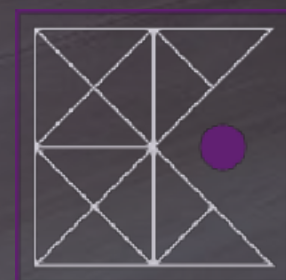


# Hospitality Growth Fund

MARCH 2022



LIMESTONE  
CAPITAL



# Our mission

The Hospitality Growth Fund ("Fund") is focused on acquiring undervalued hospitality assets, fix them through physical and management intervention, and exit them as premium high margin operating assets.

The Fund does so using an integrated owner/operator approach. Through Limestone Capital, the Fund will benefit from deep expertise and know-how in hospitality development and operation.

Limestone's own management company, Aethos Hotels, will operate the hotels with a focus on driving positive change for the communities they enter, their global guests and employees.

# Fund highlights - Focused on opportunistic hospitality growth

## STRATEGY

- Green One Capital (“Green One”) together with Limestone Capital are raising its **Hospitality Growth Fund** focused on **acquiring undervalued hospitality** real estate, then repositioning and transforming into high yielding boutique hotels
- The investment advisor, **Limestone Capital**, has **deep expertise** on the sector and is uniquely positioned to execute our strategy with their **hands-on owner / operator approach** through its own brand Aethos Hotels
- Build a Community of Co-owners in order to create the community around the projects
- Limestone has a successful track record, after previous projects returning 1.24x current money multiple return

## Hospitality Growth Fund Term Sheet

Fund Name	Hospitality Growth Fund
Fund Manager	Green One Capital
Sector	Hospitality
Geography	Portugal Focused
Investment Advisor	Limestone Capital AG
Jurisdiction	Portugal
Target Fund Size	€20 Million+
Minimum Investment	€200,000 Euro
Fund Term	8 Years
Investment Period	30 months
Investment Restrictions	Max 40% of capital invested in ex-Portugal
Fees	<ul style="list-style-type: none"><li>• 2.0% Management Fee</li><li>• 20% Performance Fee</li><li>• 5.0% Hurdle (20% Catchup)</li></ul>
Audit	BDO
Depository Bank	Millennium BCP
Exit	Sale of Assets or Portfolio
Target Returns	IRR: 12%+, profits shared at exit

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# PORTFOLIO & PIPELINE



# Two Assets Ready for Investment and Strong Market Strategy

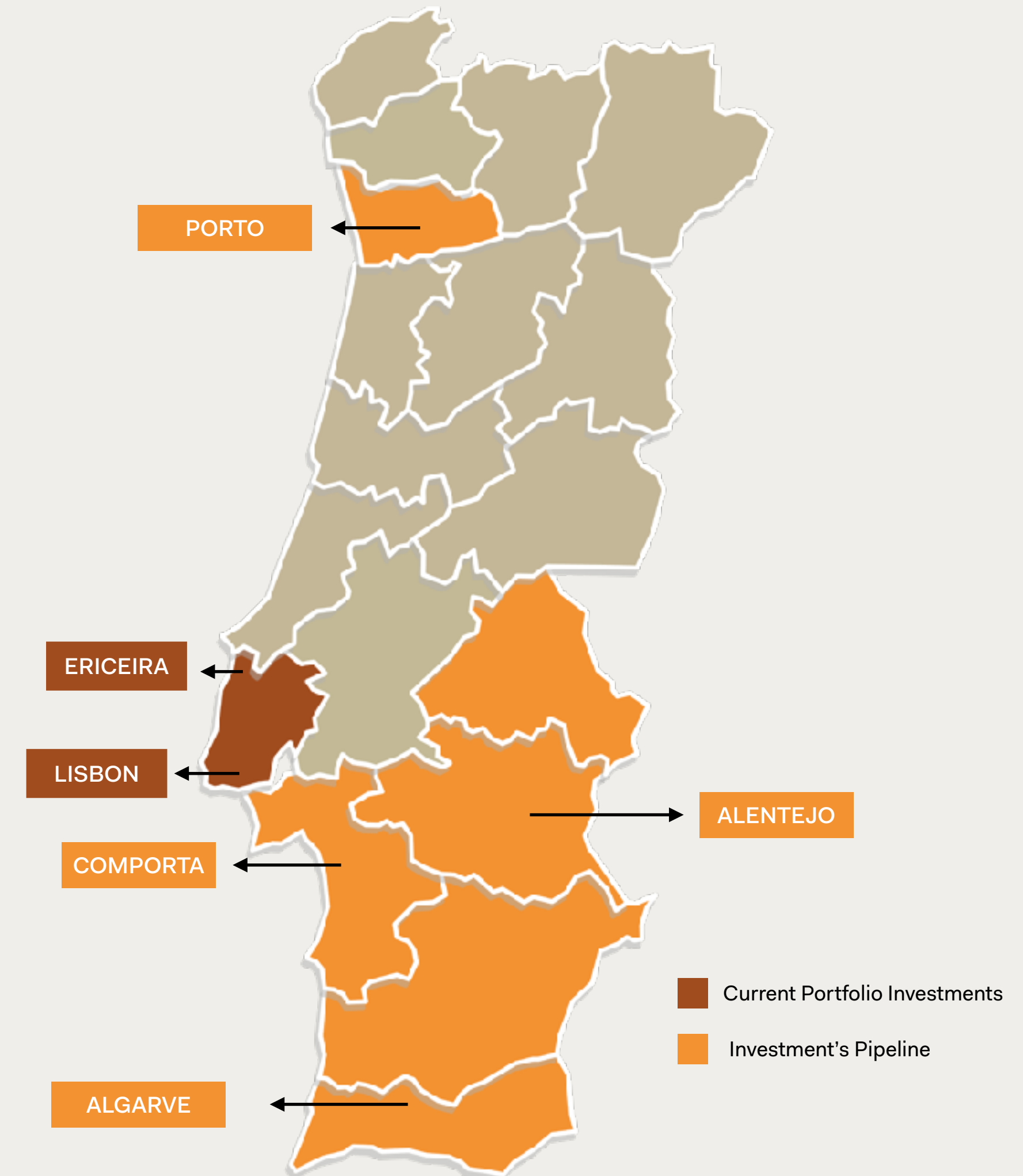
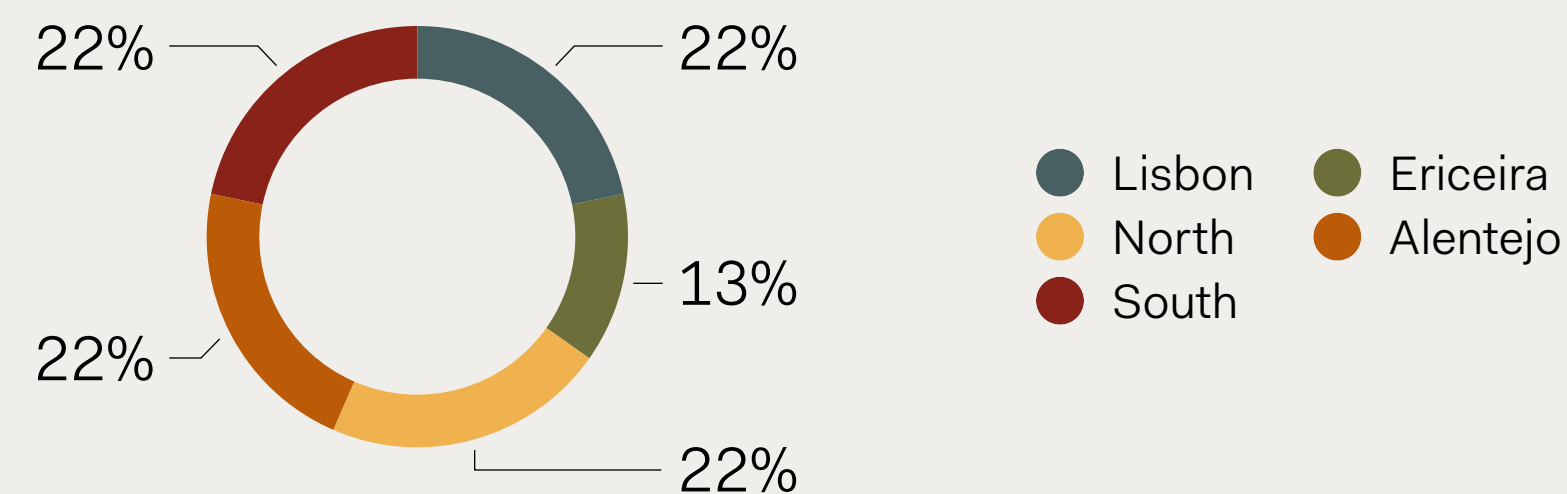
The Fund has two projects ready for investment located in Lisbon and Ericeira.

## OPPORTUNITIES

- Lisbon city centre property was acquired from a traditional Portuguese family and is in the process of getting architecture approval
- Ericeira property is to be launched in July and there is an unique opportunity to get in at a discounted valuation
- The Fund will focus mainly in Portugal as:
  - Covid has created an extended investment window
  - Markets offer unique access to undervalued hospitality assets with significant upside potential due to lack of investment in the past 24-30 months
  - Hospitality owners under pressure as government schemes and lender moratorium periods end
  - Investment Scope is outside the scope of traditional institutional funds

## EXPECTED ALLOCATION

The Fund has several projects in its pipeline that are currently in the due diligence process in important touristic destinations such as Algarve, Porto, Comporta and the Alentejo region





# Portfolio Investment - Asset 1

An Oasis in the middle of Lisbon currently in the architectural development process.

