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MERCURE PORTFOLIO EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

Schulte European Group “SEG” is pleased to present our preliminary operational and underwriting thoughts on the Aroundtown UK Mercure portfolio of **2,136 keys, across 14 assets**. Schulte has undertaken a detailed asset-by-asset analysis and has identified a number of upside opportunities.

All 10 assets that have reported against stable competitive sets are down on a 2023 vs. 2019 basis (-13.0%).

Initial Operational Review:

- It is Schulte’s understanding from Aroundtown that the portfolio has seen declining performance since the manager, Klarent Hospitality, underwent a change in ownership in Dec-2021.
- Schulte can indeed see that the 10 assets with stable comp sets have lost **-13.0%** RevIndex from '19A vs. '23A. RevPAR index on a YTD May 2024 basis has been eroding vs. STLY, with **index down -3.6%**.
- Schulte does not believe that there is a **focused rate strategy** being deployed across the portfolio. In many cases we see hotels that are achieving high occupancy, but **not yielding rates effectively** vs. the competitive set.
- Regional locations in the UK are more at risk from macroeconomic pressures, as they tend to be more reliant on domestic demand, and sensitive to pricing increases. For this reason, it is essential to have a detailed strategy in terms of **maintaining market share**.
- Schulte can see, from desktop analysis, that some of the hotels are in need of capex. We have analysed online imagery per property and used Tripadvisor in order to get an idea of customer perception. This is discussed in more detail within the deck.
- We are firm believers however, that **capex is not the solution** to all problems, and have an ownership mindset when it comes to this analysis, understanding that any capex spent must be **ROI generating**. There are numerous other levers that can be deployed in the first instance to maximise performance, before capex is undertaken.

Best in Class Management Company with Strong UK experience:

- Schulte is a professional hotel management and development company managing **200+ properties** under brands from Accor, Marriott, Hilton, IHG, Hyatt as well as a number of independent assets.
- Schulte is an Owner Centric operator. Schulte averages ~10 hotels/client and builds dedicated teams to deploy against important relationships. **Schulte would create a dedicated team for the Aroundtown platform** if awarded the opportunity.
- Schulte offers a wide array of centralized services above property with its **200+ corporate employees** at no additional cost (i.e. accounting, HR, IT, Revenue Management, Sales, etc.) beyond a flat overhead fee, which reduces burdensome property level costs. This provides alignment and transparency to ownership and would result in substantial savings versus the budgeted operating model.
- Vincent Levy heads up the European team as Managing Director. Vincent has over 25 years of experience in hotel management, including numerous regional UK markets.
- The Group has managed over **100 takeovers / brand transitions** and new openings in the past five years, including three **20+ hotel portfolio management transitions**. SEG specifically has managed the rebranding of **eight hotels in the past three years**, including conversions from hard brands such as Doubletree by Hilton.
- Schulte has a depth of experience in **brand selection, franchise negotiations and renovation/pre-opening hotels**. SEG has been in touch with various different brand companies to discuss rebranding possibilities for the hotels, including **IHG, Hilton and Marriott**.

EXECUTIVE SUMMARY

Initial Operational Review:

- It is Schulte's understanding from Aroundtown that the portfolio has seen declining performance since the manager, Klarent Hospitality, underwent a change in ownership in Dec-2021.
- Schulte can indeed see that **RevPAR index** has been steadily declining since 2018:
 - **2018-2019: -0.5%**
 - **2019-2022: -1.6%**
 - **2022-2023: -3.5%**
 - **YTD May'24 vs. STLY: -3.6%**
- It is important to note that there are some comp set hotel closures / changes in the '22A and '23A index #s – which makes the comparison vs. '19A not fully apples-to-apples. We have run the same RevIndex analysis for '19A vs. '23A removing any hotels which had comp set changes*, and the implied RevIndex drop is **-13.0%**.
- In addition, F&B revenues have also been declining with 2019 down **-5.6%** vs. 2018 and down **-10.3%** 2023A vs. 2018.

