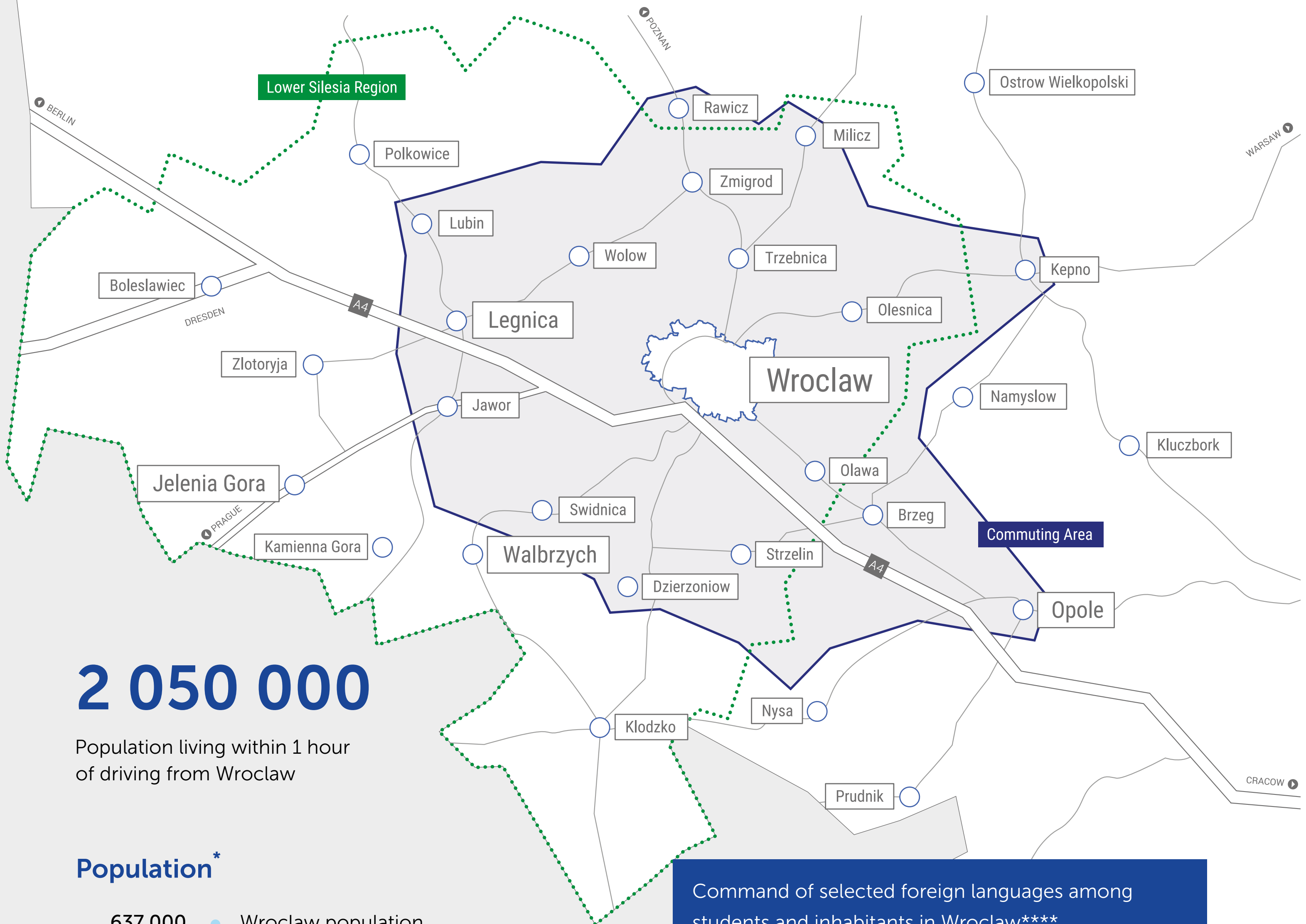
AB SA / PL
Amazon / US
DHL / US
Kuehne + Nagel / DE
Panalpina / CH
Raben / NL
Rohlig Suus / PL
Tim / PL
UPS / US

Chemical / Pharmaceutical

3M / US
BASF / DE
Colgate-Palmolive / US
Clarena / PL
E&S / ES
Hasco-Lek / PL
LG Chem / KR
Linde Gaz / DE
MacoPharma / FR
Paragon Medical / US
PPG / US
PCC AG / DE
Selena / PL
S-Lab / PL
US Pharmacia / US

** Central Statisticial Office of Poland

/ Talent Pool & Commuting Area



2 050 000

Population living within 1 hour of driving from Wroclaw

Population*

637 000	Wroclaw population
1 200 000	Wroclaw Area** population
2 900 000	Lower Silesia Region population

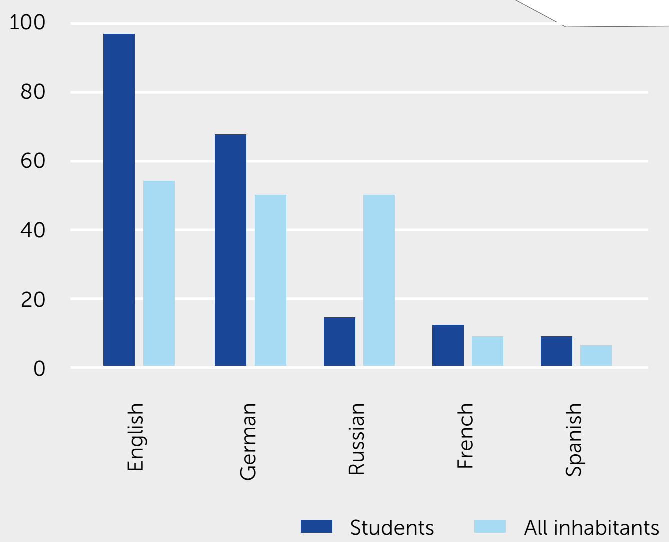
Unemployment Rate*

2.9%	Unemployment in Wroclaw
8.6%	Unemployment in Poland
7.6%	Unemployment in Lower Silesia Region

Key facts

1st	Polish City – relocation destination***
50 000	Wroclaw Area population growth (2005-2015)*
1 820 000	People of productive age in Lower Silesia*

Command of selected foreign languages among students and inhabitants in Wroclaw****



* Central Statisticial Office of Poland ** Area within 30 minutes of driving to Wroclaw

*** Antal Report: "Activity of professionals and managers in the labor market in Poland", January 2017 **** Pentor

/ Innovation Driven City

Wroclaw is the most innovative city in Poland with the largest number of R&D centers, thanks to the cooperation between municipality, business sector and academia, and was awarded by Financial Times with fDi Strategy Award 2016 (for academia business links).

Major areas of innovation

Information Technology

Research institutions: Wroclaw University of Science and Technology, University of Wroclaw, Wroclaw University of Economics

Selected companies: Dolby, IBM, Livechat, Nokia, Objectivity, Ryanair Travel Labs, Techland, S3, Atos

Selected start-ups: Droids On Roids, Explain Everything, Pilab, Brand24

Chemistry & Pharmaceutics

Research institutions: University of Wroclaw, Wroclaw Technology Park, EiT+, Wroclaw Medical University, Wroclaw University of Environmental and Life Sciences

Selected companies: 3M, LG Chem, PPG, US Pharmacia, HascoLek, Oleofarm, Selena

Selected start-ups: Apeiron Synthesis, Qiunlab, Chemin, Pure Biologics, S-Lab

Engineering

Research institutions: Wroclaw University of Science and Technology, Wroclaw Technology Park, EiT+, Lower Silesian Innovation and Science Park

Selected companies: Fanuc, Balluf, KGHM Zanam, UTC Aerospace Systems, Wabco, Volvo, Bombardier, Robert Bosch

Selected start-ups: Flashrobotics, Sky Tronic, Blebox, General Robotics, Inventive Devices, Vratislavia Engineering

Biotech & Nanotech

Research institutions: Wroclaw University of Science and Technology, Wroclaw Technology Park, University of Wroclaw, Wroclaw Medical University, EiT+

Selected companies: Novasome, Techtra, Opticon Nanotechnology, Stem Cells Spin, Medcervin, Amplicon

Selected start-ups: Saule Technolgies, XTPL, Sovigo, Captor Therapeutics, Algae Labs, Bioxen

Major research centers

Wroclaw Research Centre EIT+

Research and development organization that has a comprehensive laboratory infrastructure and is focused on the development of technology and research for industry. Possible areas of cooperation: creation and development of new technologies, application research, support in the management of intellectual property, technical and business consultancy, rental of laboratory space and specialized research equipment.