Location	<b>LISBON, PORTUGAL</b>
Overview	<ul style="list-style-type: none"><li>● Currently undergoing a transformation into a luxurious five star hotel located in the center of Lisbon</li><li>● The asset is acquired with a PIP (Property Improvement Plan) approved for hospitality and an increase in area</li><li>● Located in the center of Lisbon, close to Av Liberdade and the main business district with oasis-like feel due to green gardens.</li></ul>
Intervention and value creation	<ul style="list-style-type: none"><li>● Highly profitable and efficient room design being developed with our local architecture partners.</li><li>● Optimised revenue model including membership, Gym and F&amp;B</li></ul>
Available Allocation	€2 - 5m
Rooms	61
Size	6000 m2
CAPEX	€12m
Expected Returns	+15 % IRR

Location



- Located in the enchanting center of Lisbon, 15 minutes car distance from the airport
- Unique, lush gardens with an approved outdoor pool, perfect space for events in the heart of Lisbon
- Complete privacy on the entire plot







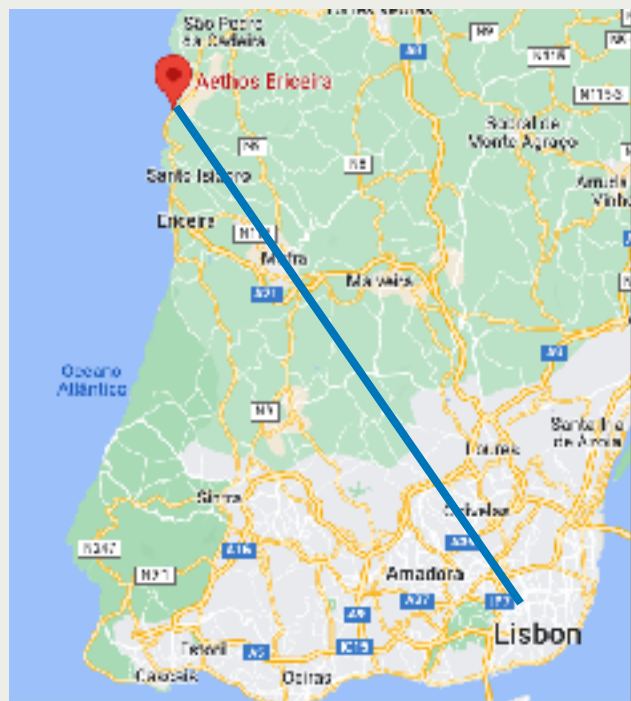


# Portfolio Investment - Asset 2

Opening is scheduled for July/22 and there is still an investment opportunity to acquire part of it at a discounted valuation

Location	ERICEIRA, PORTUGAL
Overview	The asset is to be developed into a five star hotel by the cliffs of Ericeira, Portugal
Available Allocation	€ 2-5m
Rooms	53
Size	5000 m2
CAPEX	€7.5m
Intervention and value creation	<ul style="list-style-type: none"><li>● Rezoning and licensing added immediate value</li><li>● Refurbishment from rehab clinic to 5 star hotel, hence increasing operational returns significantly</li><li>● New restaurant, bar and spa, all revenue drivers</li><li>● Repositioning in line with booming surf culture</li></ul>
Expected Returns	+11 % IRR

Location



- Aethos Ericeira is located 40 km away from Lisbon
- Special location, on top of a cliff, built when the area had no restrictions
- Walking distance from Praia da Calada beach and only 3km from the most famous surf viewpoint in Portugal









# Robust Pipeline already identified for Hospitality Growth Fund

## Porto, Portugal



- Recently completed and state-of-the-art Hotel located in Gaia. in the heart of the Port wine cellars quarter
- 120 keys, 10,180 m2
- <€4M Capex | +13% IRR

## Mallorca, Spain



- Opportunity to invest in a sea front 5-stars hotel in a exclusive Mallorca beach.
- 61 keys, 4,717m2
- €9,5M Capex | +15% IRR

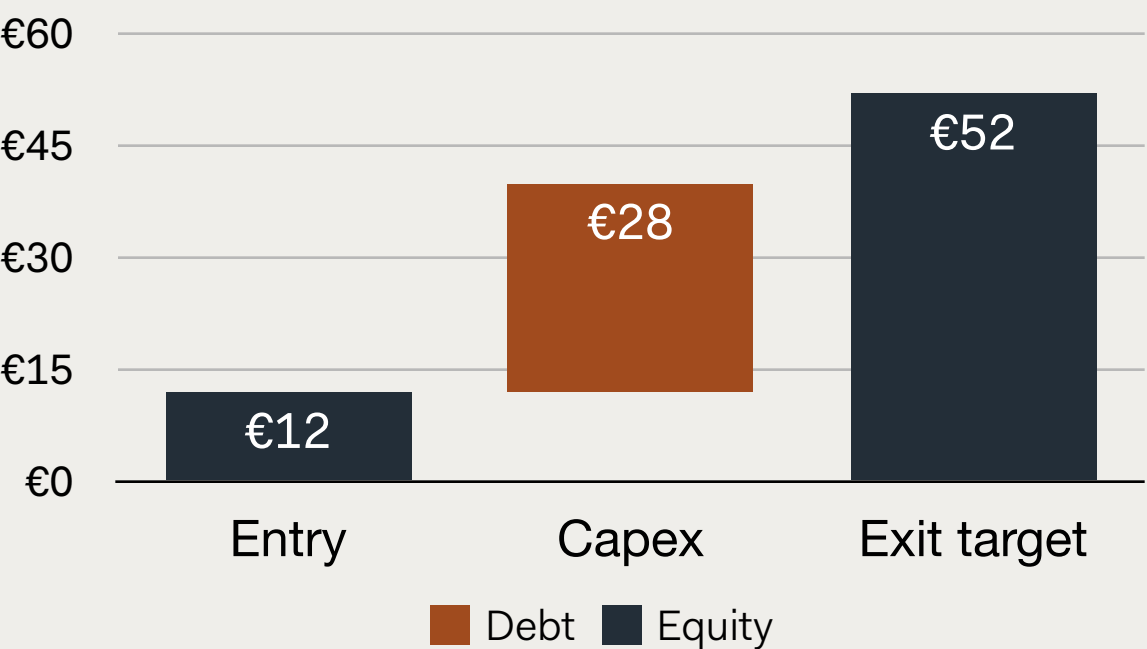
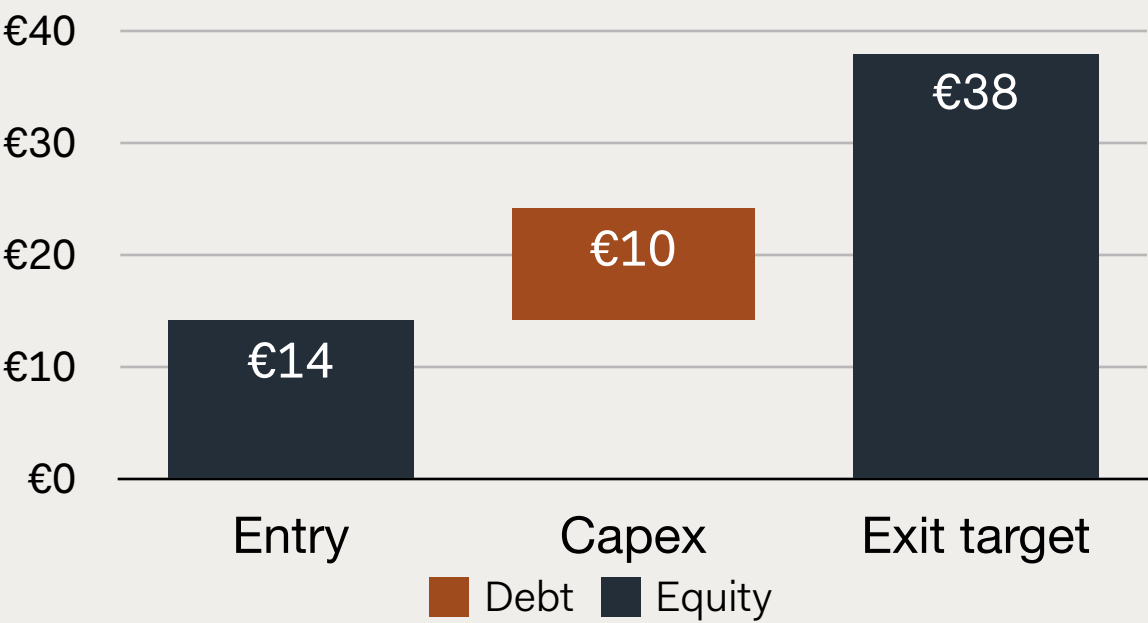
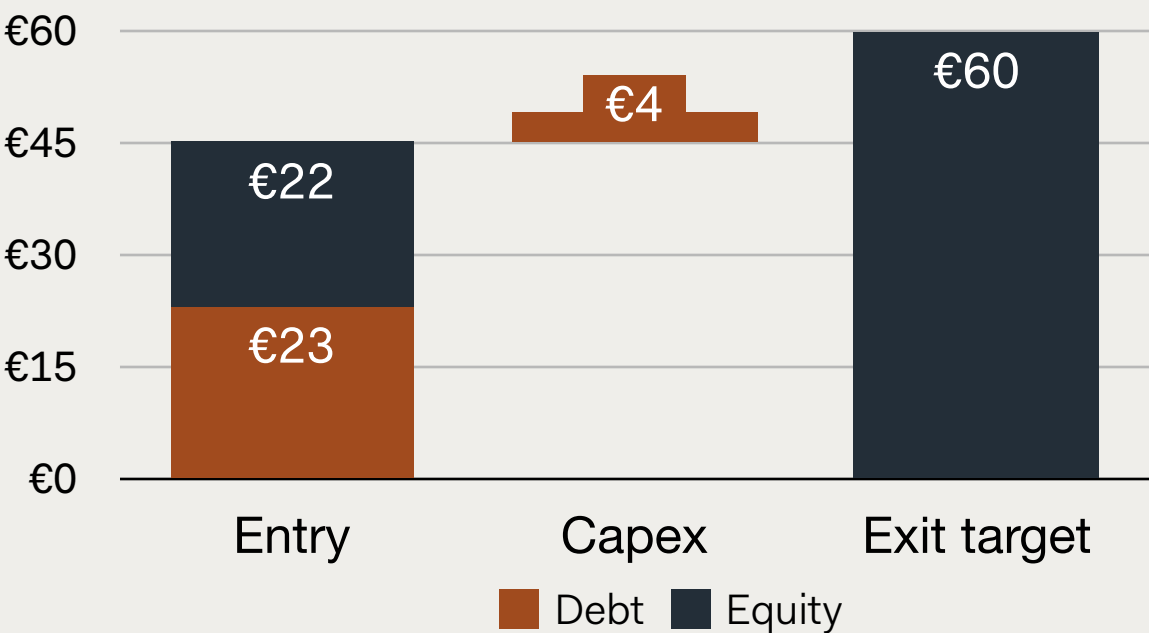
## Algarve, Portugal