| Aroundtown UK Portfolio (14-Pack) Summary | | | | | | | | | | | | | | | | | | |
|---|-------------------------------------|-------|------------------|----------|-----------|------------------|----------|-----------|------------------|----------|-----------|------------------|----------|-----------|------------------------|----------|----------|------------|
| Property Information | | | 2018A Financials | | | 2019A Financials | | | 2022A Financials | | | 2023A Financials | | | YTD May2024 Financials | | | |
| | | | Actuals | | | Actuals | | | Actuals | | | Actuals | | | RevIndex* | RevIndex | | |
| # | Property | Keys | RevPAR | RevIndex | F&B. Rev. | RevPAR | RevIndex | F&B. Rev. | RevPAR | RevIndex | F&B. Rev. | RevPAR | RevIndex | F&B. Rev. | '23A vs. '19A | 5/23 YTD | 5/24 YTD | YTD vs. LY |
| 1 | Blackburn Dunkenhagh & Spa | 175 | 43 | 99% | 2,905 | 41 | 94% | 2,648 | 43 | 89% | 2,371 | 44 | 84% | 2,527 | -11% | 85% | 81% | -4% |
| 2 | Boxhill Burford Bridge | 57 | 74 | 108% | 2,022 | 71 | 108% | 1,789 | 57 | 87% | 1,295 | 63 | 79% | 1,273 | -27% | 72% | 84% | 12% |
| 3 | Bristol Grand | 186 | 62 | 89% | 2,274 | 65 | 92% | 2,292 | 65 | 94% | 1,874 | 68 | 87% | 1,911 | | 81% | 93% | 13% |
| 4 | Cardiff Holland House Hotel & Spa | 172 | 69 | 101% | 2,628 | 68 | 101% | 2,532 | 76 | 101% | 2,353 | 74 | 92% | 2,518 | -9% | 89% | 97% | 7% |
| 5 | Exeter Rougemont | 98 | 64 | 116% | 1,168 | 63 | 120% | 1,214 | 66 | 112% | 847 | 60 | 101% | 1,110 | -16% | 101% | 109% | 8% |
| 6 | Exeter Southgate | 156 | 75 | 121% | 1,711 | 73 | 123% | 1,597 | 72 | 119% | 1,919 | 72 | 106% | 1,634 | -14% | 113% | 102% | -11% |
| 7 | Ibis Styles Manchester | 229 | 57 | 102% | 1,128 | 58 | 104% | 1,107 | 52 | 96% | 696 | 56 | 86% | 732 | -17% | 85% | 87% | 2% |
| 8 | Liverpool Atlantic Tower | 225 | 53 | 78% | 1,366 | 51 | 78% | 1,279 | 56 | 82% | 1,289 | 55 | 74% | 1,103 | -6% | 81% | 74% | -8% |
| 9 | London Staines-Upon-Thames | 88 | 52 | 125% | 474 | 45 | 125% | 462 | 63 | 146% | 2,091 | 53 | 239% | 1,618 | | - | - | - |
| 10 | Daventry Court | 155 | 38 | 78% | 1,717 | 39 | 79% | 1,489 | 45 | 90% | 1,370 | 53 | 95% | 1,536 | | 97% | 96% | -1% |
| 11 | Haydock | 135 | 38 | 107% | 2,212 | 38 | 108% | 2,202 | 46 | 99% | 2,102 | 51 | 94% | 2,042 | | 100% | 96% | -4% |
| 12 | Sheffield St Paul's Hotel & Spa | 169 | 77 | 160% | 2,478 | 73 | 148% | 2,245 | 80 | 125% | 1,567 | 84 | 124% | 1,712 | -16% | 133% | 136% | 3% |
| 13 | Warwickshire Walton Hall Hotel & Sp | 197 | 43 | 76% | 2,921 | 42 | 77% | 2,750 | 47 | 89% | 3,459 | 44 | 73% | 2,663 | -6% | 86% | 52% | -34% |
| 14 | Winchester Wessex | 94 | 65 | 110% | 513 | 62 | 107% | 478 | 58 | 106% | 422 | 61 | 101% | 516 | -6% | 104% | 81% | -23% |
| Total/WAVG | | 2,136 | 57 | 102% | 25,517 | 56 | 102% | 24,086 | 59 | 100% | 23,653 | 60 | 97% | 22,895 | -13.0% | 90% | 86% | -3.6% |

'22A Portfolio RGI of **100.0%**

'23A Portfolio RGI of **97.0%**, is **-3.5%** vs. 22A

23A Portfolio RGI (adj. for comp set changes) is down **-13.0%** vs. '19A

YTD '24A RGI of **86%** is **-3.6%** vs. STLY

Note: London Staines-Upon-Thames has been excluded from YTD RGI analysis, as it appears that the property is now closed.

