

GOLDEN VISA

UNIQUE HOTEL OPPORTUNITY

Solistice Investment Management



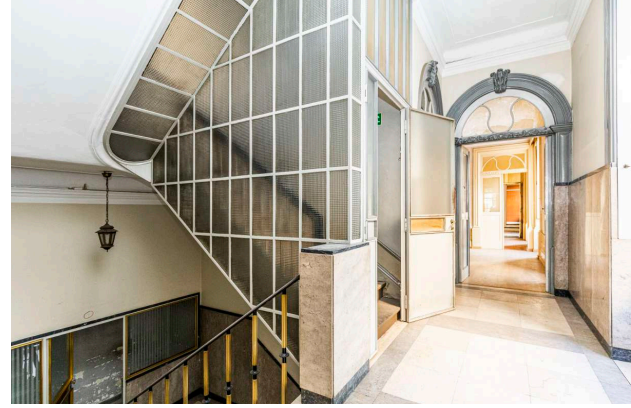
Disclaimer

This Presentation contains select information pertaining to the opportunity and the property described herein (Property) and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate this opportunity. The information contained in this Presentation has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to square meters, square footages, distances, and other measurements are approximations. This Presentation describes certain documents and other materials, in summary form. These summaries may neither be complete, nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to interested parties. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this opportunity and its suitability for your needs. Any reliance on the content of this Presentation is solely at your own risk.

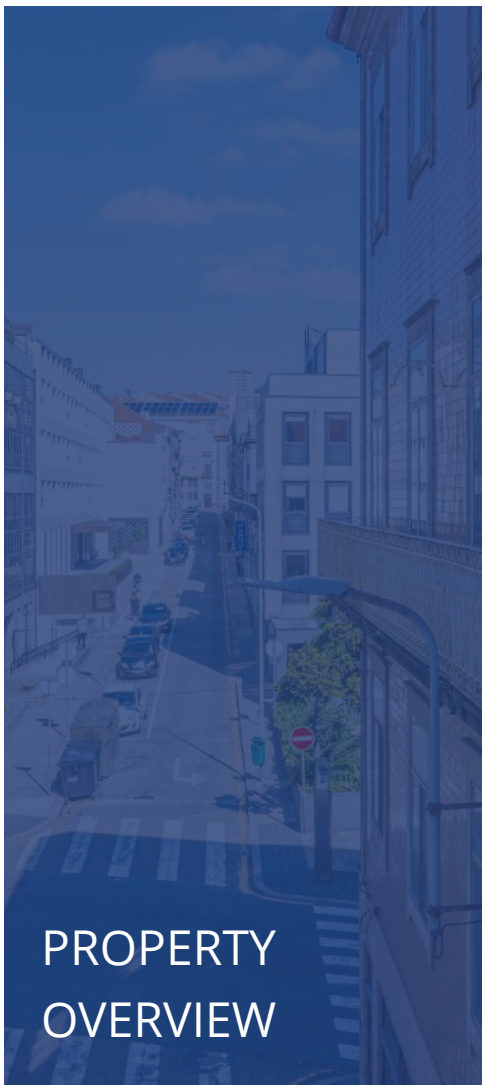
Solstice Investment Management LLC (Solstice) expressly reserves the right, at its sole discretion, to reject any or all expressions of interest and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither Solstice nor its partners in this project shall have any legal commitment or obligation except as set forth in a fully executed, definitive agreement between the parties.



Earth Hotel Porto



Project Overview



PROPERTY OVERVIEW



Vacant and unencumbered



Plot size: 674 sqm (7,255 sf)



Prime location within walking distance of all major commercial and touristic points of interest



6 floors (5 above ground) with an exterior courtyard/urban garden



Former convent in very good condition with beautiful building features



Total area: 3,167 sqm (34,089 sf)

4-star hotel



50 rooms



Significant value add opportunities for non-room revenue generation, particularly F&B (corner/street-front F&B space, courtyard, rooftop)



Pre-approved for hospitality use license (transferred upon sale)



Location in urban rehabilitation area (ARU) qualifying project for low interest financing (IFFRU)



Rooftop bar with outdoor seating



PROJECT HIGHLIGHTS

Project Location



Unique hotel investment opportunity in Porto, Portugal's second largest city and major tourism destination