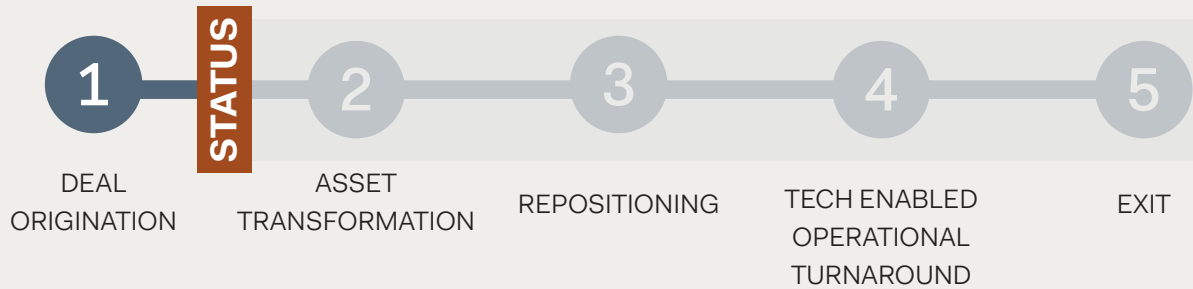
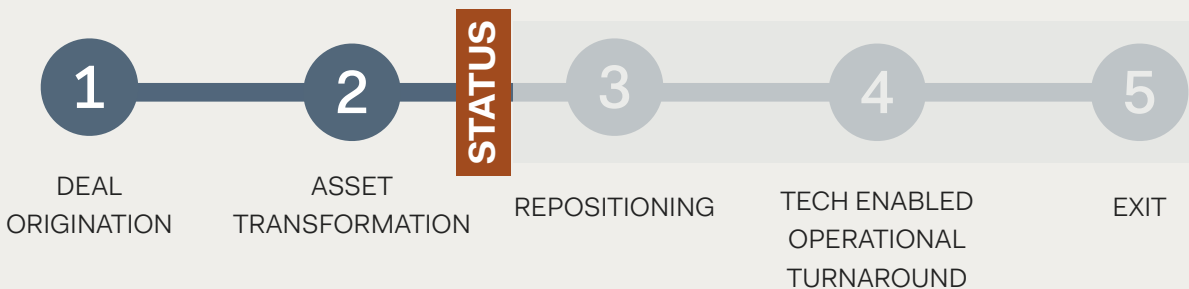
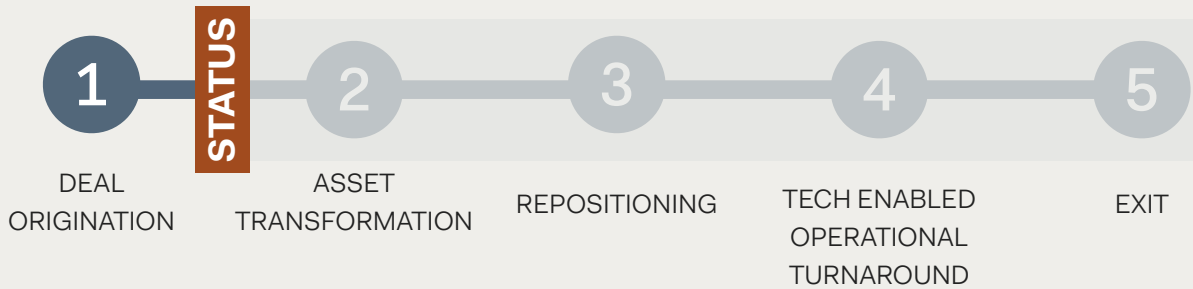
- Attractive seafront plot of land located in one of the most sought after touristic destinations in Portugal.
- Number of keys TBC, 38,500m2
- <€28M Capex | +12% IRR

### Overview

### Investment structure



### Project Timeline



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# STRATEGY



# Why invest in Hospitality Growth Fund

The team of investors has built a unique infrastructure in recent years, that enables an uncorrelated value creation process based on a unique sourcing network, a hands on approach and operational expertise.



## IDEAL INVESTMENT TIMING

Opportunity to acquire distressed assets at a discount, as debt moratoriums start to end and deferred rents have to be paid out.



## TRACK RECORD

Proven investment experience in the hospitality and real estate sectors with 2 previous funds already structured. More details on the table below

## INTEGRATED APPROACH

The Partners are all company builders and have a hands on approach. The vertical integration between the Asset Manager and the Operator guarantees gains of profitability



## IN LINE WITH MARKET TRENDS

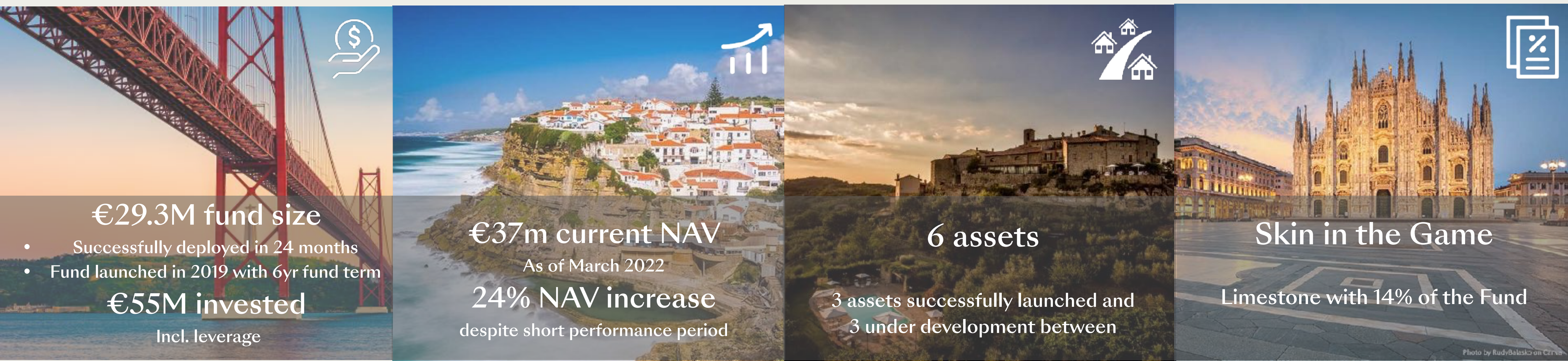
That capitalise on strong fundamentals in Portuguese hospitality market along with an emphasis on sustainability which translates in higher returns



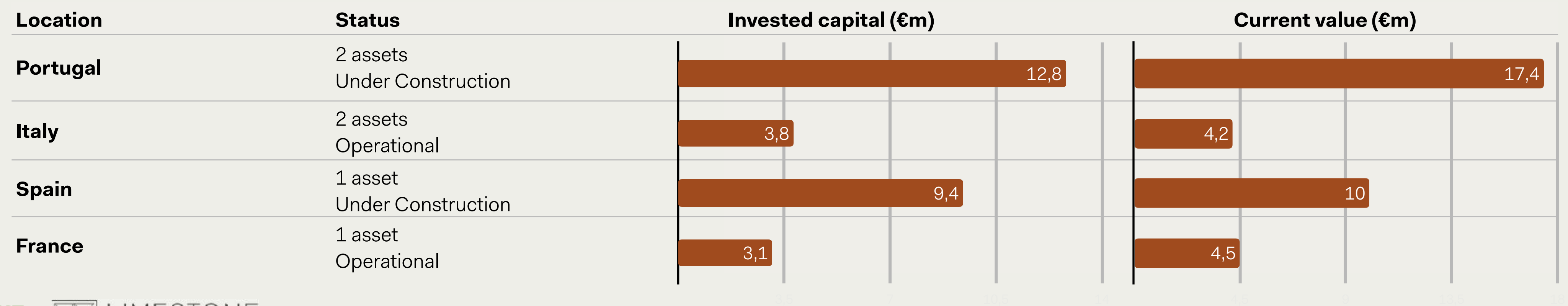
Description	FUND ONE:	FUND TWO:	FUND THREE:
Status	Fund Closed	First Closing	First Closing
Assets / Target	€ 55M invested	€ 100M target	€ 20M target
Jurisdiction	Luxembourg	Luxembourg	Portugal



# Fund ONE's superb performance at a glance



## LIMESTONE ASSETS



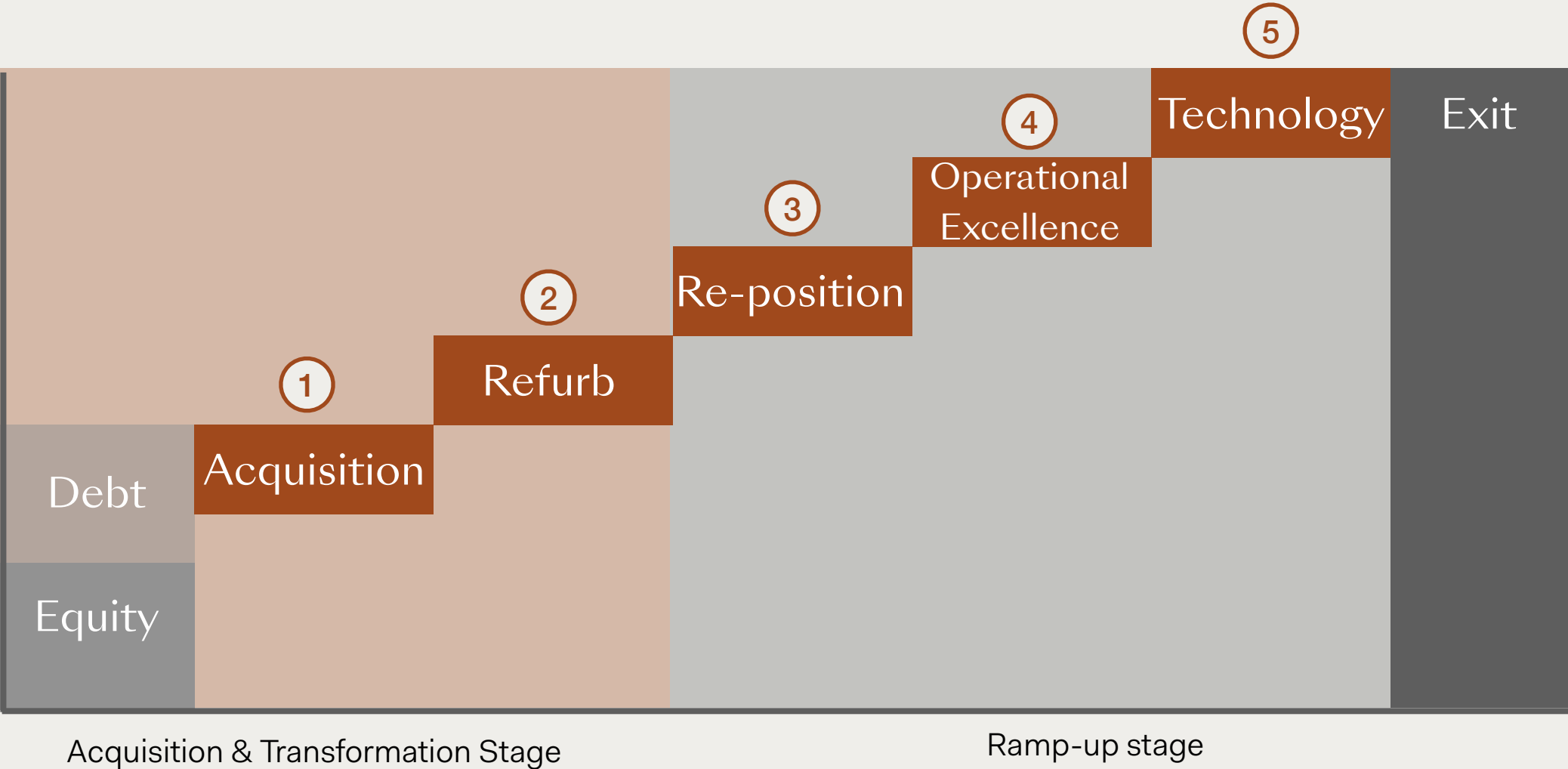


# Hospitality Growth Fund Approach

The Fund’s Acquire/Build & Operate Approach through Limestone’s own hotel brand **Aethos** guarantees an alignment of interests and higher degree of autonomy within the project development