Proprietary and Confidential 5 * Hotels with comp set changes include Bristol Grand, Exeter Southgate, London Staines-Upon-Thames, Daventry and Haydock.

EXECUTIVE SUMMARY

Preliminary Financial Review:

- Schulte has underwritten the opportunity with the hotels **remaining as-is**. We have spoken with the brands and discussed potential branding opportunities overleaf. However, for the purposes of this exercise, we wanted to be able to show the upside that we can bring to the portfolio day-one, with **no additional capital outlay from ownership**.
- We have utilised the '22 / '23 STR and revenue data provided by Aroundtown for our analysis, as well as historic P&L and STR data that we had on file from looking at the properties in 2022, alongside a **ground-up expense underwrite** per department.
- Schulte sees upside in revenue by pursuing a focused sales and revenue strategy targeted at (i) driving property awareness, (ii) targeting group and corporate bookings, (iii) building occupancy through a strategic use of OTAs, (iv) stabilizing existing F&B operations, with a strong focus on continuing to drive meetings and events at pre-pandemic levels.
- Schulte is underwriting the portfolio to stabilise in Year 2 ('26) at an **ADR of £94** and occupancy slightly overtaking '19 levels, at **79.2%**. Overall RevPAR is projected to stabilise at **£74**, a **CAGR of 7.5%** vs. '23 and **4.1%** vs. '19.
- F&B revenues have been dropping from 2018 (£25.5m) to 2019 (£24.1m) to 2023 (£22.9m). We believe this to be a result of meeting-related business being slower to recover post-pandemic, however we see scope with the extensive meeting and events facilities per property, to push group and corporate bookings, and recover this share of revenue. We forecast F&B revenue to reach **£29.1m** in 2026, a CAGR of **2.7%** vs. 2019 revenues.
- Additionally, Schulte sees the portfolio as operating with a cost model that has resulted in margins eroding from 2018. Schulte believes that with the correct staffing model, that provides the right amount of flexibility during quieter periods, the hotel should see a more efficient cost structure.
- Schulte has built up a cost analysis per department, including staffing models, with clustered positions amongst the portfolio to allow for efficiencies in payroll. SEG's office also has the capability to oversee many of the hotel undistributed functions, allowing us to right-size the labour model and lower the payroll burden on the hotel.

| Aroundtown UK Portfolio (14-Pack) Financials Summary | | | | | | | | | | |
|--|------------|---------|---------|---------|---------|-----------|------------|---------|---------|---------|
| Line Item | Historical | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022AF | 2022A | 2023A | 2025 | 2026 | 2027 | 2028 | 2029 |
| Occupancy | 76.8% | 76.2% | 74.1% | 74.6% | 71.0% | 76.7% | 79.2% | 79.3% | 79.3% | 79.3% |
| ADR | £74 | £73 | £77 | £78 | £84 | £91 | £94 | £95 | £97 | £99 |
| RevPAR | £57 | £56 | £57 | £59 | £60 | £70 | £74 | £76 | £77 | £79 |
| RevPAR Growth | | (1.5%) | 2.6% | 2.1% | 2.0% | 14.5% | 6.1% | 2.2% | 2.0% | 2.0% |
| Total Revenue | £74,765 | £72,203 | £72,709 | £75,087 | £74,976 | £87,893 | £93,455 | £95,499 | £97,676 | £99,357 |
| RevPAR Index | 102% | 102% | - | 100% | 97% | 102% | 104% | 104% | 104% | 104% |
| GOP | | | | | | £23,868 | £26,185 | £26,790 | £27,445 | £27,872 |
| GOP Margin | | | | | | 27.2% | 28.0% | 28.1% | 28.1% | 28.1% |
| | | | | | | | Stabilized | | | |

ASSET SUMMARY TABLE

The table below shows our SEG '26 stabilised year vs. '22A Klarent financials as of 08/'22.

