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HOTEL PRIVATE EQUITY FUND  
**INVESTMENT MEMORANDUM**

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## EXECUTIVE SUMMARY

MORNINGBRIDGE IS PLEASED TO OFFER THE OPPORTUNITY TO PARTICIPATE IN THE ACQUISITION OF THE VINTAGE HOTEL, AN EXISTING FIVE STAR HOTEL IN PRIME LISBON, PORTUGAL.

THE OPPORTUNITY TAKES THE FORM OF ACQUIRING UP TO 80 UNITS OF €350,000 EACH IN *THE VINTAGE HOTEL PRIVATE EQUITY FUND*. EACH UNIT IS ELIGIBLE FOR A GOLDEN VISA.

**THE VINTAGE HOTEL - LISBON:** Existing, cash flow-generating five star hotel purchased in 2017. Improvements are underway to further transform the Hotel - management, operations and systems upgrades, along with an additional >€850k of capex to improve the building and interiors, all to further boost ongoing cash flow.

**THE SPONSORS:** this is the sixth project in Portugal undertaken by Morningbridge, which is the joint venture of Mornington Capital with Portugal development partners Bridgehead Capital, to acquire under-performing hotel assets, and redevelop derelict buildings into successful residential and/or hotel projects in both Lisbon and Porto.

**TRACK RECORD:** Morningbridge opened its first development, The Lumiares luxury boutique apartment hotel ([www.thelumiares.com](http://www.thelumiares.com)), in Bairro Alto in July 2017, to excellent reviews. It is managed by Bomporto Hotels Limitada, the hotel operating arm of Morningbridge.

**THE TRANSFORMATION TEAM:** We are using the same management team that pre-opened and now operate the Lumiares Hotel, namely Bomporto Hotels Lda. Bomporto was founded by Chris Eddis and Peter Lowe with partners who combine experience in investment, development, hotel operations and turnaround management.

**ASSET MANAGEMENT TEAM:** We are assisted in the financial asset management of the hotel investment by Lince Capital, an experienced Portuguese regulated asset management company and administrator.

**THE INVESTMENT:** The minimum investment is €350,000 for one Fund unit (multiple units can be purchased). One unit (€350k) is all that is needed for full Golden Visa eligibility which can include dependent family members. The investment pays a minimum coupon of 3.00% per annum (no tax deductions or other retentions from this in Portugal), PLUS a share of upside in earnings each year and of any additional value on eventual sale of the Vintage Hotel.





# VINTAGE HOTEL PRIVATE EQUITY FUND (PEF)

## INVESTMENT HIGHLIGHTS

INVESTMENT IN ONE UNIT IN THE VINTAGE HOTEL PEF BRINGS THE FULL BENEFITS OF PORTUGAL’S GOLDEN VISA PROGRAMME, PLUS MINIMUM 3.0% RETURN P.A., PLUS SHARE IN UPSIDE FROM INCOME (POST 3.0% FIXED RETURN) & CAPITAL GAIN. THE PEF ALSO OFFERS BUYERS SEVERAL TAX ADVANTAGES.

	DESCRIPTION	AMOUNT
1	<b>GOLDEN VISA ELIGIBILITY</b> As of November 2017, the Portuguese government has allowed for participation units in a regulated Portuguese Private Equity Fund to be eligible for the Portuguese Golden Visa Regime (minimum €350,000 equity investment)	€350,000
2	<b>MINIMUM FIXED RETURN</b> The Vintage Hotel PEF offers a minimum coupon to PEF unit holders	3.00% p.a. fixed base yield PLUS...
3	<b>SHARE IN EARNINGS AND UPSIDE</b> The Vintage Hotel PEF holders will in addition enjoy 50% of all distributable income post 3.00% Fixed Base return, PLUS 70% of any proceeds from eventual sale of the Vintage Hotel (likely around year 10)	50% x profits + 70% x sale proceeds, PLUS...
4	<b>SIGNIFICANT TAX ADVANTAGES</b> The PEF is fully exempt from corporate income tax (CIT). Distributions/ proceeds to non-resident investors who are not from a tax haven jurisdiction are exempt from Withholding Tax and Capital Gains Tax (sale of units)	tax exemptions

INVESTMENT IN THE VINTAGE HOTEL PEF IS MUCH MORE TAX EFFICIENT AND THEREFORE FINANCIALLY MORE ATTRACTIVE THAN AN INVESTMENT DIRECT INTO REAL ESTATE; AS THE INVESTMENT IS PROFESSIONALLY MANAGED, IT IS ALSO EASIER TO ADMINISTER FOR MOST OVERSEAS INVESTORS.