## LIMESTONE’S APPROACH

- ① Vertical integration allows to have a much greater control over execution and therefore better risk management than most asset managers who rely on third party operators
- ② Team acquires discounted assets locally sourced through proprietary off market network
- ③ Experienced team of company builders and entrepreneurs execute hands-on transformation including physical interventions and refurbishment.
- ④ Experienced operations team optimises margins through cost reduction, enhances non-core revenues such as F&B
- ⑤ Best in class technology architecture, developed by Aethos Hotels



## FOCUS ON REPOSITIONING

### FOOD & BEVERAGE



### PUBLIC SPACES



### BEDROOMS





# Aethos Hotels & Clubs

æthos

Owned by Limestone Capital, Aethos Hotels is a new lifestyle brand, created for the modern, purposeful traveler and will be the operating partner of the hotels

## Aethos Concept

- Aethos is a hospitality company specialising in innovative and modern hospitality solutions to optimise returns for owners while creating unforgettable memories for guests.
- Aethos focused on “mindful luxury”, healthy lifestyle offerings and authentic, community centric experiences in both urban and leisure destination.
- Aethos Hotels redefines the host-guest relationship through smart use of technology and re-introducing the human touch of “hosting”.
- Aethos incorporates modern-day trends to deliver authentic experiences and transformational hospitality, fully in-tune with the demands of today’s traveler for sustainable travel.

- **Groupe Lucien Barriere joined Aethos as a strategic partner and investor alongside Limestone,**
- Barriere has over 100 years in the hospitality business, including 18 hotels and resorts globally and a key player in the French luxury hospitality industry, with nearly 7,000 employees and a total revenue of €1.2 billion in 2019



**Aethos Milan**  
Operational,  
Milan, Italy

**Aethos Corsica**  
Operational,  
Corsica, France



**Aethos Lisbon**  
2024 Opening  
Lisbon, Portugal

**Aethos Saragano**  
Operational,  
Umbria, Italy



**Aethos Ericeira**  
July 2022 Opening  
Ericeira, Portugal

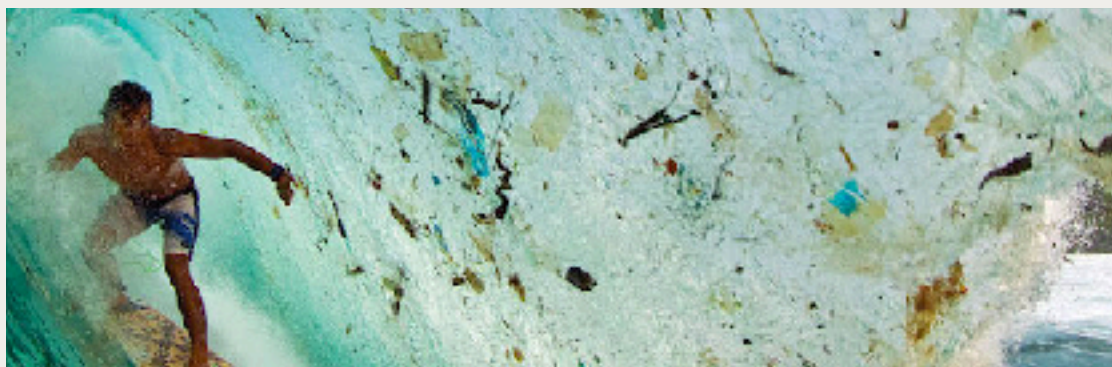
**Aethos Monsaraz**  
2024 Opening  
Monsaraz, Portugal



# Our ESG values are at the core of every development

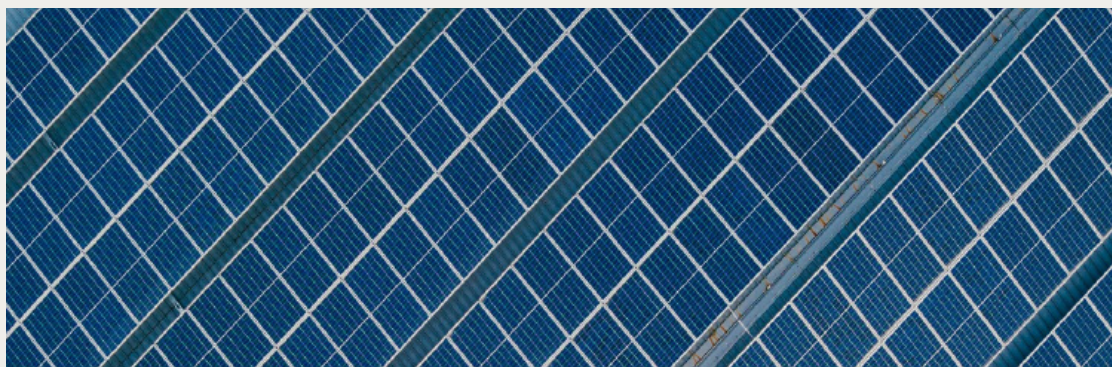
Our investment, conversion and operational approach is deeply rooted in our value system. We aim to improve planet, society and communities we enter.

## Our ESG values



### ADDRESSING POLLUTION

- Employ a leave no trace behind in our operating hotels.
- No single use plastic in our assets
- Proactive Ocean Cleanup as part of our ocean-side properties



### EMPLOYING CLEAN ENERGY

- We are launching Europe's first off-the-grid hotel, using 100% clean energy
- Partnering with industry leaders in sourcing clean energy for all assets
- Investing in on-property energy generation where possible



### MINIMIZING TRAVEL FOOTPRINT

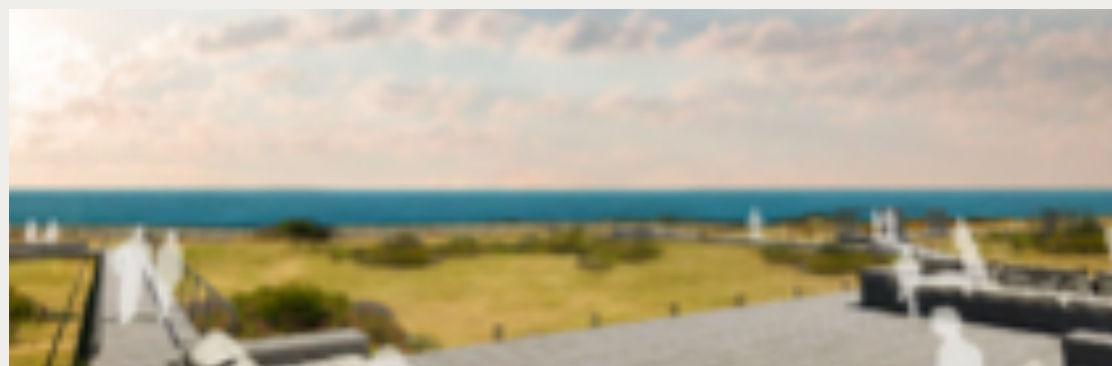
- We encourage and facilitate zero impact travel
- Use sustainably sourced materials wherever possible
- Our operator facilities buying carbon offset as part of booking



### SUPPORTING LOCAL COMMUNITIES

- Every property partners with multiple local causes and supports them.
- I.e. in Milan, we support homelessness in our district and host multiple fundraiser brunches per year leading to significant awareness and donations.

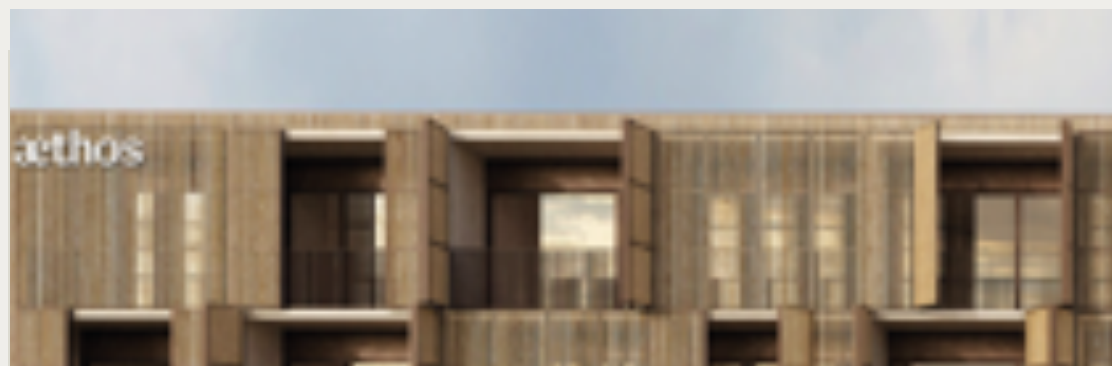
## How we have implemented them



- Using natural materials and low impact design for terraces and pathways at Aethos Ericeira



- Off-the-grid & 100% clean energy Aethos Monsaraz



- Replacing concrete with sustainable, wooden balconies at Aethos Ericeira



- Deploying low impact structures at Aethos Monsaraz



# Aethos Community: The Owners Club

We encourage our LPs to be active participants in the process and join us in being change makers in this industry having the following privileges

- ① 10 free nights a year in any Aethos Hotel around the world
- ② Guaranteed upgrade to best available suite at arrival
- ③ Inclusive membership to Aethos, incl. nightclubs and member bars
- ④ VIP invites to member events, concerts and gala dinners
- ⑤ Personal travel concierge

## Aethos

### CLUB

We aim to create places that connect people through shared, meaningful transformations. Things like learning a new skill, endless meals with friends & family, or having a breakthrough at work.

We believe these moments happen when everything around you feels right, natural and authentic. When you stop sweating the small things, when you feel centered.

Aethos is the first truly social hotel company.