- In terms of RevPAR Index, Schulte believes that if we were to be managing the assets in '24, we would have been able to achieve a RevPAR Index of **104%** through more detailed revenue management and a tailored sales and marketing plan per property.
- This is in contrast to the achieved RevIndex in '22A of 100%, and the '23A RevIndex of 97%.
- Costs in the Schulte case have been calculated through a detailed departmental build up, which is explained within the deck.
- In order to do a more accurate analysis it would be beneficial to access detailed historic P&Ls per property.
- **Schulte has a track record of improving performance post-takeover of its UK Hotels – see ensuing Graduate / Marine & Lawn case studies**

| Aroundtown UK Portfolio (14-Pack) Summary | | | | | | | | | | | | | | | | | | | |
|---|--------------------------------------|------------------|-------|-----|--------|----------|-------------|------------------|-----|--------|----------|-------------|-------|----------------------------|--------|----------|-------------|--------|------------|
| Property Information | | 2019A Financials | | | | | | 2022A Financials | | | | | | 2026 Financials | | | | | |
| | | Actuals | | | | | | Actuals | | | | | | Schulte PF Stabilised Year | | | | | |
| # | Property | Keys | Occ | ADR | RevPAR | RevIndex | Total. Rev. | Occ | ADR | RevPAR | RevIndex | Total. Rev. | Occ | ADR | RevPAR | RevIndex | Total. Rev. | GOP | GOP Margin |
| 1 | Blackburn Dunkenhagh & Spa | 175 | 67.6% | 60 | 41 | 94% | 6,001 | 68.9% | 62 | 43 | 89% | 5,760 | 69.7% | 83 | 58 | 103% | 8,231 | 1,851 | 22.5% |
| 2 | Boxhill Burford Bridge | 57 | 71.7% | 99 | 71 | 108% | 3,434 | 61.3% | 93 | 57 | 87% | 2,628 | 71.4% | 124 | 88 | 108% | 3,898 | 1,055 | 27.1% |
| 3 | Bristol Grand | 186 | 79.5% | 81 | 65 | 92% | 7,094 | 77.1% | 84 | 65 | 94% | 6,591 | 81.1% | 107 | 86 | 97% | 8,645 | 2,816 | 32.6% |
| 4 | Cardiff Holland House Hotel & Spa | 172 | 85.1% | 80 | 68 | 101% | 7,597 | 77.8% | 98 | 76 | 101% | 8,026 | 84.5% | 108 | 91 | 105% | 9,950 | 3,382 | 34.0% |
| 5 | Exeter Rougemont | 98 | 86.8% | 73 | 63 | 120% | 3,588 | 84.7% | 79 | 66 | 112% | 3,347 | 87.1% | 90 | 78 | 119% | 4,178 | 1,232 | 29.5% |
| 6 | Exeter Southgate | 156 | 86.6% | 84 | 73 | 123% | 6,279 | 80.9% | 89 | 72 | 119% | 6,380 | 85.9% | 100 | 86 | 122% | 7,308 | 2,272 | 31.1% |
| 7 | Ibis Styles Manchester | 229 | 84.4% | 69 | 58 | 104% | 6,042 | 77.6% | 67 | 52 | 96% | 5,106 | 85.1% | 88 | 75 | 102% | 7,160 | 2,225 | 31.1% |
| 8 | Liverpool Atlantic Tower | 225 | 74.7% | 69 | 51 | 78% | 5,694 | 76.9% | 73 | 56 | 82% | 6,154 | 84.1% | 87 | 73 | 87% | 7,700 | 2,159 | 28.0% |
| 9 | London Staines-Up-on-Thames | 88 | 66.4% | 68 | 45 | 125% | 1,929 | 76.9% | 81 | 63 | 146% | 4,495 | 77.5% | 83 | 64 | 148% | 4,703 | 1,607 | 34.2% |
| 10 | Daventry Court | 155 | 68.6% | 58 | 39 | 79% | 3,845 | 70.8% | 64 | 45 | 90% | 4,054 | 71.8% | 79 | 57 | 96% | 5,006 | 678 | 13.6% |
| 11 | Haydock | 135 | 70.2% | 55 | 38 | 108% | 4,288 | 73.8% | 62 | 46 | 99% | 4,594 | 79.5% | 73 | 58 | 100% | 5,555 | 924 | 16.6% |
| 12 | Sheffield St Paul's Hotel & Spa | 169 | 81.2% | 90 | 73 | 148% | 7,547 | 79.6% | 100 | 80 | 125% | 7,319 | 83.6% | 109 | 91 | 128% | 8,703 | 2,686 | 30.9% |
| 13 | Warwickshire Walton Hall Hotel & Sp. | 197 | 62.3% | 67 | 42 | 77% | 6,175 | 62.2% | 75 | 47 | 89% | 8,075 | 63.8% | 88 | 56 | 82% | 8,768 | 2,135 | 24.3% |
| 14 | Winchester Wessex | 94 | 76.8% | 81 | 62 | 107% | 2,688 | 70.1% | 82 | 58 | 106% | 2,557 | 79.7% | 104 | 83 | 110% | 3,650 | 1,163 | 31.9% |
| Total/WAVG | | 2,136 | 76.2% | 73 | 56 | 102% | 72,203 | 74.6% | 78 | 59 | 100% | 75,087 | 79.2% | 94 | 74 | 104% | 93,455 | 26,185 | 28.0% |