VINTAGE HOTEL PEF COMPARASION OF RETURNS TO INVESTOR FOR PE FUND VS DIRECT PROPERTY INVESTMENT				PEF VS APARTHOTEL VS DIRECT PROPERTY			PEF VS APARTHOTEL VS DIRECT OWNERSHIP (Annual Net Income)		
INVESMENT TYPE				PEF	Aparthotel	Property	PEF	Aparthotel	Property
A) ANNUAL GROSS INCOME				3,00%	4,00%	4,00%	€10 500	€14 000	€14 000
B) UP-FRONT DEDUCTIONS									
Real Estate Transfer Tax				up-front	up-front	up-front			
Bi) IMT				0%	6,5%	6,0%	€ -	€ 27 750	€ 21 000
Bii) Stamp Duty				0%	0,8%	0,8%	€ -	€ 2 800	€ 2 800
Biii) Registration & Notary cost approx.				0%	0,2%	0,2%	€ -	€ 700	€ 700
Biv) Furniture				0%	0%	3,0%	€ -	€ -	€10 500
C) CURRENT INCOME DEDUCTIONS									
1) Real Estate Tax (IMI)				0%	0,3%	0,3%	€ -	€1 050	€1 050
2) Property maintenance (est)				0%	0%	0,3%	€ -	€ -	€1 050
3) Property Service charge /Condo fees (est)				0%	0,75%	0,75%	€ -	€ 2 625	€ 2 625
4) Personal Income Tax (PT)				0%	28,0%	28,0%	€ -	€ 2 891	€ 2 597
Annual Net Income				3,0%	2,12%	1,91%	€10 500	€ 7 434	€ 6 678
							100%	53%	48%



# GOLDEN VISA ELIGIBILITY

## PORTUGAL GOLDEN VISA (“GV”) PROGRAMME

INVESTMENT IN A QUALIFIED, REGULATED PRIVATE EQUITY FUND (PEF) SUCH AS THE VINTAGE HOTEL PEF ALLOWS NON-EU INVESTORS TO QUALIFY FOR PORTUGAL’S GOLDEN VISA REGIME. THIS ALLOWS SIGNIFICANT IMMIGRATION, LIFESTYLE AND TAX ADVANTAGES.

### WHAT IS AN ELIGIBLE INVESTMENT?

- Deposit of > €1m in Portugal bank account
- Acquisition of real estate (“RE”) with >€500k in equity
- Creation of >10 permanent jobs in Portugal
- Acquisition of real estate >30 yrs old or in qualified zones, with €350k equity
- Investment of >€350k into qualifying science/ research/technology activity
- Investment of >€250k into qualifying arts or cultural heritage investments
- Investment >€350k in Portuguese company which creates/maintains 5 jobs for >3 yrs
- Investment of >€350k into qualifying Private Equity Fund

### WHO BENEFITS FROM A GV INVESTMENT?

The benefits of the GV apply to the named investor + dependent members of family: spouse, parents, children (not in full time employment/married).

### WHAT ARE BENEFITS OF GV?

Benefits include visa-free travel within EU Schengen zone plus ability to apply for full Portuguese passport after 5 years of GV eligibility; PLUS tax benefits (Portuguese Special Tax Regime) including tax exempt offshore income and gains.

### WHAT ARE CONDITIONS OF GV?

Investors must have made a qualifying investment, must have clean criminal record, and must spend at least 7 days in Portugal in first year, then >14 days over the next two year period, thereafter 7 days per year to maintain eligibility.



INVESTORS MUST HAVE MADE A QUALIFYING INVESTMENT, MUST HAVE CLEAN CRIMINAL RECORD, AND MUST SPEND AT LEAST 7 DAYS IN PORTUGAL IN FIRST YEAR, THEN > 14 DAYS OVER THE NEXT TWO YEAR PERIOD, THEREAFTER 7 DAYS PER YEAR TO MAINTAIN ELIGIBILITY.

CONDITIONS FOR PEF INVESTOR TO QUALIFY FOR GV		...DETAILS
1. The PEF needs to be regulated	✓	The Vintage Hotel PEF has appointed Lince Capital as fund management company. Lince is registered with the Portuguese Securities Market Commission (“CMVM”).
2. Long Term Investment Horizon	✓	The Fund’s maturity must exceed 5 years, in order for investors to fulfil 5 years of GV eligibility; this allows fast track application to a full Portuguese passport. Vintage Hotel PEF has a 10 year life.
3. Portugal Investment Focus	✓	For GV purposes, the PEF must allocate >60% of its investments in Portugal. The Vintage Hotel PEF will remain a single purpose company; 100% of its investment is in Portugal.
4. Stamp Duty Mitigation	✓	No stamp duty is applicable for a PEF which has >10% of the shares in a qualifying Portuguese company. Vintage Hotel PEF will own 100%.
5. Tax Considerations	✓	IN ADDITION, no withholding tax for non-resident investors in PEF (and only 10% Withholding Tax for individual resident investors and non-resident investors who are from a tax haven jurisdiction) ➤ <b>Greater net returns to investors.</b>