Wroclaw Technology Park

Place of operation for over 200 companies from the highly-specialized technology sector. It is the biggest institution of its kind in Poland. Thanks to modern laboratories, industrial or office areas and an extensive professional network with a wide range of know-how, it comprehensively supports innovations and transforms them into a market success.

Vibrant Academic Center

Almost 125 thousand students living in the city constitute 20% of the population and make Wroclaw a young, vital place open to new residents, cultures, ideas and technologies. As one of the strongest academic centers in the country, Wroclaw attracts young people from virtually all over the country. Numerous universities cooperate closely with businesses and provide high quality education.

Picture taken at SWPS University (Wroclaw)

125 000* students in Wroclaw

35 000 graduates annually

26 universities & higher education institutions

3670 foreign students in Wroclaw

96%** students speak English

Number of students of important majors in Wroclaw

14 440 IT & IT related

34 800 Engineering

26 900 F&A, Management

5 500 Language studies

7 360 Law & Administration

Biggest universities in Wroclaw

Wroclaw University of Science and Technology

Wrocław University of Economics

Uniwersytet Wrocławski

Wroclaw University of Science and Technology

The top technical university in Poland with 34 000 students being educated by 2 000 academic teachers in 16 faculties. The graduates are highly valued on labor market.

Apart from being an academic center, the university is a very important research institution with 859 didactic laboratories and 112 research laboratories. During last 5 years the University has obtained 758 patents. Its campus has been placed among the 15 most beautiful in the world according to the prestigious online journal "The Huffington Post".

Wroclaw University of Economics

It is ranked among the top economic schools of higher education in Poland and is an important center of science and research.

It teaches over 13 000 students and 76% of its graduates find employment within the first 3 months following their graduation. The University also offers students a chance to qualify for the prestigious and advanced professional certificate of Chartered Financial Analyst (CFA), a recognized international standard of quality for financial analysts and investment portfolio management specialists.

University of Wroclaw

One of the universities with the longest tradition in Poland – with history of more than 300 years – has produced 9 Nobel Prize winners. Today the University of Wroclaw is one of the leading universities in Poland in terms of size and research potential.

Over 26 000 students study in 10 faculties. Each of them conducts studies and research at a world-class level documented by numerous prestigious publications.

* All students' data: Central Statisticial Office of Poland ** Pentor

Things you have to know about Wroclaw's labor market

Talent Pool

With more than 1 200 000 inhabitants of the metropolitan area, Wroclaw is the largest economic center in south-western Poland. It is also the most attractive city for relocation in the country.

Dynamic growth

In the years 2004-2012 Wroclaw's GDP has increased by 45%, which means that it is the second fastest growing Polish city. Between 2006 and 2016 unemployment rate in the city fell from 8% to 3%.

International background

The strong presence of global companies has effectively changed the labor market and professionalized business environment. A unique business-friendly attitude and the overall potential make the city very attractive for new offshore & onshore projects.

Universities

125 000 students at 26 universities, with 35 000 graduates yearly, make Wroclaw the 3rd largest academic center in Poland. Strong faculties in the fields of engineering, information technology, F&A and linguistic are the perfect source of employees.

Foreign languages

Education First ranked Poland 10th in the world in terms of English proficiency. As far as language knowledge in Wroclaw is concerned, nearly 100% of students speak English. As a point of interest – there are more than 30 foreign languages spoken in the shared service centers in the city.

Growing population

In the years 2005-2015 in the metropolitan area of Wroclaw the number of inhabitants has increased by 50 000. Constant job migration from other countries is especially observed from Ukraine. In 2016 almost 120 000 work permits were issued in the region for foreign citizens.

/ Labor Market

Poland's labor market is fairly flexible compared to other EU countries. Employment protection legislation is not overly burdensome with an important role for temporary contracts that are widespread among young and low skilled workers. Fix-term contracts are the market standard for higher roles, in the modern services industry (SSC/BPO) and IT, with civil contracts becoming more popular in the technology sector. Wage bargaining is uncoordinated and decentralized, conducted at firm level what has helped the Polish economy to ensure an alignment of wage and productivity dynamics.

Information Technology – Infrastructure

Role	Salary € / annum
Junior specialist (<3 years exp.)	9 460 - 25 800
Specialist (>3 years exp.)	12 900 - 34 830
Manager (Team Leader, First Line Manager)	18 060 - 58 050
Director (Middle / High Level Manager)	28 380 - 81 700

Information Technology – Software Development

Role	Salary € / annum
Junior specialist (<3 years exp.)	12 900 - 34 000
Specialist (>3 years exp.)	21 500 - 55 900
Manager (Team Leader, First Line Manager)	27 950 - 68 800
Director (Middle / High Level Manager)	30 100 - 129 000

Information Technology – Business Applications

Role	Salary € / annum
Junior specialist (<3 years exp.)	24 080 - 36 120
Specialist (>3 years exp.)	35 045 - 47 300
Manager (Team Leader, First Line Manager)	51 600 - 68 800
Director (Middle / High Level Manager)	64 500 - 94 600

Accounting

Role	Salary € / annum
Junior Accountant (<2 years exp.)	11 000 - 14 000
Accountant (2-3 years exp.)	12 500 - 15 000
Senior Accountant (>3 years exp.)	15 000 - 18 000
Manager	33 500 - 53 000

Production / Warehousing

Role	Salary € / annum
Production Worker	6 400 - 9 500
Production Shift Leader	14 000 - 30 000
Production Engineer	11 000 - 22 000
Production Manager	28 000 - 55 000
Warehouse Worker	6 400 - 8 000
Forklift Operator	8 500 - 11 000
Warehouse Manager	19 000 - 39 000

Other popular roles

Role	Salary € / annum
General Manager (SSC)	52 100 - 92 700
Asistant to CEO	14 000 - 21 600
IT Director (5-7 yrs experience)	41 300 - 65 600
HR Director (5-7 yrs experience)	34 000 - 64 100
HR Manager (5-7 yrs experience)	22 300 - 38 500
HR Specialist (2-4 yrs experience)	11 100 - 14 400
Finance Director (5-7 yrs experience)	39 700 - 64 900

Section partner HRK

All salaries – gross

Most popular non-wage benefits offered

94% private medical care

91% sports card (physical, fitness and health activities)

72% group life insurance

53% mobile phone

45% relocation package

31% tickets for cultural events

28% providing free / partly paid food for staff

19% company car

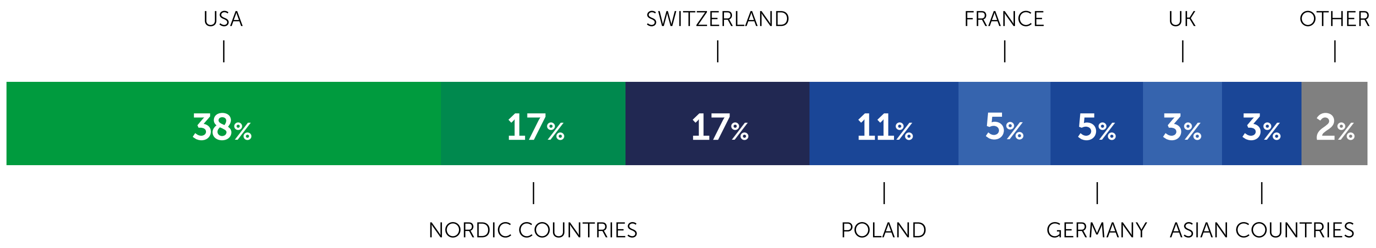
19% tourist trips (team building events)