A 2026 Stabilized Year

SCHULTE PORTFOLIO TAKEOVER EXPERIENCE

Schulte has deep expertise with acquiring and taking over management of hotel portfolios, and leading brand change transitions.

| Portfolio | Detail |
|---------------------------------------|--|
| 27 Hotel Portfolio Acquisition | <ul style="list-style-type: none">❑ Schulte worked directly with two large NYC / LA-based private equity managers to acquire a 27 asset portfolio in 9/21.❑ The portfolio included several assets in regional markets, and also larger cities, and Schulte was able to smoothly transition all assets on day 1 post-acquisition. |
| 22 Hotel Portfolio Acquisition | <ul style="list-style-type: none">❑ Schulte worked directly with a large NYC-based private equity fund to acquire a 22-asset portfolio with hotels located across geographies in 11/19.❑ Similar to the 27-hotel portfolio – the assets were a mix of tier 2-city and also more regional hotels. |
| Nine Hotel Management Takeover | <ul style="list-style-type: none">❑ Schulte won an RFP in 2018 and was awarded management of six Graduate hotels, and further awarded an additional three hotels (consolidating all nine hotels in the Graduate portfolio) at transition.❑ Since the initial transition, Schulte is the exclusive manager for all Graduate hotels. Schulte has also built a dedicated European platform for Graduate's expansion into the U.K., where Schulte currently operates both the Graduate Cambridge and Graduate Oxford.❑ Schulte created a dedicated management platform - Graduate Hotels Management (GHM) to operate these nine hotels (which were previously operated by four different management companies), and in the first 18 months post-transition, Schulte increased GOP margins at these nine hotels by >400bps.❑ Schulte performed so well with this transition that it currently manages 32 Graduate hotels across the U.S. and U.K. |
| 32 Hotel Brand Change | <ul style="list-style-type: none">❑ Schulte is currently working on a transition of all 32 of its independent Graduate hotels unto the Hilton platform.❑ Schulte will retain management of all of the 32 hotels post-transition. |

POTENTIAL BRANDING ANALYSIS

Preliminary Branding Review:

- Schulte understands from Aroundtown that the Master deal with Accor allows for termination subject to termination fees and the condition that is **not less than 8 branded hotels** owned by the Owner operated under the same brand.
- We have had discussions with IHG, Marriott and Hilton and understand that the following brand options would be available for the properties.
- We have earmarked the 5 hotels that we think would see the greatest upside from this branding. We discuss this further on a per-asset basis within the deck.
- Schulte has extensive experience in negotiating franchise agreements and believes that there will be the opportunity to negotiate attractive franchise terms, including key money, especially where there is the opportunity for a brand to flag more than one property.
- Schulte also is experienced with capex budgeting and negotiation and can add value through our extensive network of contacts and understanding of the necessary requirements.

Aroundtown UK Portfolio (14-Pack) Summary

| # | Property | Keys | Rebrand | Potential Brands | Recommended |
|------------|--------------------------------------|-------|---------|---|--------------|
| 1 | Blackburn Dunkenhagh & Spa | 175 | No | Voco, Crowne Plaza | n/a |
| 2 | Boxhill Burford Bridge | 57 | No | Holiday Inn | n/a |
| 3 | Bristol Grand | 186 | Yes | Voco, Crowne Plaza, DoubleTree, Tapestry | Voco |
| 4 | Cardiff Holland House Hotel & Spa | 172 | Yes | Crowne Plaza | Crowne Plaza |
| 5 | Exeter Rougemont | 98 | No | Voco, DoubleTree, Graduate | n/a |
| 6 | Exeter Southgate | 156 | Yes | Crowne Plaza, DoubleTree, Graduate | Doubletree |
| 7 | Ibis Styles Manchester | 229 | Yes | Spark, Four Points Express | Spark |
| 8 | Liverpool Atlantic Tower | 225 | Yes | Voco, Hilton Garden Inn, Tapestry | Tapestry |
| 9 | London Staines-Upon-Thames | 88 | No | Holiday Inn Express, Holiday Inn | n/a |
| 10 | Daventry Court | 155 | No | Voco, Crowne Plaza | n/a |
| 11 | Haydock | 135 | No | Voco, Crowne Plaza | n/a |
| 12 | Sheffield St Paul's Hotel & Spa | 169 | No | Voco, Marriott, Sheraton | n/a |
| 13 | Warwickshire Walton Hall Hotel & Spa | 197 | No | Voco, DoubleTree | n/a |
| 14 | Winchester Wessex | 94 | No | Holiday Inn Express, Voco, DoubleTree, Tapestry | n/a |
| Total/WAVG | | 2,136 | | | |