## SPONSOR'S EXPERIENCE & TRACK RECORD

### MORNINGBRIDGE & BOMPORTO HOTELS

MORNINGBRIDGE DESIGNS, DEVELOPS AND OPERATES LUXURY 5\* BOUTIQUE HOTELS AND TOP END RESIDENTIAL BUILDINGS IN PORTUGAL. ALTHOUGH MAINLY FOCUSED IN PORTUGAL, MORNINGBRIDGE PRINCIPALS BRING TOGETHER HOTEL OPERATIONAL EXPERIENCE, REFURBISHMENT AND DEVELOPMENT EXPERTISE FROM ELSEWHERE IN EUROPE, ASIA AND THE CARIBBEAN.

Morningbridge's first investment in Portugal was in May 2014, buying a derelict site which was formerly the 16<sup>th</sup> Century Palácio do Conde de Lumiares, now called The Lumiares Hotel.

All of the Portugal hotel projects are managed by Bomporto Hotels Lda, a company especially set up by Morningbridge principals to operate hotel investments after completion.

Morningbridge's first development (www.thelumiares.com) opened in July 2017 and is already one of the most popular 5\* hotels in Lisbon.

Refurbishment works on a challenging physical site were completed on time & within budget.

In addition to the Vintage Hotel, and the new Lumiares Hotel in Bairro Alto, Morningbridge is also developing two additional boutique five star hotel projects in Portugal – the Baronesa in Lisbon and the Rebello in Porto.

Apart from Portugal, Morningbridge's recent experience encompasses 4\* & 5\* luxury hotels & resorts in Prague, St Barths and Asia. The team currently owns and/or operates >1,550 rooms in 18 hotels.



## SPONSOR'S EXPERIENCE | BOMPORTO TEAM



**Chris EDDIS**  
Founding Partner

Mornington  
Capital Ltd  
Morningbridge Lda  
Bomporto Hotels Lda



**Nick ROUCOS**  
General Manager

The Vintage Hotel



**Federica LEITAO**  
Operations Director



**Mark RUSSELL**  
Investment Director



**Peter LOWE**  
Founding Partner

Bridgehead  
Capital Ltd  
Morningbridge Lda  
Bomporto Hotels Lda



Morningbridge Lda. was established in July 2013 by Chris Eddis (hotels & finance) & Peter Lowe (developer & sales) as a joint venture company in Portugal. Lisbon projects include the Lumiares Hotel; Sandomil Palace, Emenda Five, The Baronesa & The Vintage Hotel. In Porto/Gaia, The Rebello will be Morningbridge's 6<sup>th</sup> project in Portugal.



**morningtoncapital**

Mornington Capital was established by Chris Eddis and Mark Russell in 1998 as a financial investment and corporate finance company, specialized in hotels and real estate. Chris Eddis is ex Goldman Sachs & JP Morgan (London, Hong Kong & New York) and ex CFO of Six Senses Group; Mark is an ex property surveyor.

## BOMPORTO HOTELS

Bomporto was set up in Dec 2015 to manage all hotel projects developed by Morningbridge in Portugal. Bomporto is composed of international hotel management, development and investment professionals who have worked together as a team over the past 15 years. The Lumiares & The Vintage Hotel have been managed by Bomporto Hotels since 2017.



## SPONSOR'S TRACK RECORD | PROJECTS - GLOBAL HOTEL EXPERIENCE



**BOMPORTO'S** FOUNDERS' EXPERIENCE ENCOMPASSES 4\* AND 5\* LUXURY HOTELS AND RESORTS IN EUROPE, THE CARIBBEAN AND ASIA.

EXPERIENCE INCLUDES THE LUMIARES IN LISBON, THE GRAND MARK HOTEL PRAGUE, THE DON GIOVANNI HOTEL IN PRAGUE, SIX SENSES RESORTS (ASIA, EUROPE), LE TOINY AND ISLE DE FRANCE HOTELS (ST BARTHS, CARIBBEAN), SCHLOSSLE HOTELS (TALLINN, RIGA).

THE TEAM CURRENTLY OWN AND/OR MANAGE/ OPERATE >1,550 ROOMS IN 18 HOTELS.