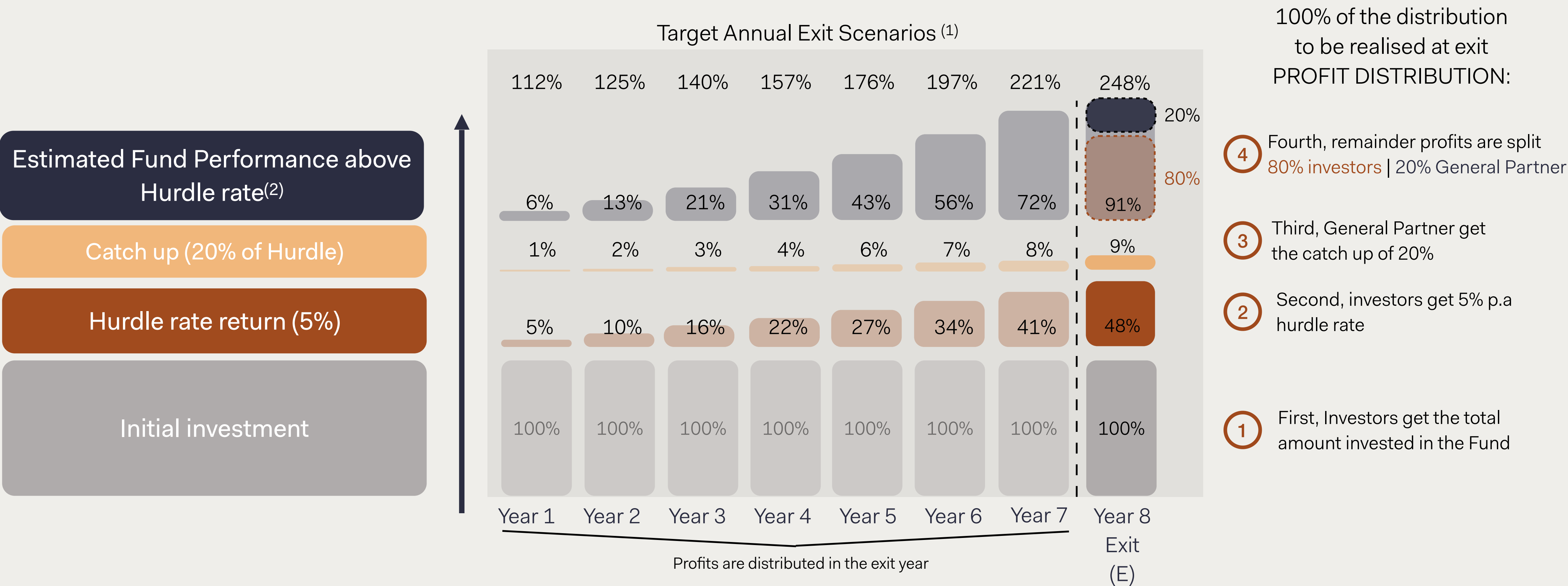




# The Investment

The Fund principles are based on distribution at the moment of investment 's exit. Fund investors participate in 80% performance of the underlying asset on exit of each investment.

The Fund Exit Strategy for each project will be market dependent and focused on maximising investor returns within the Fund.



(1) Represents exclusively exit scenarios All cash distributions expected to be realised at the exit year  
(2) Assumes IRR of 12%p.a.



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# INVESTMENT TEAM & FUND STRUCTURE



# The investment team

The team of partners are entrepreneurs with a track record of building businesses and investing



## Christian Angermayer, GP & Anchor LP

- Entrepreneur and investor for 20+ years
- Currently CEO and Founder of his single family office Apeiron Investment Group with €3bn AuM
- Co-founded ATAI Life Sciences, among many other high growth bio-tech and technology companies
- Co-founded Ribopharma (\$10bn+ market cap)
- Recognised as a global thought leader (e.g. Young Global Leader World Economic Forum, Advisor of President Paul Kagame of Rwanda, Milken Institute, Hayek Institute).



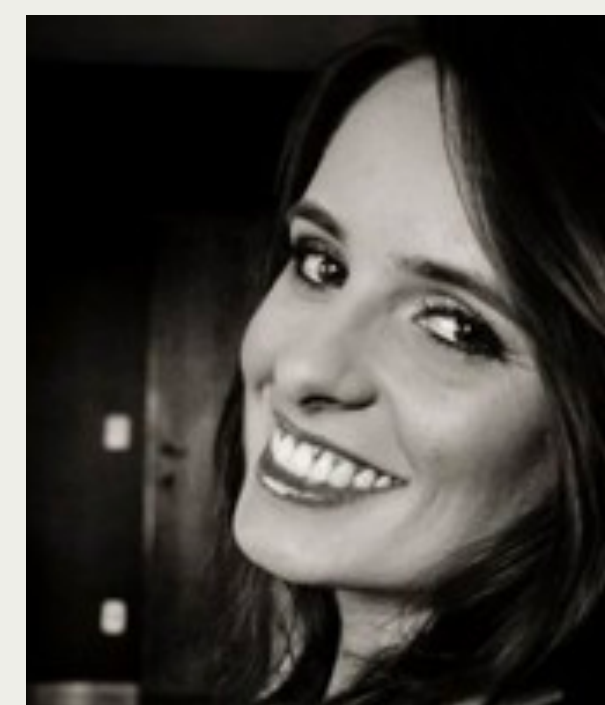
## Jeff Coe, CDO & GP

- Jeff overseas the acquisition and development of real estate assets
- Previously Jeff operated as a pan European Angel Investor focused on the hospitality sector
- As an investor Jeff was involved in the successful sale of Voyat Inc, and the most recent IPO of Nustay.com, a booking platform for hotels
- Jeff is an experienced operator having floated his first company himself in Australia.



## Benjamin Habbel, CEO & GP

- Benjamin is the Managing Partner of Limestone Capital and Fund ONE.
- Prior he was Founding CEO of Voyat, the leading ecommerce optimization software in hospitality, until it's successful acquisition by Intent Media Inc. in 2016
- Benjamin served as Non-Executive Board member at Mövenpick Hotels
- He started his career at Google, serving as Chief of Staff to Marissa Mayer, managing comms + special projects.



## Grazi Paineli, Investment Manager

- Grazi oversees performance and profitability
- She is responsible for budgeting, cost optimisation, forecasting and performance tracking
- Grazi was formerly responsible for the EU credit risk management for Bose Corporation
- Previously Grazi was a Partner at FGA responsible for the funding of sugar and ethanol mills in Brazil through capital marketings/direct financing of about €200M/year



# Limestone shareholders & partners

The team of partners are entrepreneurs with a track record of building businesses and investing



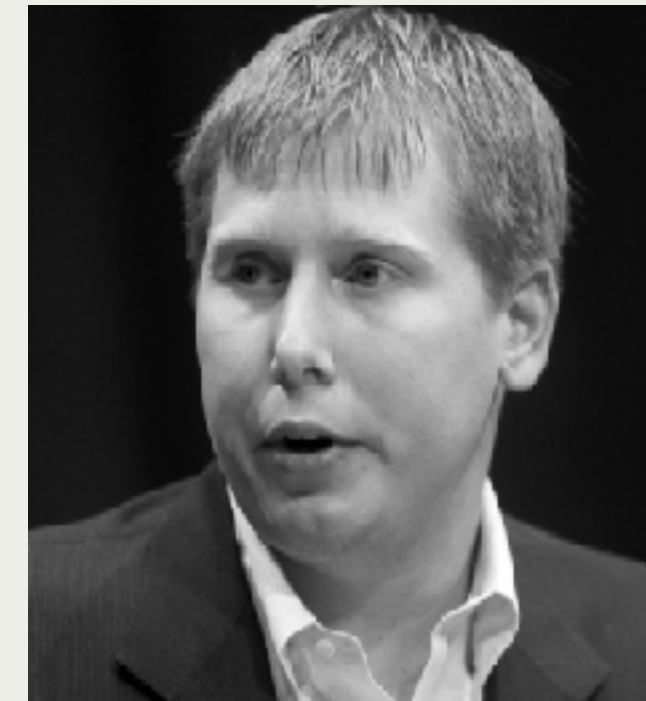
## Alexander Schütz, GP

- Alex is the CEO and Co-founder of C-Quadrat - a quantitative Asset Manager based in Vienna
- Alex is an Experienced Fund Manager & DAX Board Member with €8.5B AUM at C-Quadrat
- Co-founder and Successful Real Estate investor with historical landmark projects globally
- Core shareholder and chairman of German cybersecurity company cyan Security AG, HSO astarte, one of the world leading producers of probiotics for Women's health.



## Nick Beim, Shareholder

- Nick is a Partner at Venrock and is based in New York
- Nick investments are focused primarily on tech, AI, software, fintech and defense investments
- Besides Limestone, Nick's current investments include Dataminr, a real-time AI platform that identifies critical breaking information from publicly available data sets; Interos, a multi-tier, multi-factor third-party risk management platform; Vanilla, an estate planning platform for financial advisors among others that have a strong synergy with our business



## Barry Silbert, Shareholder

- Barry Silbert is the founder and CEO of Digital Currency Group (DCG), a conglomerate of five cryptocurrency-focused companies
- DCG's biggest revenue generator: digital asset manager Grayscale, which oversees \$28 billion worth of Bitcoin, Ether and other assets
- Prior to launching DCG, Silbert, a former investment banker, sold stock trading platform Second Market to Nasdaq in 2015 for an undisclosed amount



## Michael de Pichiotto, Shareholder

- Michael is a prominent investor and member of the board of Aston Martin. Since March 2016, he has served as the Vice-Chairman of the Board of Engel & Völkers AG of which he is a substantial shareholder since 2012
- Throughout his career, Michael has gained extensive experience in asset management, private banking and trading. Before joining Engel & Völkers, he built his career at Union Bancaire Privée (UBP), a family owned Swiss private bank

Selected Institutional Partners & Co-Investors





# Fund Manager Info | Green One Team

Vast accumulated experience in Private Equity and Investment Banking



## Pedro Cardoso, Chairman

- Career of over 30 years with a focus on real estate and financial sectors.
- Served as board member in financial companies in 5 countries (Portugal, USA, Spain, China and Mozambique).
- Currently is a board member of Fibeira Group, managing partner at two consulting firm and board of auditors and member of the supervisory board of a foundation.



## Pedro Jordão, Executive Board Member

- Experienced Senior Manager with a demonstrated history of working in the financial industry for over 25 years.
- Has a deep expertise in financial operations, business processes, technology, organisation and risk management.
- In the last 20 years, had several leadership roles in various Portuguese Banks, coordinating and developing teams in banking operations.



## Paulo Dinis, Executive Board Member

- As a former managing director at Accenture, professional career focused on project development, finance, marketing, sales, and strategy.
- Managed successful investment business restructurings both financially and operationally as well as expanding businesses and growth in international markets.
- Defined the strategy and implementing new business models



## André Tavares, Investment Manager

- With a 13 year track record as a Senior Investment Manager, has successfully managed investments and portfolios with over €800M AuM in one of Portugal's largest private equity firm, working in restructuring, M&A and project development.
- Deep expertise in corporate finance and portfolio management.