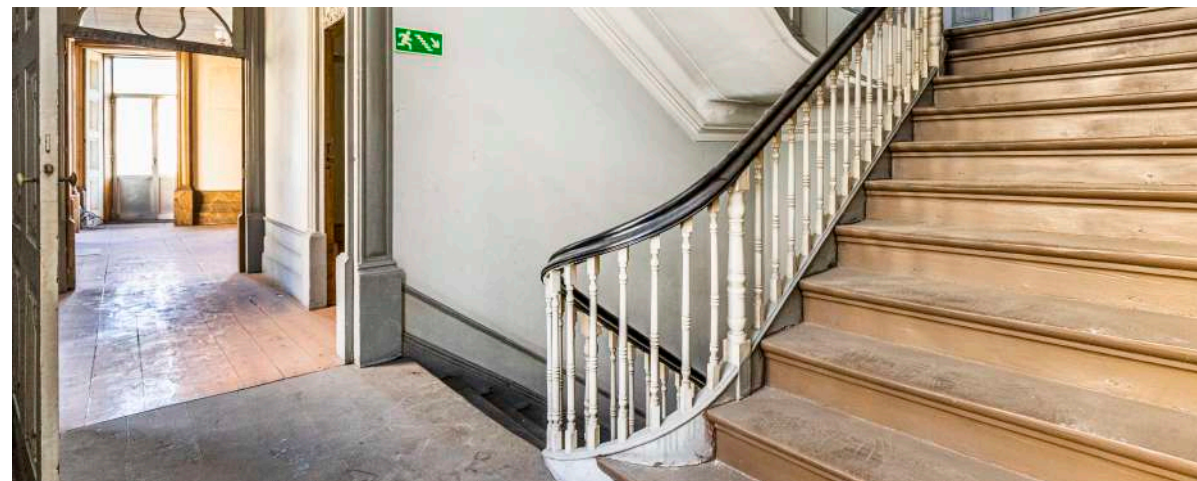
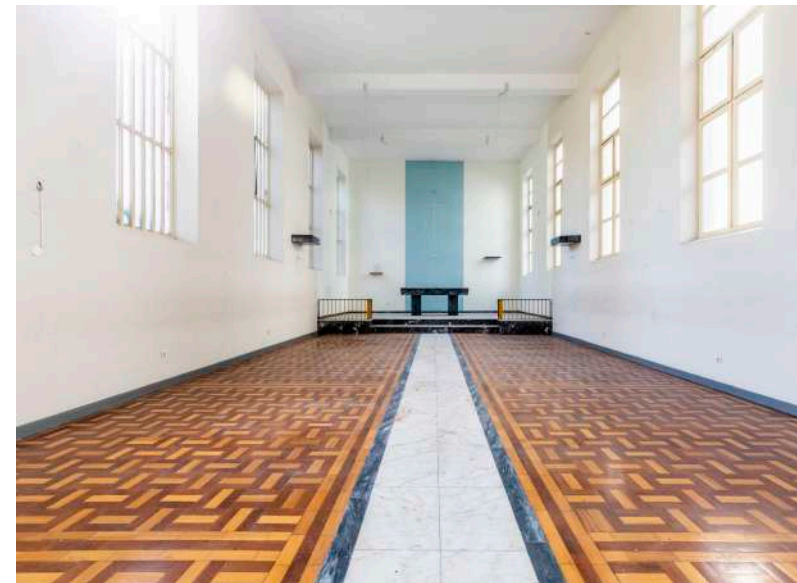
Prime location 5 minutes from Porto's historic city center close to major touristic attractions

Excellent access through nearby public transportation options

20 minutes car ride to Porto Int'l Airport, Portugal's second largest airport with 13.1M passengers in 2019 (+9.8% YOY), ranking among the best airports in Europe

Project Details

- ❖ Cluster of three buildings seamlessly integrated and currently fully vacant
- ❖ Previously used as a convent
- ❖ Unique building features, including exterior courtyard, rooftop with almost 360-degree city views, and significant light exposure on all sides of the property
- ❖ Strong F&B potential on ground floor, courtyard, and rooftop
- ❖ Location in rehabilitation area qualifies project for low-interest IFFRU financing
- ❖ In very good condition with plan for rehabilitation
- ❖ Shovel-ready: construction license ready to go
- ❖ Pre-approved for hospitality use as a hostel (to be converted to 4-star hotel)
- ❖ PDM/City has pre-approved license ensuring quicker speed to market
- ❖ Property to be managed by Earth Hotels, a young, dynamic brand for sophisticated travelers
- ❖ Porto has seen a strong increase in hotel rates and occupancy, with RevPAR growing at 13.5% p.a. between 2012 and 2019, and pre-pandemic market occupancy at close to 80%