**THE BARONESSA** Luxury Apartment Hotel LISBON was purchased in March 2015 from a Portuguese bank. We completed archeological works, planning and construction permits by Q1 2018 and expect construction to commence June 2018.



**THE REBELLO** Luxury Hotel & Apartments - GAIA (Porto) - purchased in July 2017 subject to planning. Construction expected to commence Oct 2018.



**EMENDA 5** Luxury Apartments LISBON purchased July 2017, Refurbishment of 7 apartments by Feb 2019.



**SANDOMIL PALACE** Luxury Apartments LISBON purchased Sep 2016, Completion of 8 apartments by the end 2018.



SPONSOR’S TRACK RECORD | CASE STUDIES

THE LUMIARES LUXURY HOTEL  
& APARTMENTS, LISBON

THE LUMIARES HAS BEEN  
DEVELOPED AND MANAGED  
SINCE BUYING THE SITE IN 2014

- The Lumiares Luxury Hotel Apartments was the first hotel property development of Morningbridge in Portugal.
- We acquired a derelict building in Bairro Alto out of administration from a bank owner, assembled and actively managed the design, construction, fit out and pre-opening teams to work with us to re-develop the property over 3 years. The Lumiares opened in July 2017.
- During development, we sold 50 out of 53 apartment units to buyers, 95% of whom have pooled their units back to Bomporto to manage on their behalf for income.
- The hotel had a “soft opening” in July 2017 and, within a year from opening, is running at an annual occupancy of c. 80% and rates that far exceed management estimates.
- As this was our first hotel development in Lisbon, we decided to out-source the food and beverage (including breakfast and rooftop bar) to award-winning chef Miguel Castro e Silva, but with the financial support and covenant of the Cerger Group (Trivalor), a nationwide catering and multi-business conglomerate.
- See [www.thelumiares.com](http://www.thelumiares.com)



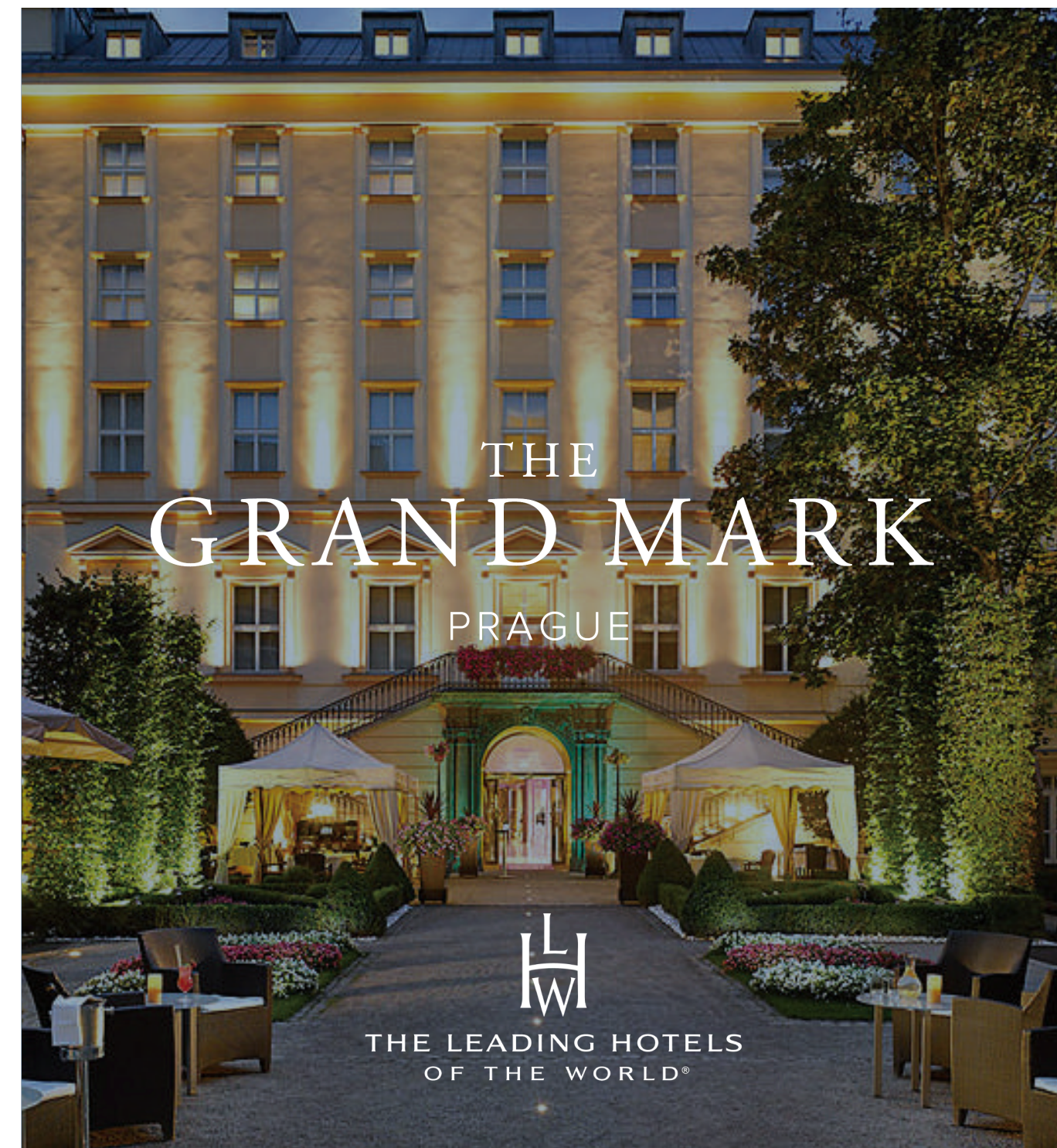
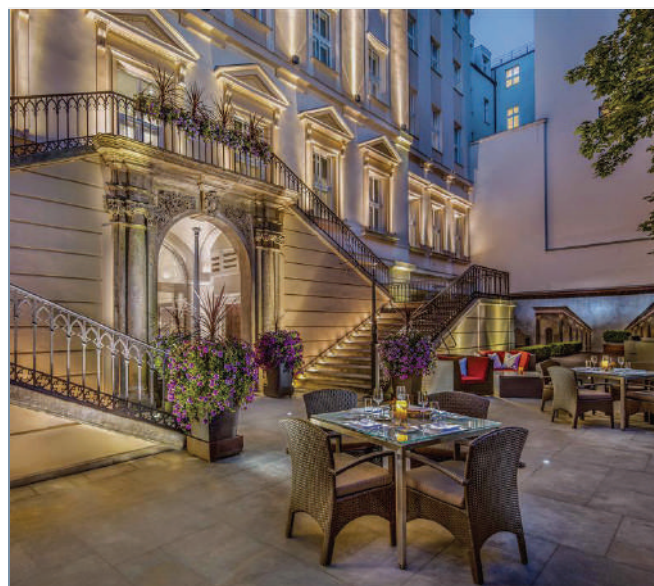