AROUNDTOWN

**DEDICATED
AROUNDTOWN
MANAGEMENT
PLATFORM &
TRANSITION PLAN**



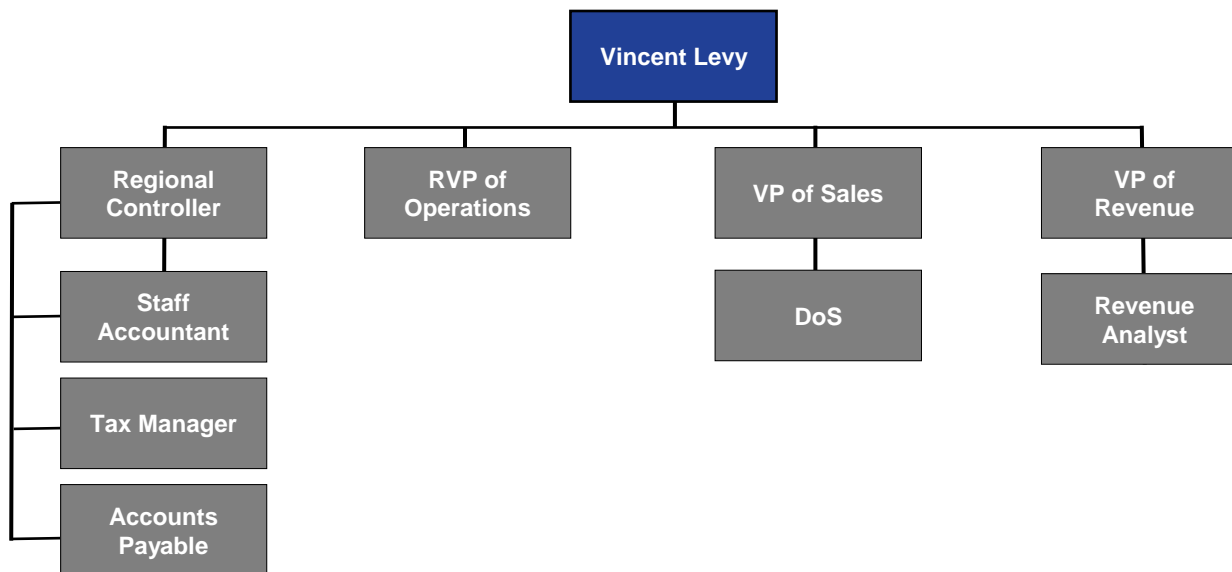
AROUNDTOWN UK – DEDICATED PLATFORM

Schulte envisions Aroundtown as a core new partner. Assuming we are able to form and expand our relationship, **Schulte would build out a dedicated platform for Aroundtown.** Schulte has a strong track record building out dedicated platforms with our largest capital partners and is built for scalable relationships and high touch service.

❑ Platform Building:

- **Full Management Services:** As we begin our relationship with the Aroundtown team, Schulte would provide Full Front of House and Back of House management services at and above property level.
- **Dedicated Relationship Point of Contact:** Schulte's European head – Vincent Levy would manage the relationship with Aroundtown, and would be a point of contact for all matters.
- **Dedicated Regional Team:** There would be a dedicated above property regional operations team, which includes Vincent Levy – our European head as the main point of contact, and employees dedicated to Regional Operations, Sales, Revenue Management, Accounts Payable, Tax and Regional Controller.