6% reimbursing commuting costs

3% possibility of buying shares

3% pension fund

Business services centers in Wroclaw by country of origin (employment share)*



Labor market: Numbers to know

5581.39 €/annum
Minimum wage

11863.84 €/annum
National average salary

150 h overtime
No more than 150 hours per person per year

40 hours
Working week

13 days
Number of public (state) holidays

5 days
Working week

* ABSL, Business Services Sector in Poland 2016

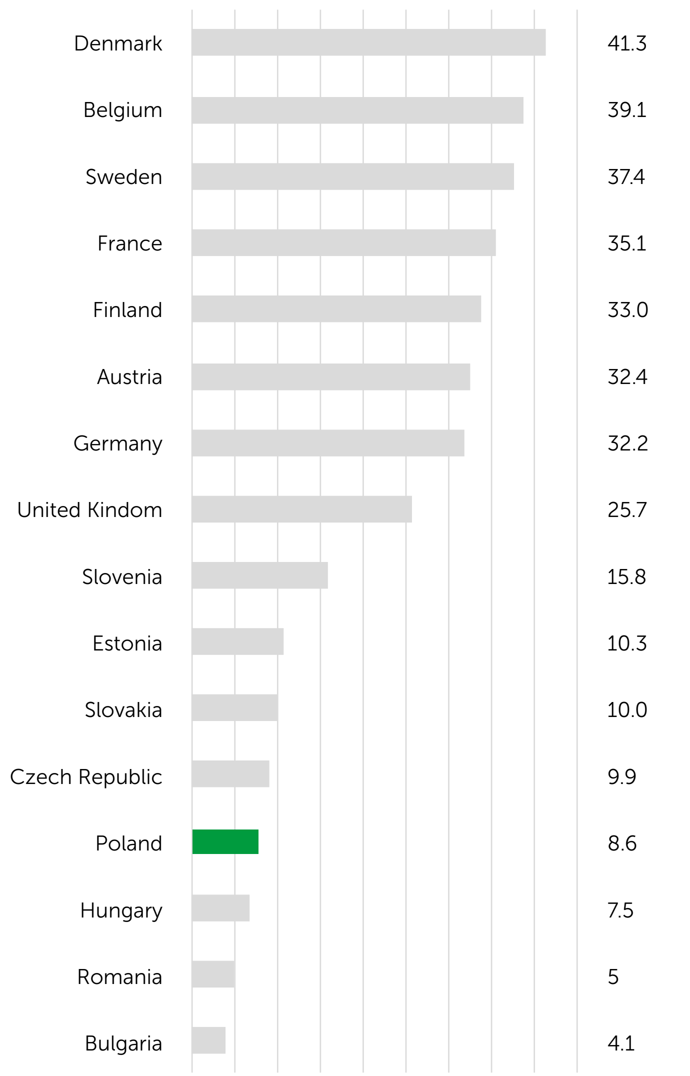
Section partner

Vacation day regulations

Vacation leave entitlement depends on the employee's overall length of employment together with their years of education. The greatest credit is given for university education, which counts as 8 years of employment. And so employees with a total length of employment of up to 10 years are entitled to 20 days of vacation leave, while employees with total length of employment of at least 10 years are entitled to 26 days of vacation leave.

Each year an employee is entitled to 4 days of leave on request. The willingness of its use must be notified no later than on the date of its use.

Hourly total labor costs in Euros comparison*



* Eurostat
** Central Statistical Office of Poland
*** ARAW's own survey

Section partner

Notice period regulations

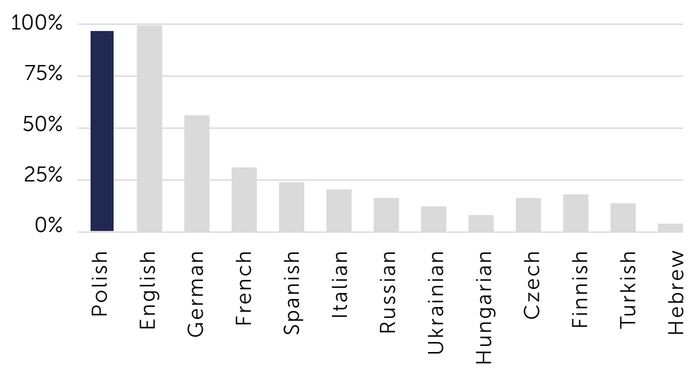
The length of the notice period depends on the type of contract. In case of an indefinite duration employment contract, the notice period is 2 weeks for an employee working less than 6 months. In case of person employed for more than 6 months, but less than 3 years, the notice period is 1 month.

Finally, a person employed for over 3 years, has a 3 month notice period. If the employer and employee agree to terminate their contract by mutual agreement, the notice period can be significantly reduced.

Employers' national insurance contributions**

National insurance	Employer's contribution for salary up to 28 456.14 EUR	Employer's contribution above 28 456.14 EUR
Pension	9.76%	-
Annunity	6.50%	-
Sickness	-	-
Injury	0.40-3.60%	0.40-3.60%
Unemployment	2.45%	2.45%
Employee Guaranted Fund	0.10%	0.10%
Health	-	-

Foreign languages operated in Wroclaw's business centers (share of centers operating in selected language)***



The City of a hundred bridges

"Wroclaw should be the eternal capital of culture."

Wim Wenders, one of the most prominent directors of contemporary cinema

58.5%

of the city area is green. The eco-friendly side of Wroclaw is also reflected in expanded City Bike System and a contract for electric car rental signed in 2017.

5 200 000

participants in the European Capital of Culture 2016 projects. 170 000 people were engaged in the 2000 projects' preparation.

291

dwarves live in the city and their community is still growing. Little sculptures located all around Wroclaw have already become a symbol of the city - a city frequently called the "city of dwarves".

1225 €*

cost of 1 sqm of new flat on the primary market. Cost of rent of medium size apartment (38-60 sqm) is 510 € per month.

1299 AD

the first part of Town Hall was built. It is the oldest and the biggest in Poland. It is located on the famous market square – Rynek – one of the biggest (3.8 hectares) and certainly the most beautiful in the country.

14 114

runners finished the marathon and half marathon in 2016 in Wroclaw. The city's sport ambitions were reflected in awarding Wroclaw The World Games 2017 host.

* Bankier.pl, March 2017 ** Antal Report: "Activity of professionals and managers in the labor market in Poland", January 2017 *** Foreigners in Poland, November 2016 **** Numbeo.com

Attractive & Multicultural

Wroclaw is the top Polish city for relocation according to managers and specialists.** It was also awarded for being the best Polish city to work and live for expats,*** who appreciate city support for newcomers, like the dedicated information office for foreigners – Infolink and expats' associations, like the International Friends of Wroclaw. High quality goes along with attractive cost of living as consumer prices including rent in Wroclaw are lower than in Berlin (40%), Barcelona (37%) or Warsaw (13%).****

Health Care

Wroclaw has a very well-developed health infrastructure. There are 14 big public hospitals in the city and two of them are located in the brand new, modern complexes. Apart from the hospitals there are several chains of private medical centers – e.g.: Medicover, Lux Med, Enel-Med – which provide complex health care and diagnostics. These centers offer attractive packages of services which are one of the most popular non-wage bonuses in Wroclaw.

Child Care & Education

Wroclaw is not only one of the strongest Polish centers of higher education. It also offers a great variety of quality education opportunities for children and teenagers: 107 public and 57 non-public kindergartens, 161 public and 112 non-public primary, secondary and high schools. The local educational market is complemented by rapidly growing international education units. There are 10 schools in Wroclaw with English as a language of instruction with many curricula to choose between.

Leisure & Culture

Wroclaw is a cultural center that never sleeps. Numerous theatres, cinemas, museums and exhibitions provide a sophisticated cultural life to the inhabitants. The cultural importance of Wroclaw was reflected in being declared the European Capital of Culture of 2016. It resulted in 2 000 cultural events with over 5 000 000 participants. It is worth mentioning that the city is always ready for large amounts of guests thanks to the well-developed accommodation facilities (56 hotels classified in star rating, with space for 9 760 guests).

Setting up a business

The vast majority of Polish laws are codified and the legal system is based on continental European civil law principles. Poland is still improving the country's business climate simplifying legislation and introducing digitalization of procedures. Currently Poland ranks 24th worldwide in terms of ease of doing business according to the latest Doing Business report 2017, being one of the top performers in the Central Europe.