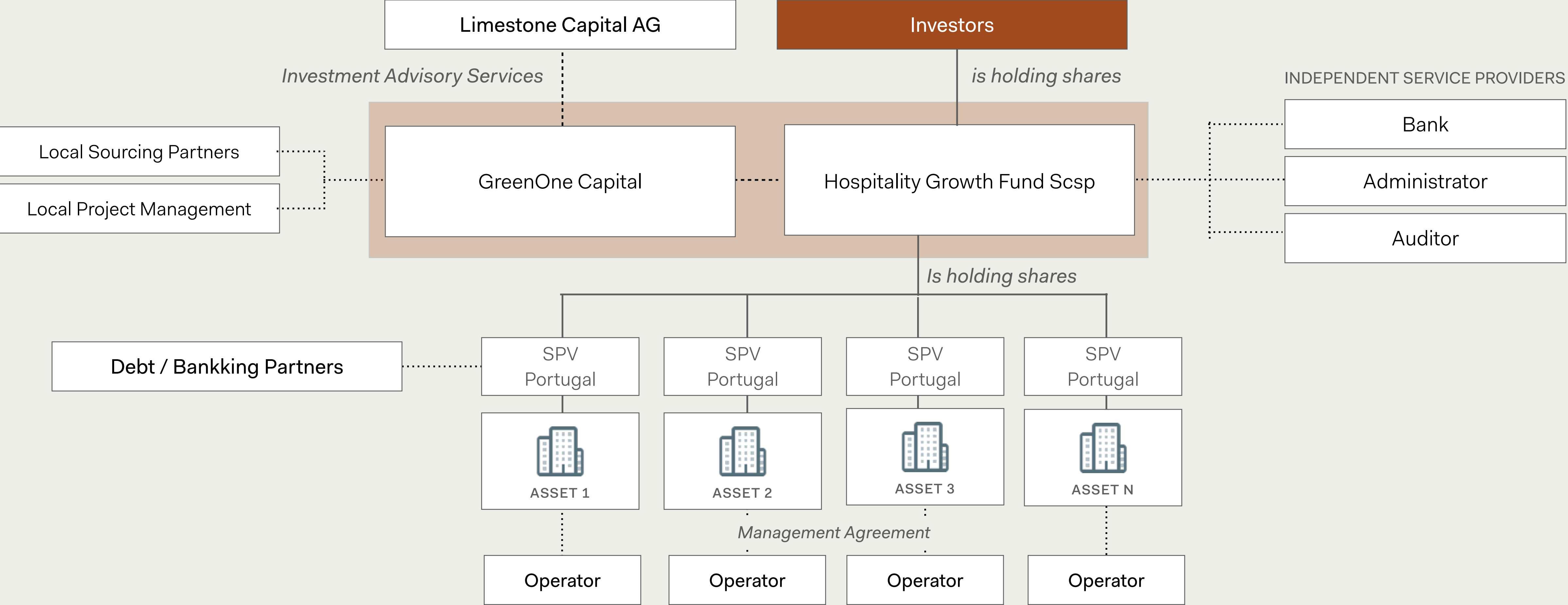
## Miguel O'Neill, Investment Analyst

- BBA graduate at Lisbon University/ISEG.
- Developed business and consulting skills joining a junior consulting firm in the project development department, and marketing and commercial skills by integrating the university's Marketing and External Relations team, maintaining a core interest in finance.



# Fund Structure

## Structure of the Fund



Work Alongside Best In Class Third Party Advisors







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# GOLDEN VISA



# Golden Visa

## Why Portugal



1<sup>st</sup> in Best Country for Expats  
(InterNations)



5<sup>th</sup> Best Global Passport  
(Henley & Partners)



Best Country to Live and to enjoy retirement  
(Forbes)



17<sup>th</sup> best healthcare system  
(World Index of Healthcare Innovation)



Low Cost of Living compared to other European  
countries

4<sup>th</sup> Most Peaceful country in the world  
(Global Peace Index)



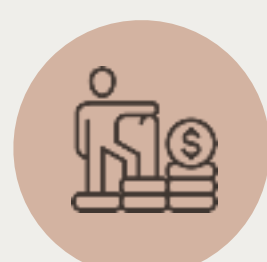
World's Leading Destination for 3<sup>rd</sup> consecutive year  
(World Travel Awards)



Internationally recognised as the Best European  
Golden Visa Program



4<sup>th</sup> best country in the world to retire  
(Global Retirement Index)



Rich Cultural Heritage





# Golden Visa

## Key Points

MULTIPLE CITIZENSHIP OFFERS FREEDOM OF MOBILITY, CHOICE AND PEACE OF MIND TO LIVE, TRAVEL AND FACILITATE BUSINESS WORLDWIDE.

"EUROPEAN  
CITIZENSHIP.

PERMANENT  
RESIDENCY.

LIFELONG  
OPPORTUNITIES..."

Visa-free travel through Europe (as soon as the Golden Visa is granted)

Required to spend only 7 days in year 1 and 14 days every two years in years 2 - 5 in Portugal

Required to keep the investment for a minimum of 5 years

Can apply for permanent residency or citizenship after having residency card for at least 5 years

Benefits extended to family



# Golden Visa

## Eligible Investments

Invest €500k in an eligible private equity fund <sup>1</sup>

OR

Capital transfers of at least €1.5M in certain financial assets such as government bonds or bank deposits

OR

€250k in programs supporting artistic production or other cultural activities

OR

€500k in programs supporting scientific and technologic research

OR

From €280k in real estate built over 30 years ago and needing rehabilitation<sup>2</sup>  
From €400k in real estate if it is used, new or under construction<sup>2</sup>

OR

Launch a company in Portugal with incorporation amount of €500k and employ at least 5 new local employees

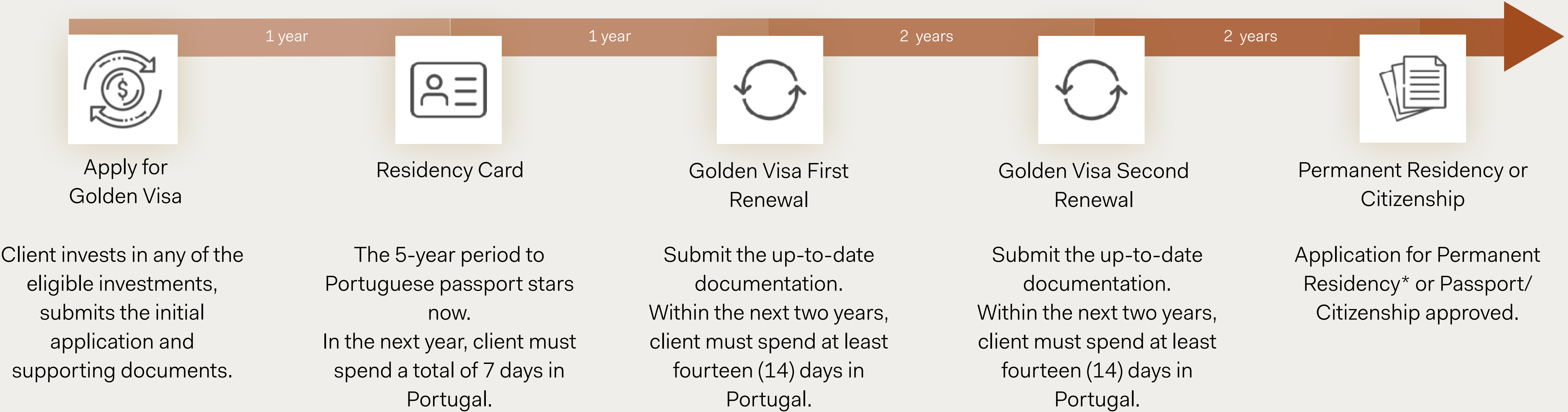
(1)  
(2)

The fund must invest at least 60% of capital in Portuguese companies  
Residential properties in Lisbon, Porto, or along the coast won't qualify



# Golden Visa

## Timeline





# Golden Visa

## Tax Advantage

Portugal offers considerable tax benefits to both national and foreign investment through private equity vehicles, as set specifically in article 23 of the Portuguese Tax Incentives Statute.

### Applicable tax rates

#### At investor level

When distributing profits to investors:

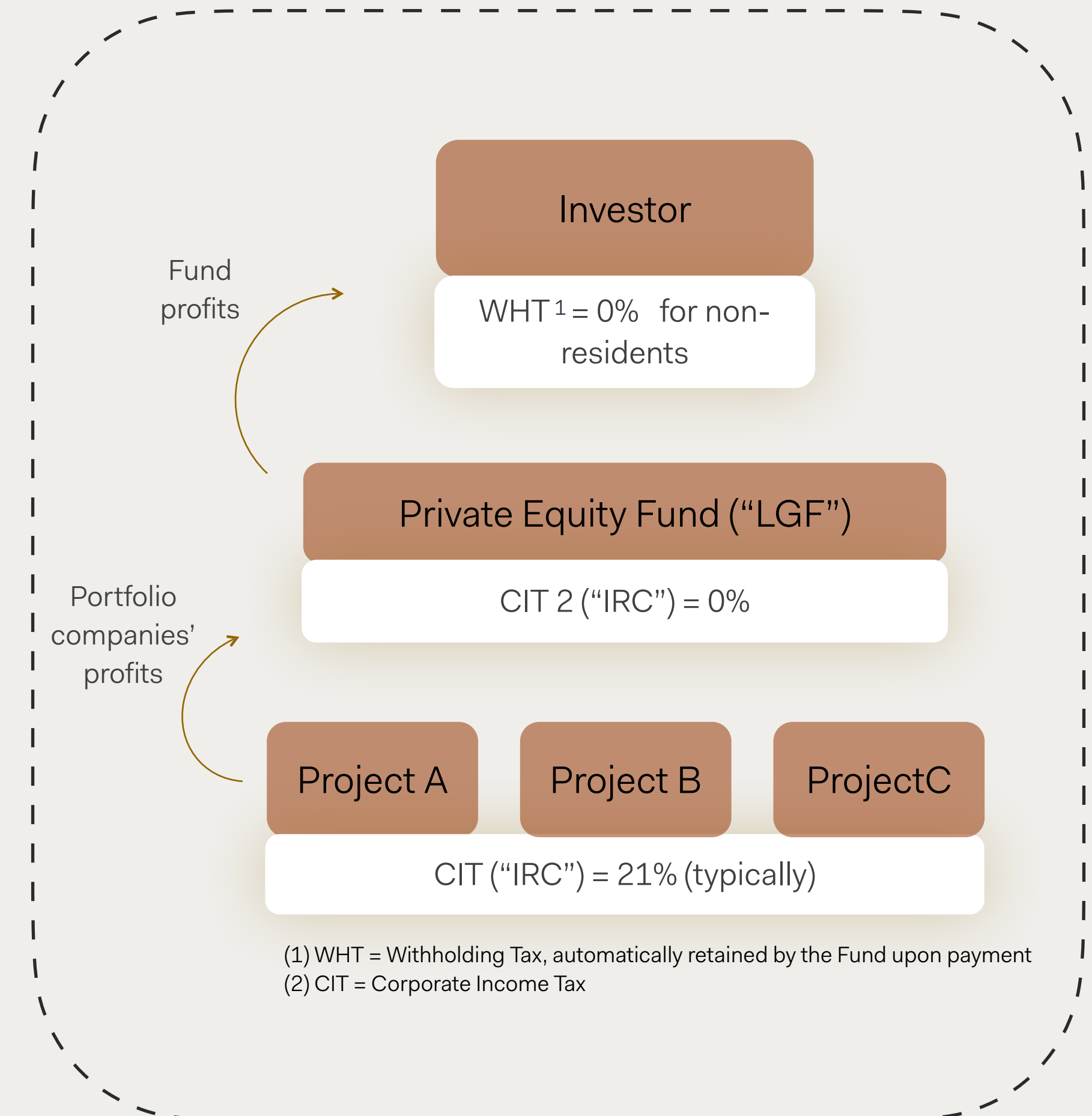
- 0% (for non-residents, except tax havens and entities ultimately owned by residents in Portugal);
- 10% withholding tax (for residents).