## SPONSOR'S TRACK RECORD | CASE STUDIES

### THE GRAND MARK, PRAGUE

THE GRAND MARK LUXURY  
HOTEL PRAGUE,  
OWNED, OPERATED AND  
MANAGED SINCE 2013

- Principals acquired the 75 key refurbished 5\* palace building in Dec 2013.
- The 5 year old hotel had been loss-making for 4 out of 5 years before purchase by Mornington group.
- We terminated Kempinski and now operate as an independent 5\* boutique hotel.
- We re-named the hotel as the Grand Mark Luxury Hotel Prague, re-trained staff, replaced heads of department and changed marketing strategy to focus on individual guests, film crews and select businesses.
- In our first year of ownership, we increased rates by 10% and earnings by 510%.
- Apart from financial improvement, we now run a 5\* boutique hotel with happy staff and higher ratings (TripAdvisor and others) than when under brand name management.
- Our restaurant is now consistently in the top 35 restaurants in Prague.
- See [www.thegrandmark.cz](http://www.thegrandmark.cz)







## FUND MANAGEMENT AND LEGAL COUNSEL

LINCE CAPITAL & CMS

THE VINTAGE HOTEL PEF WILL BE ACTIVELY MANAGED BY THE SPONSORS, BUT WITH THE DILIGENT ADMINISTRATION AND CORPORATE GOVERNANCE PROVIDED BY LINCE CAPITAL.

Lince Capital is a Portugal-based, family owned, investment fund manager which has >40 years' experience managing funds and developing real estate in Portugal and beyond.

Within their fund management practice, Lince Capital's expertise covers real estate, construction, railways, communications, agricultural and industrial development.

Lince Capital currently has funds under management of >€330m, with assets and expertise in Asia, Europe, Africa and Latin America.

Lince's philosophy is to ensure full alignment of interests between management company and investors, ensuring both underlying familiarity with the sector and continuous and professional communication between managers and investors.



THE FUND IS ADVISED BY CMS RUI PENA & ARNAUT, A LEADING LISBON-BASED LAW FIRM WHICH IS ALSO PART OF ONE OF THE LARGEST AND MOST RESPECTED LAW FIRMS IN THE WORLD, CMS CAMERON MCKENNA.

