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CONFIDENTIAL ADVISORY REPORT

Zoomarine Algarve Commercial Due Diligence

Hypothetical public-evidence acquisition assessment

ATLAS DECISION INTELLIGENCE

PRODUCT	Commercial Due Diligence
GEOGRAPHIC SCOPE	Algarve, Portugal
TRANSACTION CONTEXT	Hypothetical pre-acquisition assessment
DOCUMENT STATUS	Controlled internal preview
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Decision exhibits are embedded with the relevant chapters

1. Executive Summary

Commercial thesis and posture. Zoomarine Algarve is a scaled, multi-experience family attraction in a structurally strong tourism region. Public evidence supports: (i) Algarve's sizable and internationally fed demand base (20.8m overnights; >10m Faro pax in 2025), (ii) a differentiated product that blends zoological presentations, rides, water, and premium "Dolphin Emotions," and (iii) an ability to price at a modest premium to major Algarve waterparks on a one-day fixed-date basis. However, revenue quality and execution risk are constrained by seasonality, regulatory exposure (DGAV zoo licensing/welfare), and the Algarve's documented water-scarcity/drought context. Absent any financial disclosures, we cannot underwrite yield, channel mix, margin, or cash conversion.

Overall governed score and rating. Overall score: 63.56/100; rating: mixed. Dimension scores: Market attractiveness 72; Demand resilience 60; Competitive position 74; Commercial model quality 68; Revenue quality 55; Execution and commercial risk 50. These are authoritative and not recalculated.

Principal strengths (evidence-based). - Scale and visibility: 627,054 visitors in 2025. - Tourism engine: Algarve ~25% of Portugal's overnights; Faro passengers record in 2025. - Product differentiation and awards narrative enabling a price premium vs Slide & Splash and clear upsell pathways via Dolphin Emotions; structured ticket fences by season/product.

Principal risks and red flags. - No public P&L, yield, per-cap or margin data. - Region-wide drought/water policy uncertainty; operating costs/constraints risk. - Welfare/licensing compliance is material to brand and continuity. - Peak-season concentration and reliance on international airlift.

Decisive evidence gaps before NBIO. - 3-5 years of monthly attendance, peak days, weather closures. - Realized ticket yield by channel and promo depth; online pre-sales share. - Per-capita by line (F&B, retail, experiences) and Dolphin Emotions capacity/load. - Operating calendar/hours by day; capacity and maintenance windows. - DGAV permits, inspections, incident/insurance history. - Water and energy consumption, sourcing split, efficiency capex and risk plan. - Growth capex pipeline and expected ROI.

Transaction posture. Proceed only subject to data-room access and explicit commercial conditions. Do not table an unconditional NBIO. Include valuation guardrails and scenario sensitivities tied to airlift and water-policy risk. If data visibility is denied or materially adverse, stop or renegotiate thesis and terms.

Decision interpretation - Executive Summary. The governed record combines official operator, tourism, airport, climate, environmental and regulatory evidence. It supports a public-evidence commercial assessment but not a full confirmatory transaction diligence conclusion. In this decision area, the 63.56 score and Mixed rating support investigation and restructuring, not an unconditional offer. The conclusion is therefore bounded by the evidence actually available: external indicators establish context, while target-level economics, resilience and transaction readiness remain subject to disclosure and testing.

Evidence closure - Executive Summary. The next diligence stage must reconcile the scorecard with transaction terms, data-room findings and the investor's return threshold. The required evidence should be reconciled across source documents, management explanations and underlying system records, with material exceptions logged and investigated rather than averaged away. An acceptance test must be agreed before the evidence is reviewed so that an adverse result cannot be rationalized after the fact.

Transaction control - Executive Summary. The transaction file should preserve source traceability, record unresolved exceptions and distinguish confirmed evidence from management assertion, ATLAS judgment and information that remains unavailable. Until that control is satisfied, upside remains provisional and the investor must preserve the ability to obtain information, maintain downside assumptions, reprice, impose conditions, restructure, defer or stop without relying on unsupported valuation conclusions.