#### At fund level

- Exempt from corporate income tax (IRC ) due to neutrality principle;
- Dividends from portfolio companies are not taxed.

#### At portfolio company level

- Normal corporate tax regime (IRC) generally at 21% (17% in some cases).





5

# MARKET DATA



# European Hospitality Market

Market recovery anticipated to get back to pre COVID-19 levels by 2023 – 2024

## EXPECTED HOTEL MARKET RECOVERY

Leisure destinations are expected to recover fastest, with 85% of respondents expecting performance to fully return to 2019 levels (RevPAR) by 2023. Regional cities are expected to follow, with recovery anticipated between 2023 and 2024 by 77% of respondents

Major cities that are frequently more dependent on international travel are anticipated to recover at a slower pace. Nevertheless, 75% of surveyed investors expect recovery to lie between 2023 and 2024 and 21% in 2025

This is a more optimistic view compared to the recovery after the Global Financial Crisis in 2008/2009, when it took on average 5.6 years for hotel RevPAR in major European cities to recover to pre-crisis levels

Investors' Recovery Expectations (% of respondents)						
	2022	2023	2024	2025	2026	2027
Major Cities	2%	27%	48%	21%	2%	0%
Regional Cities	10%	35%	42%	10%	4%	0%
Leisure destination	46%	38%	13%	2%	0%	0%

## HOTEL INVESTMENT SENTIMENT

Despite COVID-19 and its disturbing short-term impact on the hotel sector (average occupancy in European hotels is still relatively low at around c.40% in July 2021), real estate investors remain optimistic about the long-term future of the sector. According to the survey, 40% of respondents intend to buy more hotel real estate, while 29% plan to continue with their investment activity as before the pandemic. Only 21% of investors plan to dial down their hotel acquisition activity

The prevailing investment strategy adopted by hotel investors in 2021 is to focus on higher-risk-and-return acquisitions, including value-add and opportunistic investments, pursued by 34% and 31% of respondents, respectively. Interestingly, 15% of investors deploy a full spectrum of strategies, seeking core, value-add and opportunistic investments

While expectations of reduced pricing for hotel assets due to the pandemic is a frequently reported reason for real estate investors to raise capital, the survey revealed that majority of investors (59%) would consider opportunities with only a moderate discount (15% or less, relative to 2019 levels). Only 12% of investors seek more distressed opportunities (25% or more price reduction)



# Portuguese Hospitality Market

## Market recovery

### HOSPITALITY GAINING MOMENTUM

During COVID-19, Portugal was among the hardest hits in Europe, which was evidenced by rapid declines in number of nights in hotels and other indicators.

The hospitality sector is gaining momentum as vaccination rollouts continue to advance. Additionally with operational efficiencies and more flexible business models—all of which have been accelerated by the pandemic— hotel real estate continues to be an attractive asset class.

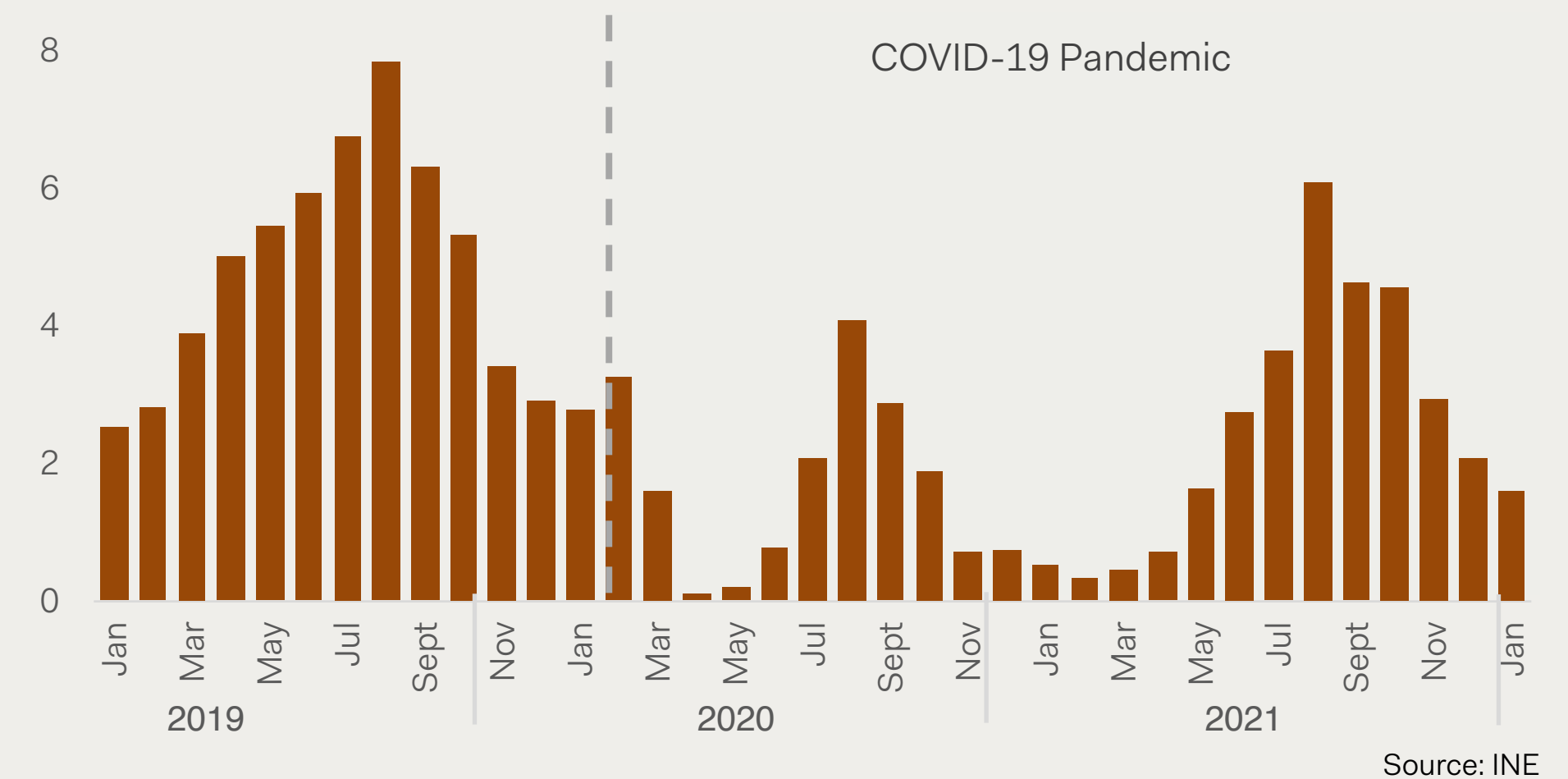
Market recovery is already evident with hotel activity having accelerated tremendously after the second, and last, lockdown. Number of nights in hotels have steadily picked up the pace from pre-pandemic levels, with hotel booking volumes surpassed 2019 levels, reaching as high as 115% of 2019 recorded levels.

During this same period last year, Portugal's hotel bookings were at around just 20% of numbers for the same period in 2019, emphasising the sector's resilience over the past 12 months.

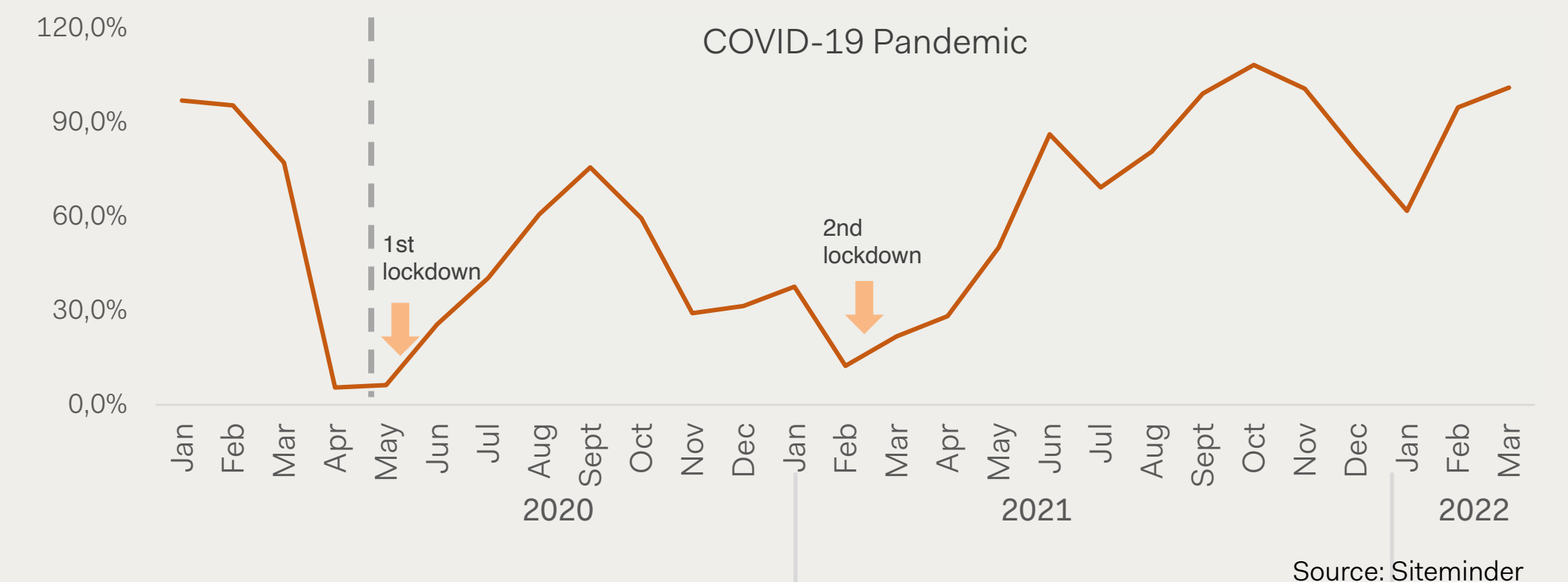
The growth demonstrates strength in Portuguese hotel industry's quick recovery, both from the disruption caused by the Omicron COVID-19 variant and other disturbances.