/ Setting up business activity in Poland

To start a new company or expand business in another country an investor needs to know the rules that apply to its establishment. Setting up a business in Poland is a straightforward process and procedures are based on a transparent system that seeks to facilitate incorporation of new enterprises.

Legal forms of conducting business

1 Company entity

Capital	Partnership
Limited liability company	Partnership
Joint stock company	Limited partnership
	Limited join stock partnership
	Professional partnership
	Civil partnership
	Registered partnership

2 Branch of foreign entity

3 Individual business activity

- Free access for all foreigners
- Less restricted access for foreigners outside EU, EFTA countries and USA
- Restricted access for foreigners outside EU, EFTA countries and USA

Key regulations

A foreign investor intending to start business activity in Poland, depending on the type of a company, should consider the following regulations:

- Polish Commercial Code,
- Civil Code,
- regulations of the Freedom of Economic Activity Act.

Natural persons and legal entities from the EU/EFTA countries, in regard to conducting business in Poland, fall under the same conditions and rules as Polish individuals or companies. Such a foreign entity may choose any legal form for their business activity in Poland freely with the same restrictions as are applicable for Polish naturals or companies, if any.

Most popular forms of business activity of foreign investors – comparison of main aspects

	Limited liability company	**Joint stock company**	**Limited partnership**	**Limited join stock partnership**	**Branch of foreign entity**
Purpose	For the purpose of conducting business as well as for any legally permissible purpose	Established for the purpose of conducting business on a large scale	For conducting business under its own name	For the purpose of conducting business on a smaller scale (i.e. large family business)	Conducting business only in the scope of business activity of foreign company
Form of founding act	Notarial deed / standard contract provided on the internet by Minister of Justice	Notarial deed	Notarial deed	Notarial deed	Statement of the foreign company on establishing a branch and its place of operation
Minimum capital	5 000 PLN	100 000 PLN	Not required	50 000 PLN	Not required

Section partner JP Weber supporting decision makers

Limited liability company

The limited liability company is the most attractive and the most common legal form for foreign investors conducting business in Poland. Therefore, the following explanations will focus on the LLC.

The biggest advantages of the LLC in comparison with other legal forms in Poland are:

- relatively low costs of incorporation of the company and low operational costs
- limited liability and low minimum share capital
- the company may start business activities immediately after signing the articles of association
- fast registration process at the court
- clear and simple rules in relation to the daily management of the company
- shareholders are not personally liable for corporate liabilities but are compelled to pay the share capital

Online registration

Since the beginning of 2012 a limited liability company can be set up electronically, using the platform provided by the Ministry of Justice at https://ems.ms.gov.pl/. This is a very simplified method where shareholders may choose templates with contractual clauses that allows for individualization of the articles of association only to a certain extent.

Formally company registration should be done within 24 hours from the day of delivery of required documents to the Register of Entrepreneurs.

Incorporation of limited liability company

Shareholders (or one shareholder), must start the procedure of the establishment of a limited liability company by drawing up a the articles of association, in the form of a notarial deed. The document must be signed by all shareholders. The Management Board is obliged to notify the National Court Register no later than 6 months after signing the articles of association. The standard registration process is presented in the table below.

Timeline and steps needed to establish a limited liability company in Poland

	Week 1	Week 2	Week 3	Week 4
Preparation Choice of the company's name Address of a company Scope of business activities Choice of the taxation form and the type of accountancy Preparation of documents Preparation of forms				
Notary Signing the articles of association				
National Court Register Submission of application with attachments Application to Statistical Office (REGON number) Application to Tax Office (Tax payer number)				
Opening of a bank account				

In the case of employment of workers - notification to Social Insurance Institution should be made within 7 days of entering into an employment relationship

/ Taxes

Income taxes

Corporate income TAX	19%	or	15%*	* small taxpayers (in the companies of which the value of sales together with the tax amount did not exceed in the previous tax year the amount of EUR 1 200 000.00) and taxpayers commencing activity
Withholding TAX**	19% dividends	20% interests	20% license fees	20% some intangible services
Presonal income TAX**	18% income up to PLN 85 528 (ca. EUR 20 000)	32% income above PLN 85 528 (ca. EUR 20 000)	19% option for the self-employed	

** these rates will be applicable on condition that a relevant treaty on avoidance of double taxation from another country does not specify another tax rate

Tax on goods and services – VAT

Base VAT rate	23%
Reduced VAT rate I, e.g.: goods related to health care, transport, services related to the management of waste	8%
Reduced VAT rate II, e.g.: essential food products, printed books	5%
Zero rate, e.g.: export of goods, intra-community delivery of goods, international transport	0%
Exempted, e.g.: some second-hand goods, financial services	exempt

Real estate tax

As the real estate tax rates are determined individually by each commune, they may vary depending on the investment sites' location. The real estate tax rates in Wroclaw are as follows:

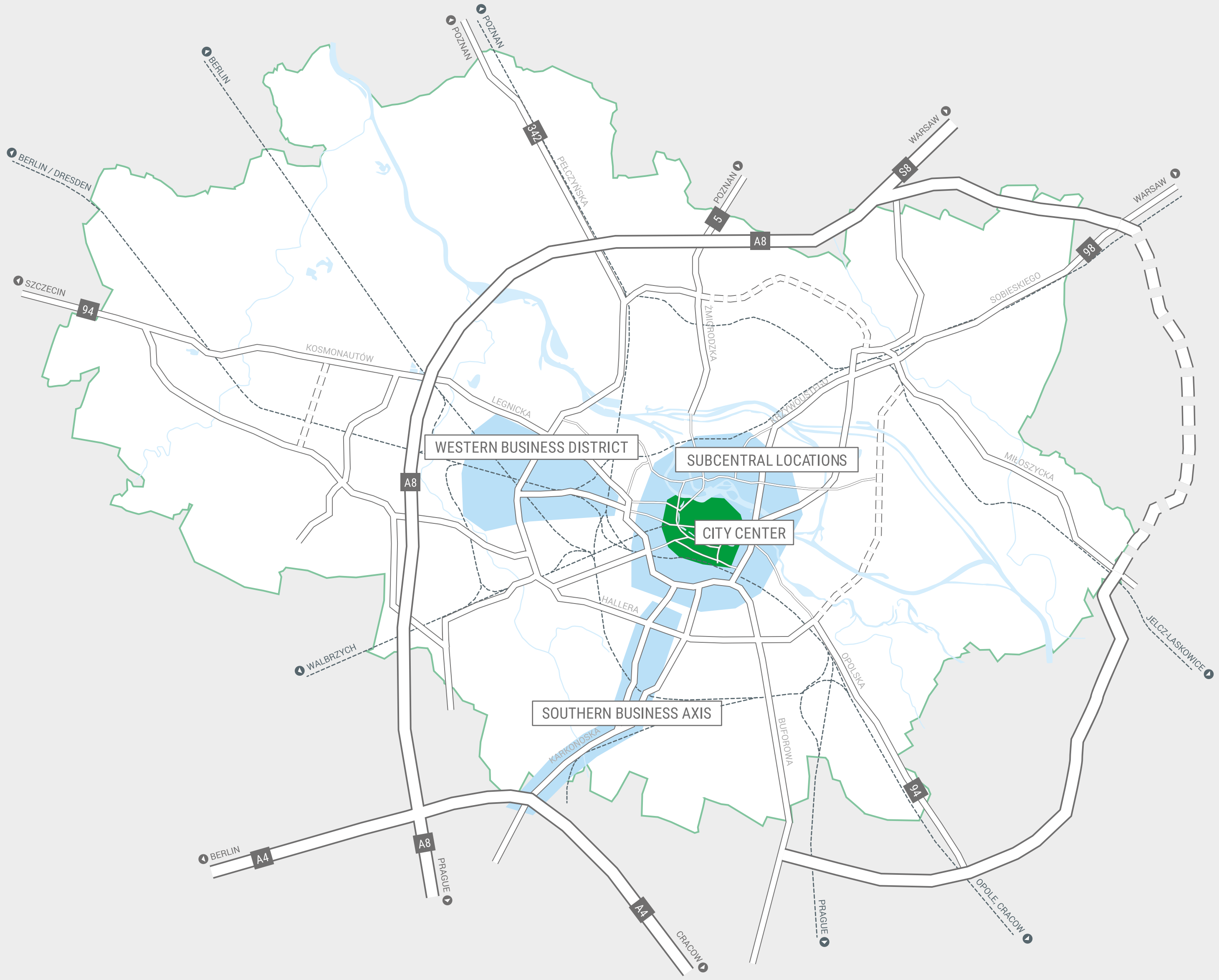
- **Industrial / Commercial Land**
  PLN 0.89/sqm annually
  (ca. EUR 0.21/sqm)
- **Industrial / Commercial Building**
  PLN 22.66/sqm annually
  (ca. EUR 5.30/sqm)
- **Structures**
  2% of the initial value of the assets annually

Exchange Rate EUR/PLN – 4.2750

Office market

With total office stock amounting to 848 000 sqm, of which 797 000 sqm is rentable, Wrocław remains the 2nd largest regional office market in Poland. The market is constantly growing thanks to numerous global companies and strong Polish players. The new investments tend to be more and more modern and eco-friendly.