2. Transaction and Decision Context

Context. This is a public-evidence commercial due diligence for an international leisure investor assessing a potential controlling acquisition of Zoomarine Algarve in Guia (Albufeira). This scenario does not assert a sale process. No management accounts, confidential forecasts, valuation papers, or seller diligence were available.

Decision objective. Determine whether to: (i) proceed to a non-binding indicative offer (NBIO) with conditions and request a formal data room; (ii) proceed only subject to specific commercial conditions; (iii) renegotiate the investment thesis; or (iv) stop. The investor must weigh market attractiveness, demand resilience, competitive position, revenue quality, seasonality, growth potential, risks, and the evidence required before capital commitment.

Governed inputs mapped. - Transaction context summarized from operator and tourism sources. - Market and demand evidenced by Turismo de Portugal/INE, Algarve Observatory, and ANA - VINCI Airports. - Product, pricing, and calendar evidenced from Zoomarine's ticketing and press materials. - Regulatory/environmental context evidenced by DGAV/DRE, Government of Portugal, APA and IPMA.

Decision constraints. - No revenue, margin, channel mix or per-cap disclosures: valuation precision is not currently achievable. - Attendance history is single-point (2025) only: limits demand trend, resilience, and capacity analysis. - Price benchmarking must use the one-day fixed-date product basis; Aquashow's adult price was not on the cited page at crawl time and is excluded.

Implications for NBIO. An NBIO is only supportable if conditioned on specific disclosures and confirmatory analysis: monthly attendance and yield/pricing files, per-cap by line, regulatory/welfare documentation, water/energy plans, and capex pipeline with ROI logic. Include scenario-based valuation guardrails referencing airlift sensitivity and drought-policy impacts on calendar/hours.

Decision interpretation - Transaction and Decision Context. The governed record combines official operator, tourism, airport, climate, environmental and regulatory evidence. It supports a public-evidence commercial assessment but not a full confirmatory transaction diligence conclusion. In this decision area, the current decision is whether to seek evidence and preserve optionality before an offer, not whether to complete an acquisition. The conclusion is therefore bounded by the evidence actually available: external indicators establish context, while target-level economics, resilience and transaction readiness remain subject to disclosure and testing.

Evidence closure - Transaction and Decision Context. The next diligence stage must define the information threshold for a non-binding offer, the walk-away conditions and the authority for each decision gate. The required evidence should be reconciled across source documents, management explanations and underlying system records, with material exceptions logged and investigated rather than averaged away. An acceptance test must be agreed before the evidence is reviewed so that an adverse result cannot be rationalized after the fact.

Transaction control - Transaction and Decision Context. The transaction team should map each unresolved operating or perimeter issue to specialist diligence, required disclosure, financial exposure and contractual protection rather than treating absence of evidence as a neutral result. Until that control is satisfied, upside remains provisional and the investor must preserve the ability to obtain information, maintain downside assumptions, reprice, impose conditions, restructure, defer or stop without relying on unsupported valuation conclusions.

Transaction Context Summary

Item	Summary
Project name	Zoomarine Algarve Hypothetical Acquisition CDD (public-evidence scope).
Target	Operating family theme park in Guia (Albufeira) with marine-life habitats/presentations, mechanical rides, water attractions, F&B/retail, and premium 'Dolphin Emotions' experiences.
Geography	Algarve, Portugal.
Investment objective	Assess whether to proceed to NBIO and request data room vs. proceed with conditions vs. stop.
Season window (2026)	Low season: Mar 12-May 31 and Oct 1-Nov 28; High season: Jun 1-Sep 30 (per ticket page).
Differentiators	Multi-experience product (zoological + rides/water), conservation credentials (Porto d'Abrigo), awards track record.
Known risks (public)	Seasonality; reliance on Algarve tourism and airlift; drought/water constraints; animal-care/regulatory exposure.
Competitor set (Algarve)	Slide & Splash; Aquashow Park; Aqualand Algarve; broader leisure alternatives. Customer-nominated comparators without admitted source evidence are excluded from published benchmarking.

Summarizes the customer brief with public operator/regulatory corroboration where applicable.