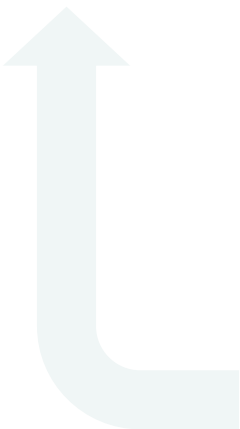


Developer / Management Company - Earth Hotels



- ❖ **Earth Hotels (EH)** is the developer, brand and management company of the Project.
- ❖ EH is a new age hospitality brand that draws from the collective experience of 35+ years in hotel and brand development, marketing, digital commerce, events and lifestyle curation.
- ❖ EH's leadership team brings decades of experience in developing, operating and managing over 150+ mixed-use and hospitality projects.

- ❖ EH is an affiliate of Flamingo Hospitality Management (FHMC); founded in 1999, FHMC has grown into one of the largest hospitality management companies based out of the Middle East.
- ❖ EH benefits from the extensive experience and institutional support structure of FHMC.
- ❖ EH's pilot property is launching in Fall 2022 (UAE); with others in the pipeline in Dubai, Egypt, Greece, and Portugal among other locations.



- ❖ **Flamingo Hotel Management and Consulting (FHMC)** is a leading homegrown hospitality management and advisory services company.
- ❖ The company has extensive experience as an advisory firm for investors, developers and tourism authorities across the Middle East and North Africa .
- ❖ FHMC extends its 30+ Years of operating and franchising knowhow in managing hotels on behalf of multinational brands;
- ❖ FHMC is the exclusive servicing agent of Louvre Hotels Group in the region, a global player in hospitality with a portfolio of +1,500 hotels
- ❖ FHMC oversees a total of +60 hotels in 22 markets, one of the regional pioneers in the midscale space
- ❖ FHMC is the holding co that has supported the launch of EARTH HOTELS as a lifestyle experiential hospitality brand unique to the marketplace
- ❖ FHMC resources are leveraged to ensure Earth Hotels has unrivaled experience in management

Due Diligence Advisors



LEGAL & TAX

- ❖ One of Portugal's preeminent commercial law firms with 70+ years of expertise, offices in Porto and Lisbon, and partnerships globally
- ❖ Dedicated real estate practice with extensive experience in the areas of land planning, urban planning, retail, real estate investment and tourism and environment law
- ❖ Legal representation and tax advice throughout the execution of the proposed transaction and development of the project



TECHNICAL

- ❖ A leading global property and construction consultancy with offices around the world and dedicated resources in Portugal and specifically in Porto
- ❖ Dedicated hotel and hospitality practice focusing on a wide range of services from site acquisition to fit-out
- ❖ Leading the technical due diligence process as well as project and cost management throughout the development of the project

Summary Operating Projections

	2024		2025		2026		2027		2028	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Rooms	50		50		50		50		50	
Occupancy	45%		65%		80%		80%		80%	
ADR	€150		€165		€173		€178		€182	
RevPAR	€68		€107		€139		€143		€146	
Operating Revenue										
Rooms	€1,235,250	52%	€1,957,313	60%	€2,529,450	64%	€2,605,334	64%	€2,664,721	64%
F&B	€1,085,792	46%	€1,237,785	38%	€1,363,383	34%	€1,404,284	34%	€1,446,413	34%
Total	€2,362,217		€3,256,189		€3,970,279		€4,089,387		€4,193,521	
Operating Expenses										
Rooms	€284,108	23%	€430,609	22%	€505,890	20%	€508,040	20%	€506,297	19%
F&B	€811,420	75%	€863,921	70%	€933,868	68%	€940,871	67%	€969,097	67%
Undistributed Operating Expenses	€772,052	33%	€842,568	26%	€875,955	22%	€908,977	22%	€929,860	22%
Gross Operating Profit (GOP)	€474,050	20%	€1,088,546	33%	€1,615,843	41%	€1,691,615	41%	€1,747,074	42%
Management Fees (Base)	€47,244	2%	€65,124	2%	€79,406	2%	€81,788	2%	€83,870	2%
Fixed Expenses <i>(RE Taxes, Insurance, FF&E Reserve)</i>	€76,772	3%	€138,388	4%	€188,588	5%	€194,246	5%	€199,192	5%
Net Operating Income (NOI)	€324,425	14%	€813,394	25%	€1,224,934	31%	€1,286,795	31%	€1,330,955	32%