"Your World First" is the motto and promise of the firm to its clients. CMS is client-centric, performance-driven and proud of its world vision.

CMS boasts 800 partners, 3,000 qualified lawyers and a total of 5,500 staff in its worldwide practice.

CMS is represented in 34 countries and 54 cities, with 60 offices in total, spanning everything from private equity & banking law to tax and family planning, across ten different sectors including real estate and hotels.





# 6 VINTAGE HOTEL PRIVATE EQUITY FUND

## KEY FACTORS TO CONSIDER

### BOMPORTO | FEE STRUCTURE:

Base Management Fee and FF&E Reserve: 3% x gross revenues (subordinated to investor coupon of 3.0%).

Incentive Management Fee: 50% of Net Profits (= profits after Investor Coupon, Base Management Fee and FF&E Reserve of at least 3% x gross revenues per annum).

Exit Fee: Upon disposition, 30% of Net Proceeds (= Gross Sale Price – Selling costs).

### COMMERCIAL CONSIDERATIONS

Minimum Investment €350,000 for one Participation Unit in the Vintage Hotel PEF.

Full eligibility for Portugal Golden Visa regime.

Fund administered by professional, regulated fund manager, LINC Capital.

Underlying hotel investment managed by experienced hotel operators and owners as co-investing sponsors, with track record in Lisbon and elsewhere in Europe and beyond.

3.0% annual coupon, PLUS share of operating upside and capital gain on eventual sale as follows:

- 50% of net operating profits (= after 3.0% coupon, Bomporto & Fund management fees/cost and FF&E reserve)
- 70% of all distributable net proceeds on sale of asset (= after sale costs – base cost)

Underlying asset will not be sold before 6 years from inception of the PEF, to allow all Golden Visa investors to fulfil eligibility to apply for full EU passport. Likely sale: 10 years.

Fund Sponsor has demonstrated alignment of financial interests with investors by purchasing a minimum of 3 x PEF units (€1.05m) in the Fund.

Bomporto, as hotel operator, has demonstrated alignment of commercial interests with investors, with full subordination of base and incentive fees, and exit fee, to 3.0% annual coupon to investors.

In addition, all Vintage PEF investors will be entitled to 7 nights per annum at 25% off the published rate on booking.com (at time of booking), with any nights carried over for 2 years if required. This is designed to assist compliance with Golden Visa guidelines.



# 6 VINTAGE HOTEL PRIVATE EQUITY FUND

## RISKS TO CONSIDER + MITIGANTS

### RISKS TO CONSIDER & MITIGANTS

#### Vintage PEF is a single asset company

MITIGANT: Experienced hotel operating manager and prime hotel location.

#### The hotel business is cyclical

MITIGANT: Lisbon still emerging as a hotel market, from doldrums of 2008-2013; occupancy now at c. 80%.

#### The hotel business is capital intensive

MITIGANT: We have committed >€850k to refurbish the Hotel; we are also holding back 3% of Gross Revenues as a reserve for capital expenditure to be spent on the Hotel each year.

#### What if Morningbridge wishes to sell before 10 years?

RATIONALE: We do not intend to exit for at least 6 years, to allow Golden Visa investors full eligibility to apply for Portuguese passports (funds must be invested >5 yrs).

#### Who is managing my investment?

ANSWER: The Fund is administered by Lince and regulated by the Portuguese financial authority; the business is managed by Bomporto, experienced professionals with track record in Lisbon & elsewhere.

### SPONSOR:

Founders of Morningbridge will commit to invest in the Fund and will coordinate and manage all aspects of the investment and operating business; the founders have a beneficial interest also in Bomporto.