Photo: Opera Software office in Wroclaw | Photo by Marcin Ratajczak | Office design by: mode:lina ™



Major business locations in Wrocław	City Center	Subcentral locations	Western Business District	Southern Business Axis
Total stock (sqm)	193 000	231 400	258 800	61 500
Vacancy rate (% of total stock)	12.4%	13.4%	11.7%	12.6%
Asking rents (EUR/sqm/month)	11-15.5	12-15.5	10-13	10-13.5
Space under construction (sqm)	6 300	82 300	36 300	30 800

Section partner Knight Frank

Increasing office stock

New supply in 2016 amounted to unprecedented levels of 141 500 sqm (vs average annual supply in 2011-2015 estimated at 61 000 sqm). A further 166 000 sqm are under construction, of which 95 000 sqm are scheduled for completion / to begin in 2017 and 71 000 sqm should be delivered to the market in 2018.

Numerous global and Polish developers

Previously, international developers focused mainly on Warsaw, while in regional cities like Cracow, Wroclaw, Tricity, Katowice, Poznan or Lodz, office space was delivered mainly by local investors. Currently, we can find at least several A-class projects representing the highest world quality in each of the above-mentioned cities (including Wroclaw).

Market driven by global players

Office demand in Wroclaw has been driven mainly by companies of the BPO/SSC, financial, R&D and IT sectors. According to Knight Frank's estimations, above 36% of office space in the city is occupied by companies representing the business services sector.

Strong demand

In 2016, a record-breaking volume of 124 500 sqm of office space was leased in Wroclaw (compared to the five-year average annual take-up of 78 900 sqm).

Forecasted growth of vacancy rate

Approximately 106 300 sqm remained vacant at the end of December 2016, which equals 12.5% of total stock – an increase by 4.5% when compared to the end of 2015 resulting from a record-breaking volume of new supply delivered to the market and not fully leased upon completion.

Stable asking rents

Asking rents in Wroclaw are at the similar level as in other major regional cities in Poland and noticeably lower when compared to other European markets. In Q4 2016, rents in the A-class office buildings in Wroclaw ranged from EUR 13 to EUR 15.5 per sqm per month, and in case of B-class buildings, the rates varied between EUR 10 and EUR 13 per sqm per month.