Source: <https://www.hospitalitynet.org/news/4109213.html>

Number of Nights in Hotels- Portugal (million)



Booking momentum by country/region compared with 2019





# Portuguese Hospitality Market

Data from hospitality firms and Turismo de Portugal show a positive trend in hotel performance across Portugal.

Tourism in Portugal has suffered significantly during the pandemic from travel restrictions particularly from the United Kingdom, its largest costumer market.

Occupancy rates fell 72% bringing the Revenue per available room down to 19,07 EUR, a fall of 75,4%.

However, in the first nine months of 2021, revenue for tourist accommodations in Portugal exceeded the total for full-year 2020, although it was still half the value for the same period in 2019.

Research showed 2021 occupancy up 46.4% compared to 2020 and average daily rate up 19.5%, pushing the latter above 2019 levels. Revenue per available room increased in 2021 by 74.9% over 2020 numbers.

Since August 2021, hotel revenue has surpassed 2019 levels in some Portuguese regions, particularly in Madeira, one of two autonomous regions of Portugal, which can be a potential beacon of hope to mainland Portugal.

Portugal Key Performance Indicators

	2019	2020	2021
Occupancy	67,5%	18,9%	27,6%
Percent Change	-0.2%	-72.0%	46.4%
Average Daily Rate	114,74	101,06	120,75
Percent Change	2.5%	-11.9%	19.5%
RevPAR	77,42	19,07	33,36
Percent Change	2.3%	-75.4%	74.9%

STR 2022 CoStar Realty Information

Source: <https://www.costar.com/article/409794575/new-life-in-luxury-segment-propels-recovery-of-portugals-hotel-industry>



# Boutique Hotels Outperform Rest of Industry

Limestone invests into Lifestyle assets that are able to capture a premium, even during the economic shocks  
In our view this is a trend that is accelerating.

In both 2019 and during times of crisis like during the COVID-19 pandemic, Independent hotels significantly outperformed.

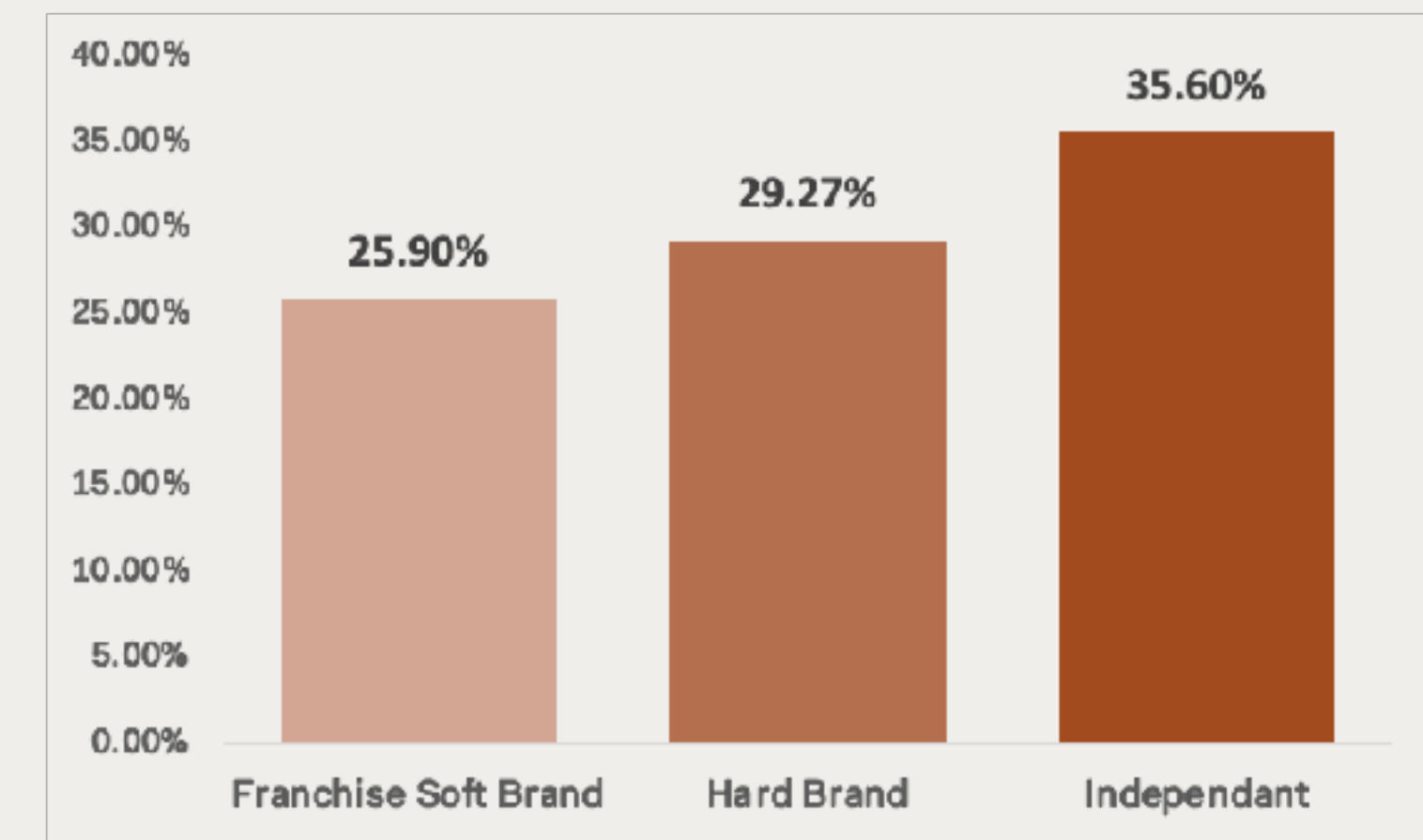
- Independents have more freedom to achieve higher ADRs as Hard Brands and Franchise Soft brands are boxed within their categories, putting restrictions on their own hotels' profitability and leaving no room for the flexibility or inventiveness needed to succeed.
- Independents have more freedom to execute creative strategies without cumbersome brand restrictions – and pivot quickly in every regard when the landscape changes demand it.
- Demographic and psychographic shifts, where Covid-19 has shaped the hospitality industry for a better, sustainable, and enriching future.

Contrary to the narrative we are hearing from executives of the major franchises, the data clearly shows that Franchise Soft Brands under-performed both their Hard Brand cousins and Independent hotels.

During the period measured, Franchise Soft Brands trailed Independents by nearly 10% in occupancy.

## Occupancy during the crisis

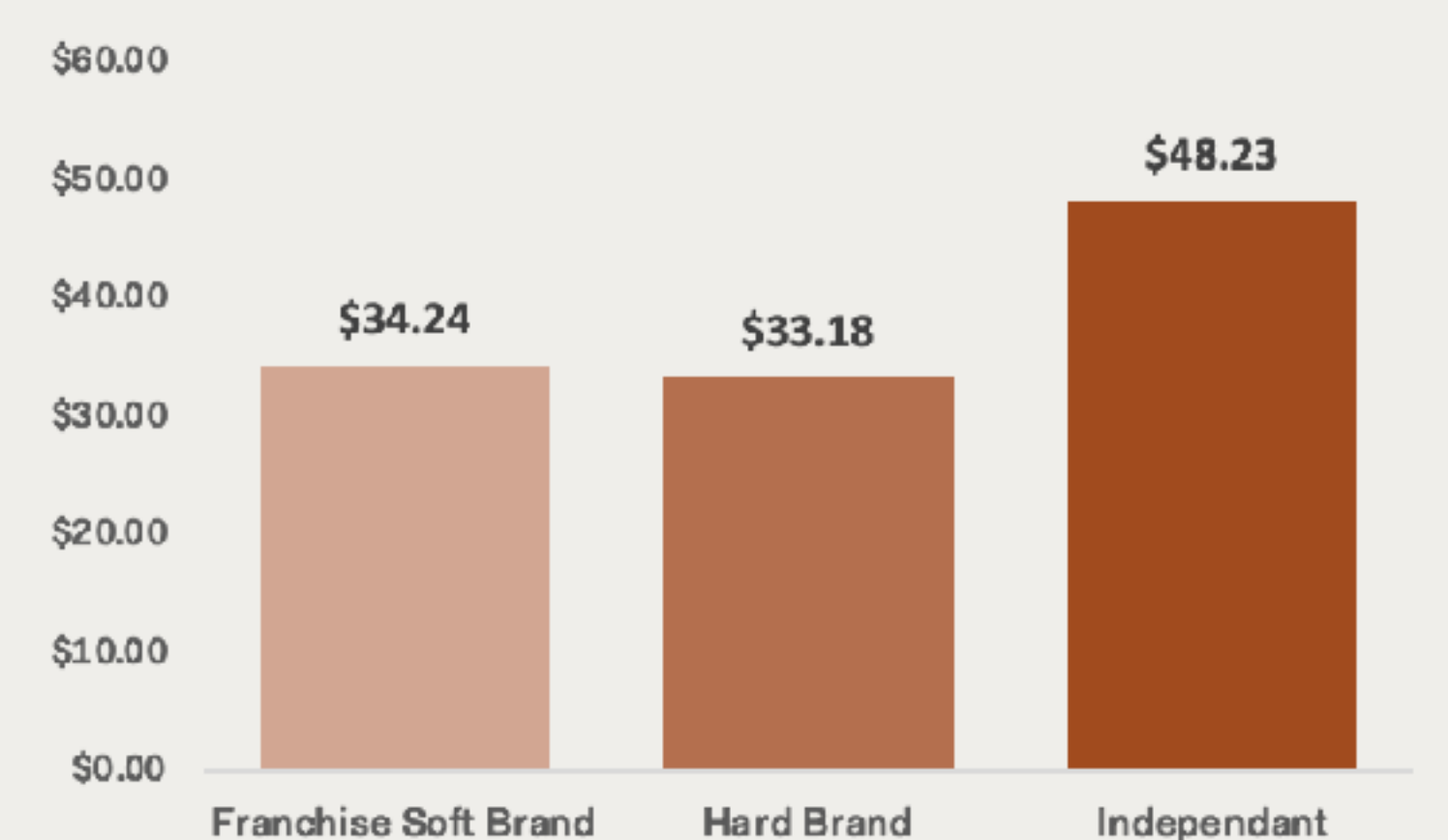
Independent Hotels Lead in Occupancy



Source: STR, 2020 CoStar Realty Information, Inc

## RevPAR during the crisis

Independents show a significant Premium RevPAR



Source: STR, 2020 CoStar Realty Information, Inc



# Disclaimer

## Confidential

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END OF PRESENTATION