Project Pictures

Confidential / Cary

Exterior 1



Exterior 2



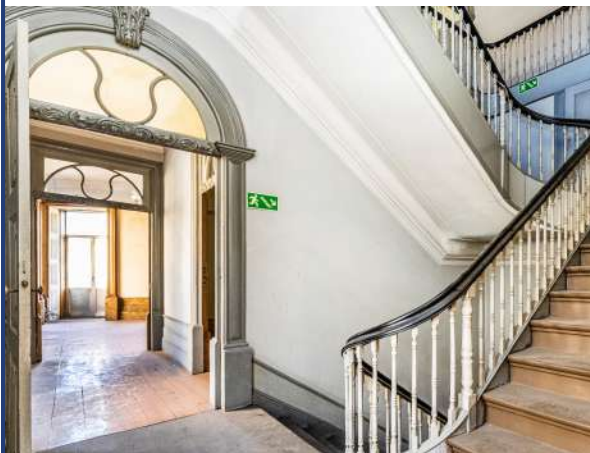
Rooftop view south



Interior (ground floor)



Interior (grand staircase)



Interior (second floor)



Interior (former prayer hall)



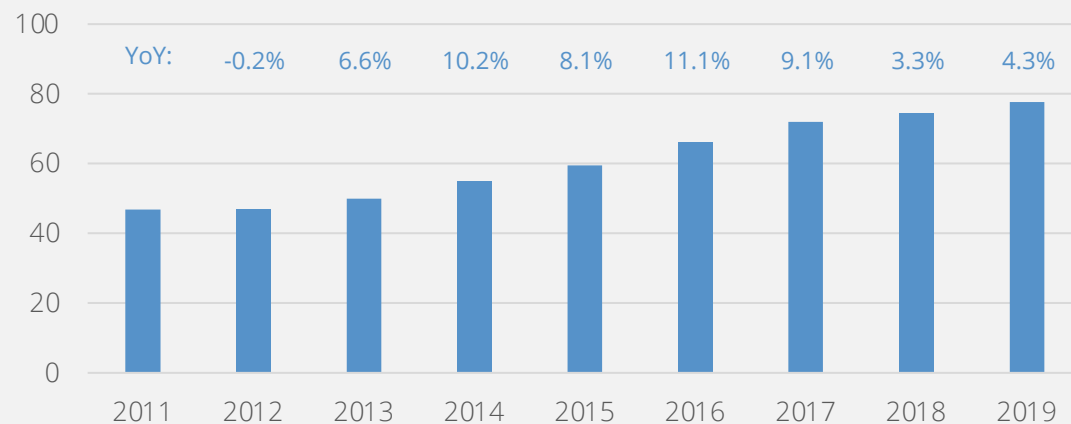
Interior (architectural details)