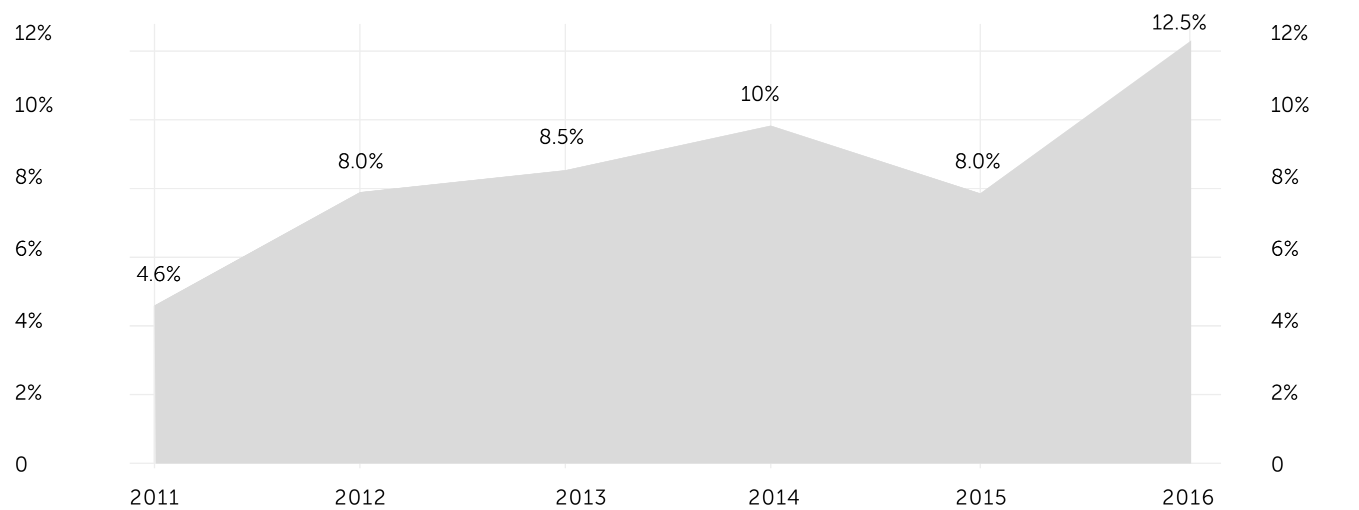
848 000 sqm
Total office stock

89 400 sqm
Net absorption in 2016

166 000 sqm
Supply under construction

12.5 %
Vacancy rate

Vacancy rate in the Wroclaw office market

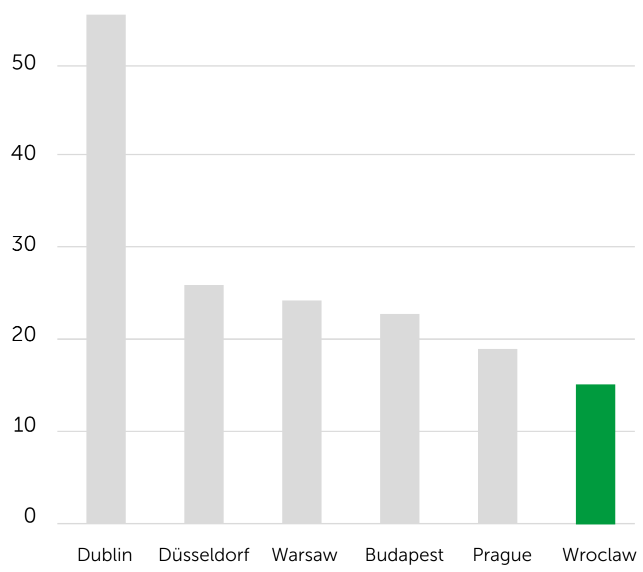


Section partner Knight Frank

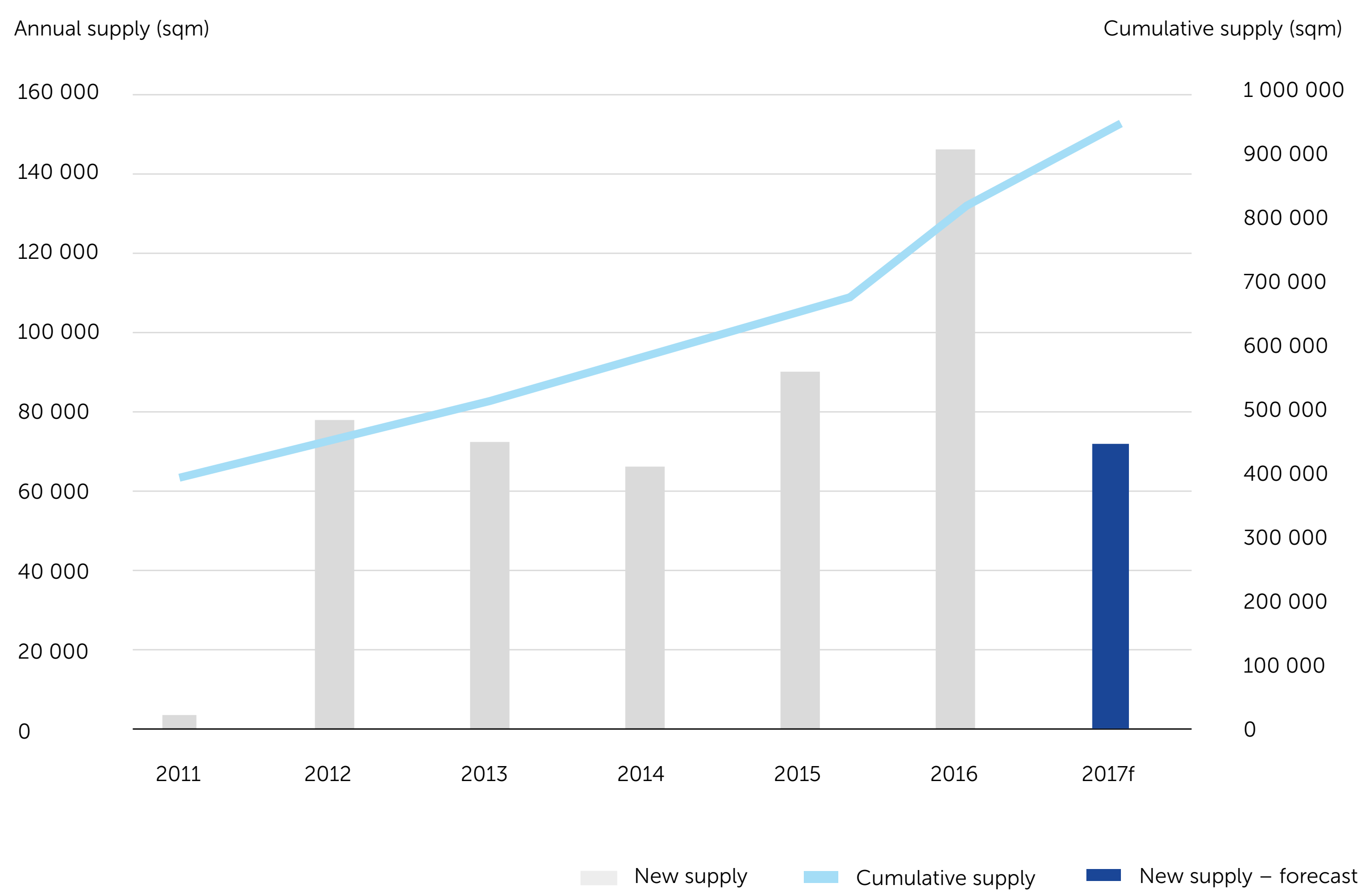
Investment market gaining momentum

- The dynamic growth of regional office markets and their development potential reflected in both the number of transactions and the more opportunity-seeking behaviour of local and foreign investors. Currently, yields for office assets located outside the Warsaw market fluctuate between 6.25-6.50% and their fall is expected in the coming quarters.
- In terms of contracts in the office sector over 66% in 2015 and approximately 44% in 2016 of the Polish office transactions volume was concluded in the regional markets.
- Since 2015 acquisitions of four schemes have been finalised in Wroclaw of the value exceeding EUR 193 M, which gave the city 2nd place among regional cities (after Cracow).

Prime asking rents for office space in selected European cities (EUR/sqm/month)



Annual and cumulative supply of office space in Wroclaw

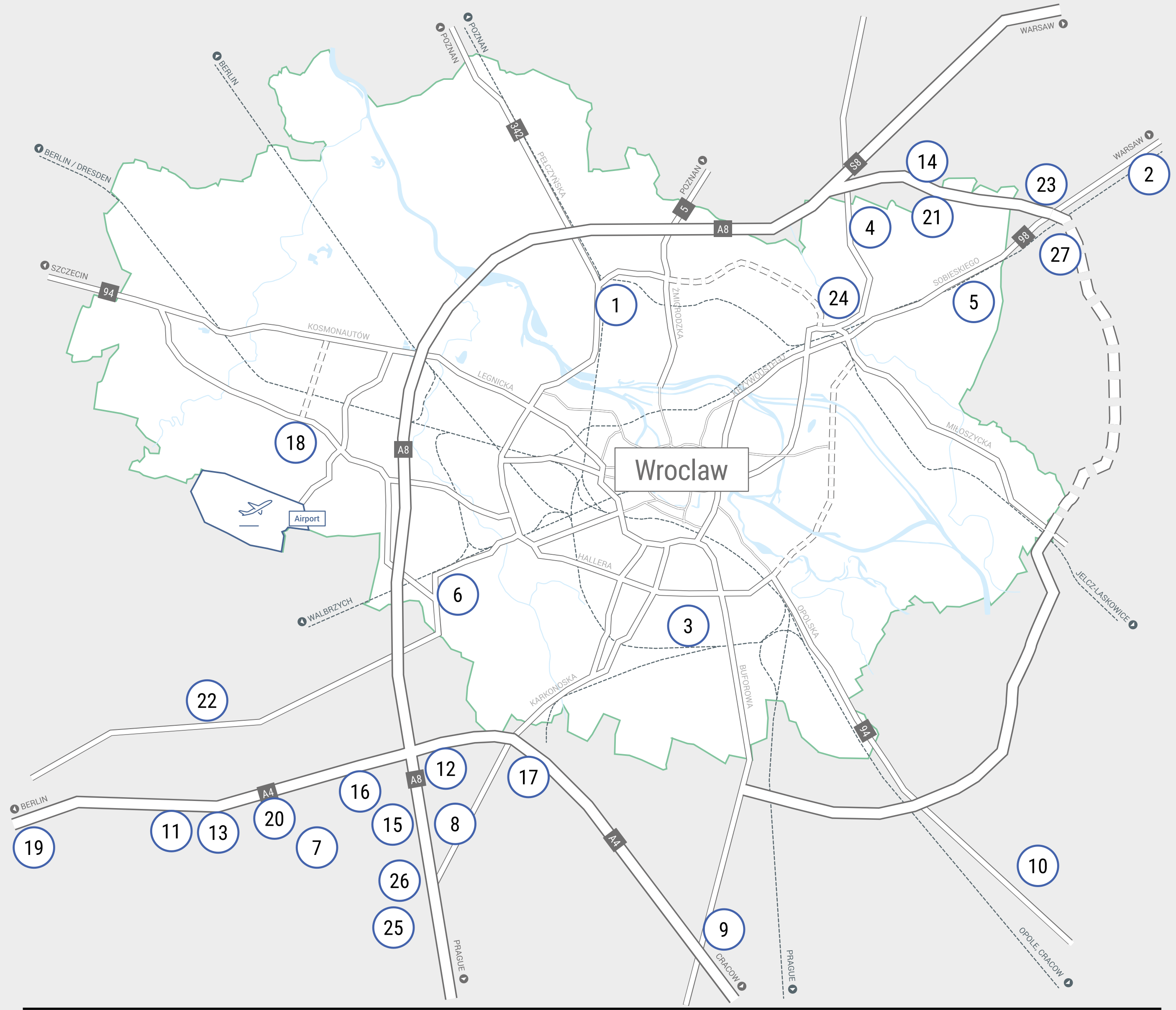


f – forecast based on supply under construction at the end of 2016

Section partner Knight Frank

Warehouse market

In terms of warehouse space resources, the Wroclaw region is currently the fourth most developed market in Poland. At present, the supply of industrial and logistics space in the examined region amounts to 1.44 million sqm.