Initial Aroundtown Platform Org Chart



TRANSITION OVERVIEW

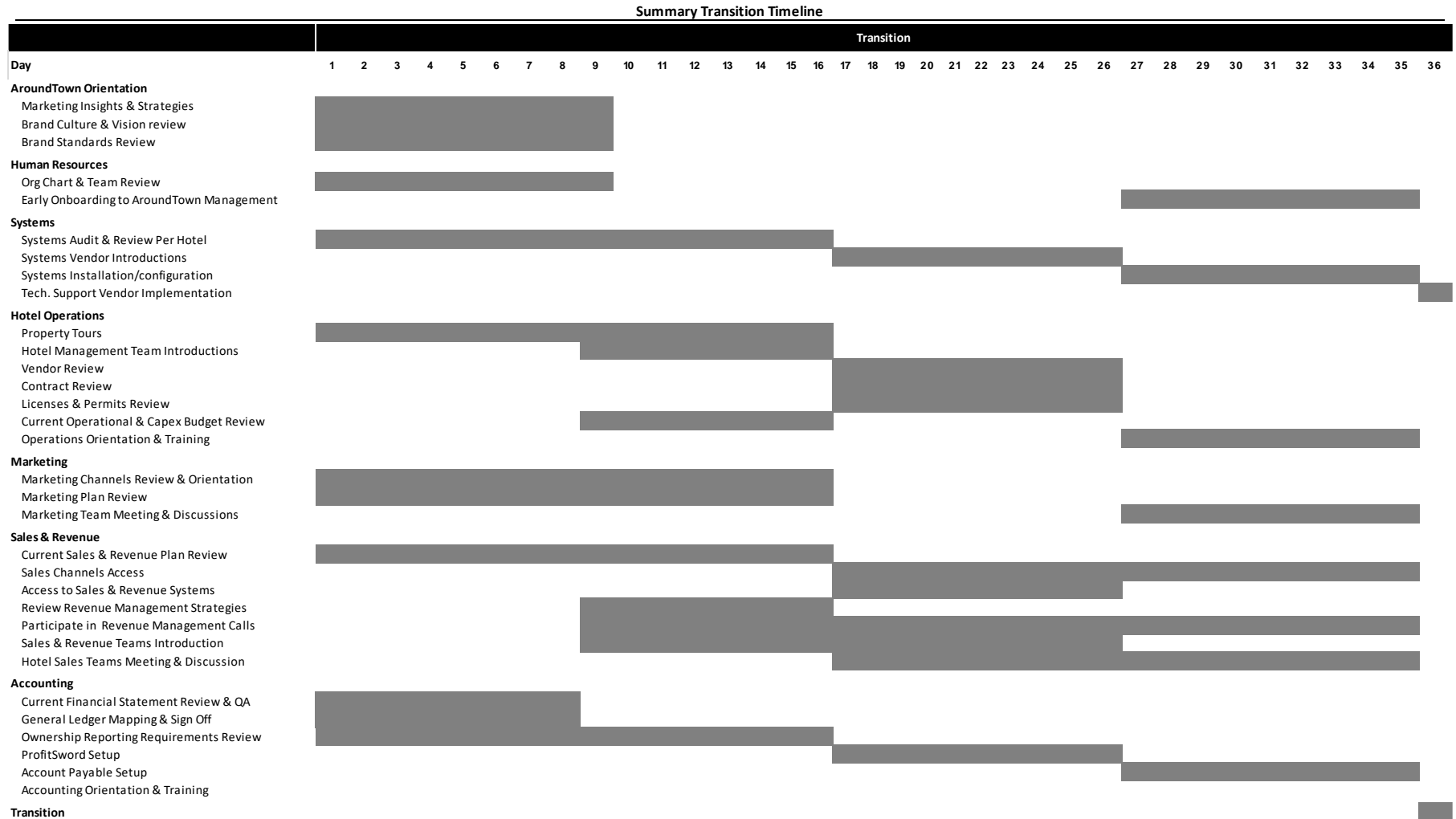
1



- SHG uses a systematic approach for each hotel transitioned onto its management platform, which proved to be successful on over **100 hotels** added to its portfolio in the past **five years**.
- A transition team is established to oversee all areas of diligence gathering, on-boarding, and final cutover. This team includes members from Accounting, Finance, IT, Legal, Risk/Insurance, Contracts/Leases, Licenses/Permits, Operations, Revenue, Sales, F&B, and HR.
- Vincent Levy, Caroline Harington, and Eric Schwartz will be Aroundtown's main points of contact leading the pre-transition process, and Vincent Levy will be the lead point of contact post-transition.