Project Details Porto Hotel Market

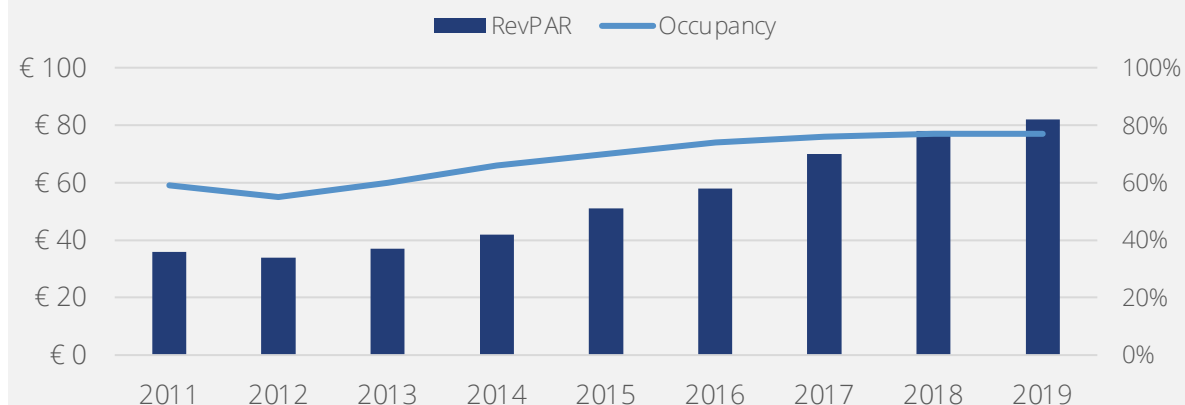
- ❖ Countrywide tourism demand in 2019: 16.5% of GDP (+4.2% Growth)
- ❖ Fragmented hotel market with limited presence of international hotel chains (~51%)
- ❖ Porto is the second-largest city in Portugal and has been a UNESCO World Heritage site for more than 25 years
- ❖ Porto has the second largest airport in Portugal with 13.1M passengers in 2019 (+9.8% YOY), and ranks among the best airports in Europe
- ❖ Porto has seen a strong increase in hotel rates and occupancy, with RevPAR growing at 13.5% p.a. between 2012 and 2019, and pre-pandemic market occupancy at close to 80%
- ❖ Strong hotel transaction market: Porto registered pre-pandemic yields of 5% - 6%

**Number of overnight stays in tourist accommodation in Portugal
in millions**



Source: Statista

**Revenue per available room and occupancy in Porto
in EUR**



Source: Statista

Project Floor Plans



OPTION C - GROUND FLOOR PLAN

Ground floor

lobby, restaurant/lounge, outside garden, guestrooms

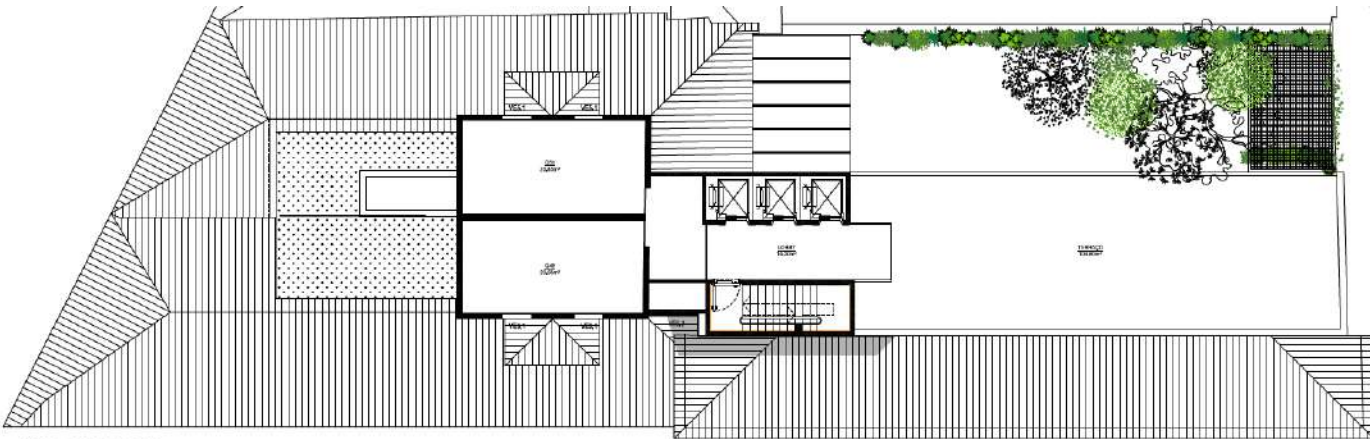
Typical guestroom floor

(Floors 2-4)



OPTION C - TYPICAL FLOOR PLAN

Project Floor Plans



Rooftop

Rooftop terrace/lounge, guestrooms

Below ground

Back-of-house



Golden Visa Investment Structure

Why Invest in Earth Hotel?



Low investment threshold with minimal costs



Highly attractive investment features



Direct real estate ownership in primary market

3-5% annual return

Buy-back provision (exit certainty)

Complimentary stay



Investment Amount

€ 350,000



Duration

6 years



Ownership

% of the whole property



Return

3-5% annualized



Buy back provision

Year 6



Free stay

7 days/year



For more information contact:

👤 Zoe Chen

🌐 zoe.chen@solsticeinv.com