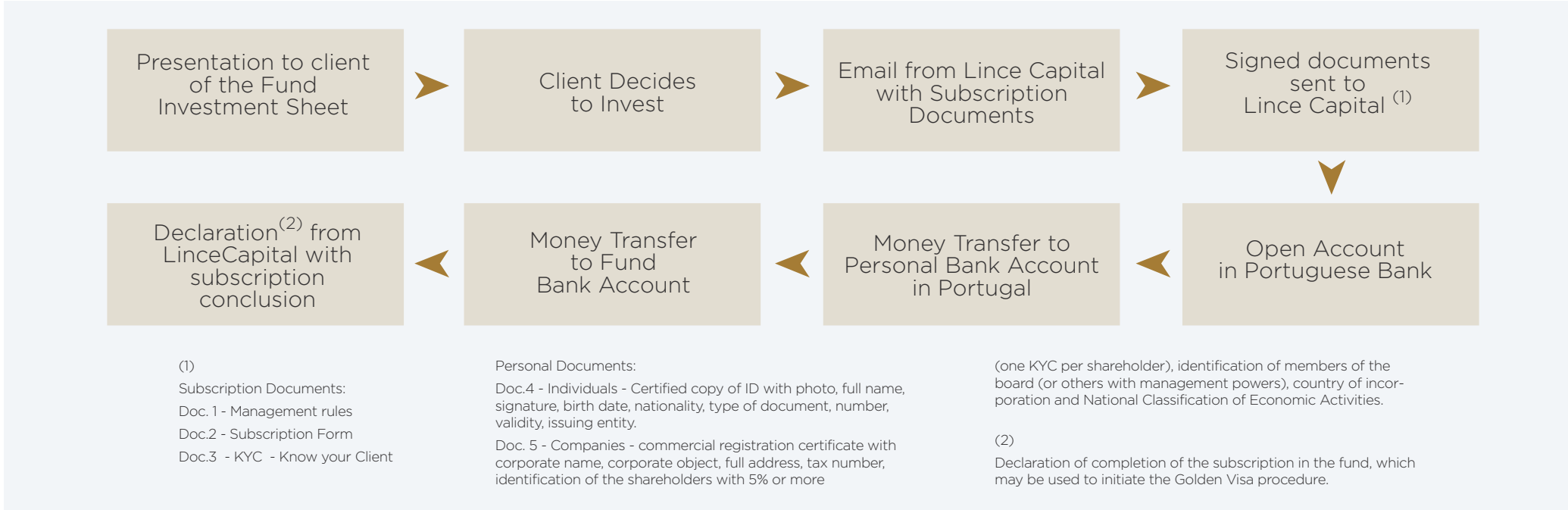






# TIMING & NEXT STEPS

## FUNDING PROCESS FOR INVESTORS | FUND CLOSING:



Investor Presentations by Morningbridge ..... **May & June 2018**  
Initial commitments, subject to documentation  
including payment of refundable 5% Reservation Deposit (€17.5k) ..... **May & July 2018**  
Investors review & complete Subscription & KYC documentation ..... **July to Sep 2018**  
Completion of Fund documentation & Investor Subscriptions ..... **before Dec 2018**

### FOR FURTHER INFORMATION, PLEASE CONTACT:

**Chris Eddis**  
Morningbridge Lda  
(e) [chrise@morningtoncapital.com](mailto:chrise@morningtoncapital.com)

**Vasco Pereira Coutinho**  
Lince Capital  
(e) [vasco@lince-capital.com](mailto:vasco@lince-capital.com)

## APPENDIX I – BUSINESS PLAN FOR THE VINTAGE HOTEL LISBON

WE ARE FOCUSSED ON UPDATING AND REFRESHING THE LOOK AND FEEL OF THE VINTAGE HOTEL. WE AIM TO RESTORE THE AUTHENTICITY OF THE “VINTAGE” ASSOCIATIONS, AND AT THE SAME TIME TO INCREASE OPERATING EFFICIENCY OF UNDER-UTILISED SPACES.



### AREAS SCHEDULE

FLOOR	USE
5 <sup>th</sup> floor	4 rooms / 3 suites
4 <sup>th</sup> floor	9 Rooms / Rooftop bar Varanda do Castelo
3 <sup>rd</sup> floor	13 Rooms
2 <sup>nd</sup> floor	13 Rooms
1 <sup>st</sup> floor	13 Rooms
Ground floor	Reception / Lobby bar / 1 room / Meeting rooms
Basement -1	Restaurant & bar / Kitchen
Basement -2	Back of house / technical areas / 2 parking spaces
Basement -3	Back of house / 14 parking spaces
Basement -4	SPA and fitness centre
Basement -5	Technical area



MORNINGBRIDGE IS ALREADY HALF WAY THROUGH THE OPERATIONAL TRANSFORMATION OF THE VINTAGE HOTEL. IN ADDITION, WE HAVE COMMITTED TO SPEND €850,000 FOR PHYSICAL IMPROVEMENTS AND COSMETIC UPGRADES OF THE HOTEL.



**PHYSICAL ASSET:**  
Good basic condition but physical defects are being remedied (HVAC, plumbing): €150k being spent by seller on remedies to the building.

**REFURBISHMENT/LOOK & FEEL:**  
€700k being spent (by seller) on improvements to Hotel incl. significant changes to Reception, Common Areas, Rooms, Restaurant, Spa, Rooftop Bar.