Warehouse schemes in the Wroclaw Region

EXISTING PARKS

1. Distribution Park Wroclaw
2. Eurologis Centrum Logistyczne
3. Gazowa Industrial Park
4. Goodman Wroclaw I Logistics Centre
5. Goodman Wroclaw East Logistics Centre
6. Goodman Wroclaw IV Logistics Centre
7. Goodman Wroclaw South Logistics Centre
8. Wroclaw Logistic Centre Bielany
9. Hillwood Wroclaw II
10. Hillwood Wroclaw III
11. Panattoni Park Wroclaw II
12. Panattoni Park Wroclaw III
13. Panattoni Park Wroclaw IV
14. Panattoni Park Wroclaw V
15. Panattoni Park Wroclaw VII
16. Panattoni BTS Amazon Wroclaw
17. Prologis Park Wroclaw I
18. Prologis Park Wroclaw III
19. Prologis Park Wroclaw IV
20. Prologis Park Wroclaw V
21. Segro Industrial Park Wroclaw
22. Tiner Logistics Park
23. VATT Invest Wroclaw
24. Wroclaw Business Park

PARKS UNDER CONSTRUCTION & PLANNED PROJECTS

25. Goodman Wroclaw V Logistics Centre
26. Hillwood Wroclaw I bis
27. MLP Wroclaw

Section partner CBRE

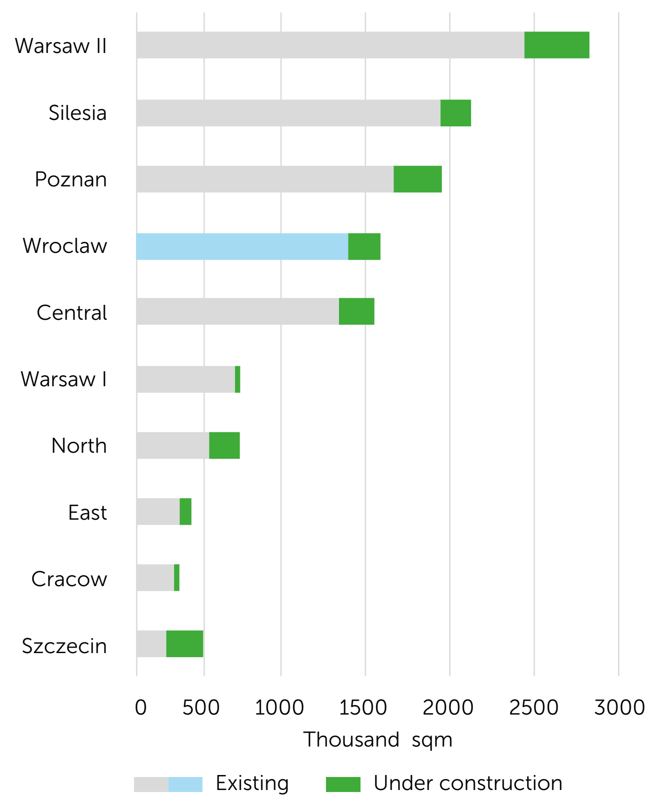
Overview of the region

In terms of the industrial and logistics market, the Wroclaw region seems to be one of the most attractive destinations for investment in Central and Eastern Europe. The region benefits from a well-developed road infrastructure including the A4 and A8 motorways and the S8 expressway.

Thanks to Wroclaw's location in close proximity to the Czech and German borders, the region is often chosen by logistics operators and retail companies distributing products to Western Europe, including e-tailers.

Additionally, strong activity within the Special Economic Zones and the favourable investment climate of Wroclaw City are both important drivers for manufacturing companies and influence the large share of foreign direct investment in the region. In terms of the FDI volume, Wroclaw is a leader at the country level.

Industrial and logistics supply by region



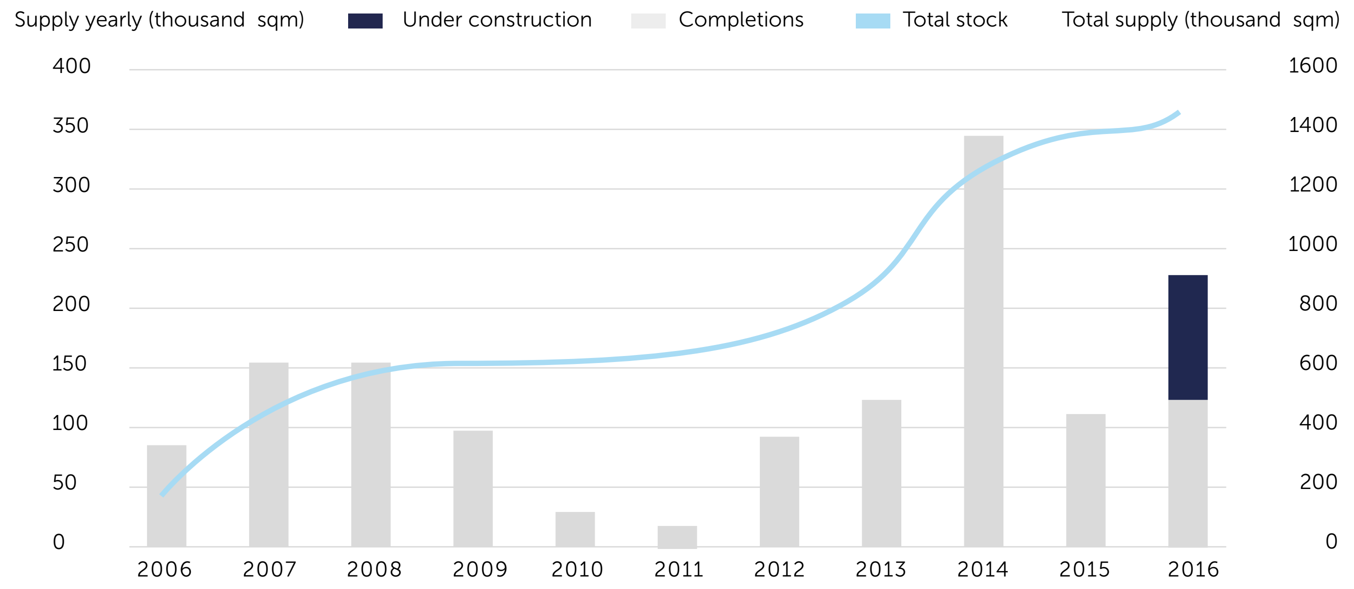
1 440 000 sqm
Total logistics and industrial stock

2.7 - 3.9 €
Headline rents per square meter

100 000 sqm
Supply under construction

6%
Vacancy rate of total stock

Industrial and logistics supply in the Wroclaw region over the years



Section partner CBRE

Developers activity & new projects

During 2016, developers delivered ca. 130 000 sqm of new space in six new developments to the Wroclaw market. A new phase of Hillwood Wroclaw 3 (29 500 sqm) was the largest project finished during the year. Other schemes completed in 2016 were: Building 2 in Panattoni Park Wroclaw V (25 400 sqm), Building 2 in Panattoni Park Wroclaw IV (25 100 sqm), 24 500 sqm of additional space in Building 1 within Goodman Wroclaw IV Logistics Centre, 14 200 sqm in Building 1 within Panattoni Park Wroclaw IV and 10 300 sqm in Panattoni Park Wroclaw VII.

Throughout 2016, the Wroclaw industrial and logistics market has grown by 8%. As a result of its favourable location and good market conditions, the Wroclaw region is experiencing a dynamic growth phase. Currently, there are over 100 000 sqm of warehouse space under construction, out of which 63% (64 400 sqm) is not secured by pre-lease agreements.

Developers are taking advantage of the positive market outlook to begin speculative construction while the demand, as evidenced in tenant requirements for new space, is still growing. Three new developments commenced in Q4 2016: Hillwood Wroclaw 1 bis (26 900 sqm), a new phase of Hillwood Wroclaw 2 (18 500 sqm) and MLP Wroclaw (8 700 sqm). Other projects under construction are: 30 000 sqm of additional space within Panattoni Park Wroclaw VII, expansion of Prologis Park Wroclaw V (11 400 sqm) and Panattoni BTS Polkowice (6 500 sqm).