**OPERATIONS:**  
Staff changes; management overhaul; creation of website; systems upgrade



## APPENDIX II FINANCIAL PROJECTIONS

**REVENUES**  
**ADR Target:** increase ADR from c. €95 (2017) to €118 NET in 2018, an increase of 14%.  
**F&B Revenues:** the Budget assumes that all F&B continues to be managed in-house.  
**Refurbishment:** 2018 projections do not reflect the full impact from the refurbishment, which we expect to be fully reflected in 2019.

**OPERATING COSTS**  
**Staff Costs:** Some senior level staff costs are shared by sister hotel The Lumiares.  
**F&B Costs:** as above, the F&B projections assume self-operation.  
**Sales & Marketing:** Bomporto continues to increase direct bookings and to reduce reliance on OTA's.  
**FF&E Reserve:** a 3% x Gross Revenues is assumed from 2019.  
**Management Fees:** Base & Incentive Fees are shown in 2018 based on pre-Fund acquisition basis.

**COMPARISON 2018/2017:** Total EBITDA for first full year post July 2017 is projected to be +69% from year pre-control of Bomporto.

**Notes to Financial Analysis:**  
The Vintage Hotel came under the control of the current owners in July 2017.

## THE VINTAGE LISBON HOTEL

Euros	2018 BUDGET	2018 2017	2017 FULL YEAR	2017 2016	2016 FULL YEAR
Ocupação %	77.9%	3.2%	75.5%	-3.5%	78.3%
REVPAR	105.97	18.3%	89.55	21.0%	74.00
ADR / ARR	136.07	14.7%	118.65	25.5%	94.57
REVENUE					
Rooms Revenue	2,166,099		1,830,497		1,516,735
F&B	535,648		478,258		528,824
SPA	89,146		26,057		34,948
Other revenue	31,232		28,332		28,876
Total Revenue	2,822,125	19.4%	2,363,144	12.0%	2,109,384
COST OF SALES					
Rooms	0		43,177		31,847
F&B	161,792		143,135		145,633
SPA	5,413		3,151		3,555
Overheads Hotel	0		1,385		2,154
Other revenue	0		0		0
Total cost of sales	167,205	-12.4%	190,848	4.2%	183,190
LABOUR COST					
Rooms (HSK + FO)	380,066		287,487		256,183
F&B	333,553		253,212		315,275
SPA	78,615		19,657		16,605
Overheads Hotel	247,109		223,396		249,766
Outsourcing			37,001		0
Total Labour Cost	1,039,343	26.6%	820,754	-2.0%	837,829
OVERHEADS					
Rooms	57,673		130,314		119,181
F&B	18,218		37,426		25,678
SPA	2,995		9,225		3,551
Overheads Hotel	153,878		287,492		329,065
Other revenue	4,263		1,994		0
Total Overheads	237,027	-49.2%	466,452	-2.3%	477,475
DEPARTMENTAL PROFIT					
Rooms	1,728,360		1,369,519		1,109,524
F&B	22,086		44,485		42,238
SPA	2,123		-5,976		11,237
Overheads Hotel (incl. energy)	-400,987		-512,273		-580,985
Other revenue	14,366		-10,663		28,876
TOTAL Departmental Profits	1,365,948	54.3%	885,091	44.9%	610,890
GOP					
Other costs	60,000		69,985		20,206
Other revenues	0		2,411		4,528
ADJUSTED GOP	1,318,551	61.3%	817,517	37.3%	595,212
OTHER COSTS					
Admin & General	157,403		93,991		111,331
Management Incentive Fee	84,350				
Maintenance	42,412		25,163		9,800
Sales & Marketing	93,617		46,965		43,034
Total	377,782	127.4%	166,119	1.2%	164,166
EBITDA					
Margin (Total Revenue)	33.3%		27.6%		20.4%



## APPENDIX III – CONFIDENTIALITY NOTICE & DISCLAIMER

### DISCLAIMER

IMPORTANT NOTICE TO ALL PROSPECTIVE INVESTORS IN VINTAGE PRIVATE EQUITY FUND (PEF):

It is hereby stated that the information contained herein is confidential and is set out as a general outline, for information purposes only, of the investment opportunity and the underlying business as described.

All descriptions, references to terms and conditions and other details are given in good faith and are based upon information known to the best of the knowledge of Morningbridge Lda. in connection with this document. Such information is presented as of the date indicated and Morningbridge Lda. does not accept any responsibility for updating any such information.

The tax features contained herein take into consideration the tax legislation, court decisions and positions known by the Tax Authorities as of the date this document was issued.

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It is hereby acknowledged that certain members of the sponsor of the fund, Morningbridge Lda., are also beneficiaries from any sale of the Vintage Hotel to the Vintage PEF, as well as being an interested party in the formation and ongoing management of the Vintage PEF.



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