Leasing activity & vacancy rate

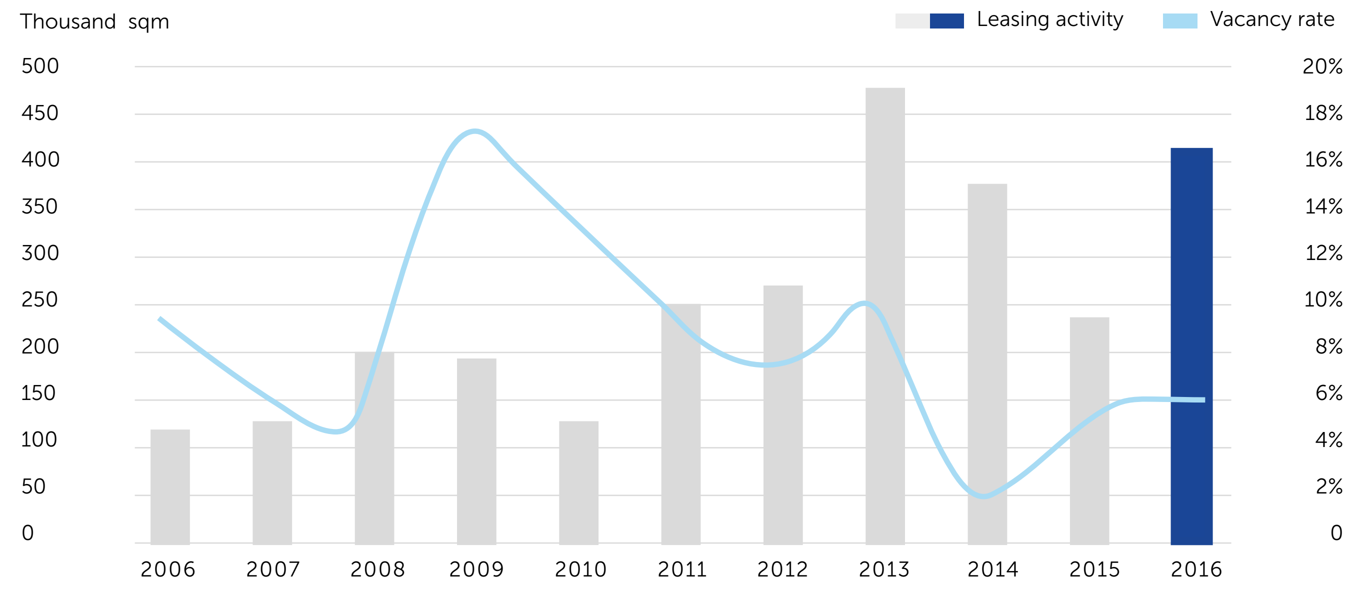
At the end of Q4 2016, the vacancy rate in the Wroclaw region reached the level of 5.6%, which translates into a 0.1 pp increase y-o-y. The vacancy ratio in the Wroclaw region remains on a comparable level to the average vacancy rate for Poland, amounting to 5.9% at the end of Q4 2016. The availability of vacant space is still limited, therefore encouraging developers to start new constructions.

Tenants' interest in industrial and logistics space to lease is growing. Overall, demand for industrial and logistics space amounted to ca. 420 000 sqm in 2016, indicating an 83% increase when compared to 2015. New agreements and the expansion of existing clients accounted for 49% of the total leasing activity registered this year in the Wroclaw region whilst renewals amounted to 51%.

In 2016, the Wroclaw market was dominated by the logistics sector (31% of total leasing activity registered in the region). E-commerce business plays an important role and is expected to continue to grow as a consequence of the changing shopping preferences of consumers. It will result in a growing need for modern logistics space. Other industries active in 2016 were the automotive and FMCG sectors.

Currently, headline rents for warehouse space amount to 2.70-3.90 EUR/sqm/month. They are expected to remain stable in the coming months.

Total leasing activity and vacancy rate in the Wroclaw region



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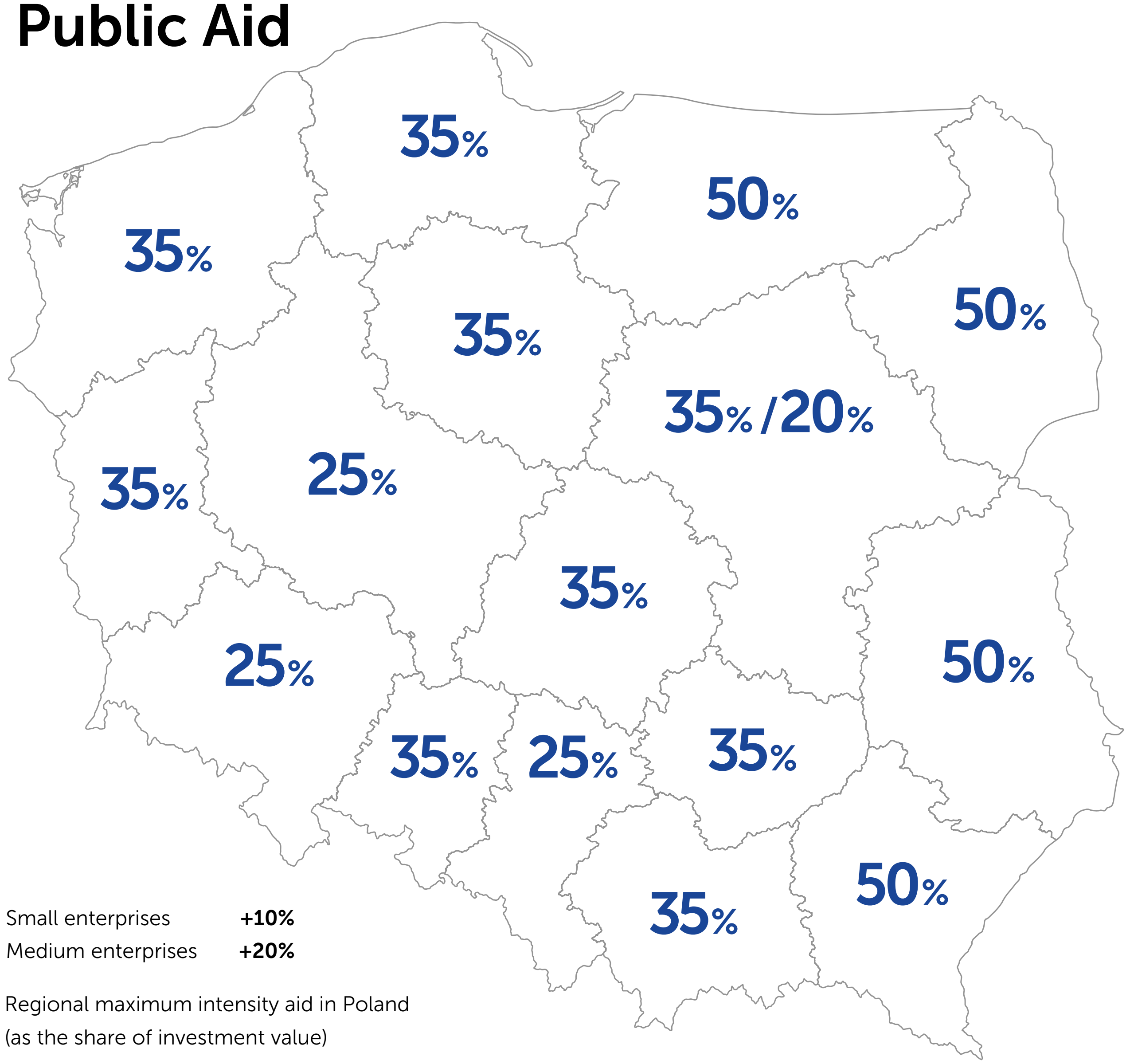
/ Public Aid



- Small enterprises +10%
- Medium enterprises +20%

Regional maximum intensity aid in Poland
(as the share of investment value)

Incentives available for investors

- government grants – cash subsidy
- special economic zones – income tax exemptions
- real estate tax exemptions
- labour market support instruments
- tax incentives with respect to research and development operations
- subsidies for training purposes for employees and employers
- non-repayable subsidies from Norwegian Funds and EEA Funds
- subsidies and preferential loans for the purpose of environmental protection

For detailed information, please visit:
www.invest-in-wroclaw.pl

EU support programmes in Poland

The total budget of the EU Cohesion Policy for Poland for the years 2014 to 2020 amounts to 82.5 billion EUR which makes Poland the biggest beneficiary of European Funds. Financial support will be provided mainly within Operational Programmes which include:

- Infrastructure and Environment – 27.41 bn EUR
  support of sustainable development
- Smart Growth – 8.61 bn EUR
  support for enterprises mainly in R&D area
- Knowledge Education Development – 4.69 bn EUR
  investments in human capital development
- Digital Poland – 2.17 bn EUR
  increasing access to broadband networks
- Regional programme (Lower Silesia) – 2.25 bn EUR
  increasing Lower Silesia's competitiveness

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