TRANSITION PLAN TIMELINE

SEG 38-day transition timeline is detailed below:



KEY MANAGEMENT FEE TERMS

| Key Terms | Proposed Clauses and Comments |
|---------------------------------|---|
| Operating Term | <input type="checkbox"/> 60 Months |
| Management Fees | <p>General:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Base Management Fee – 1.75% of total revenues <input type="checkbox"/> Accounting Fee – £2,500 per month for off-site, centralized accounting services, subject to 3.0% annual increase <input type="checkbox"/> Incentive Fee – 5.0% of Adjusted GOP <input type="checkbox"/> Regular reimbursed expenses such as mileage, food, postage and overnights will be billed monthly. (Extra ordinary expenses such as out-of-town meetings, etc. will be pre-approved by the owner on an item-by-item basis). <p>Potential Incentive Fee Subordination:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Based on an as agreed upon AGOP floor, SEG can have its Incentive Fee reduced subject to a Claw Back. |
| Corporate / Centralized Support | <ul style="list-style-type: none"> <input type="checkbox"/> Immediately upon executing a master agreement, SEG will provide and pay for a team solely dedicated to the Aroundtown platform, which will include appropriate roles in operations, revenue, sales, finance, HR, marketing, and e-commerce based on the number of hotels in the Platform. The team will be scaled to reflect the size of the Platform as it grows. <input type="checkbox"/> In addition to a full-scale regional team, SEG would install a “Super Regional” RVP Operations above region to head the Aroundtown relationship. <input type="checkbox"/> The Platform will have access to all SEG company resources on a shared basis without additional fees (including IT, Operations, Revenue Management & Sales, Corporate Support, Acquisitions and Accounting). |
| Termination On Sale | <ul style="list-style-type: none"> <input type="checkbox"/> In the event Owner sells, conveys and/or transfers the portfolio to a bona fide third-party purchaser, Owner shall have the right to terminate the applicable HMA upon thirty (30) days’ prior written notice to Manager without the payment of any termination fee or other penalty (but with the payment of any Base Management Fee, Incentive Fee and Overhead Fee due and owing to Manager for such Hotel through the date of such early termination). |

SCHULTE HOSPITALITY GROUP

B: ABOUT US



SCHULTE HOTEL PORTFOLIO

Schulte Hospitality Group ("SHG" or "Schulte") is a professional hotel management and development company managing 200+ hotels under brands from Marriott, Hilton, IHG, Hyatt, and Graduate Hotels. Schulte also operates a dedicated boutique and lifestyle division, Schulte Boutique and Lifestyle ("Schulte B&L"), which operates independent and soft-branded hotels. Schulte was founded in 1999 by several generations of experienced hoteliers who had a passion for the business, and the drive and fortitude sought by many owners.

Headquartered in Louisville, KY, with offices in NY and London, Schulte has assembled an experienced team with talents encompassing all aspects of hospitality who deliver measured success for our clients, loyalty and pride from our associates, and recognition in the industry. Schulte is best known for providing high-touch client service, delivering top line and bottom-line results to owners, and developing leaders on the property teams.

Schulte European Group "SEG", headquartered in London, is Schulte's dedicated European platform offering management and asset management services across Europe.

24
YEARS

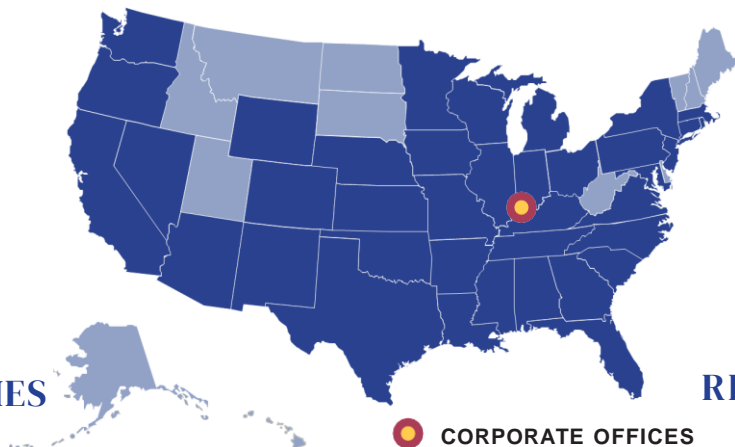
200+
HOTELS

30,000+
KEYS

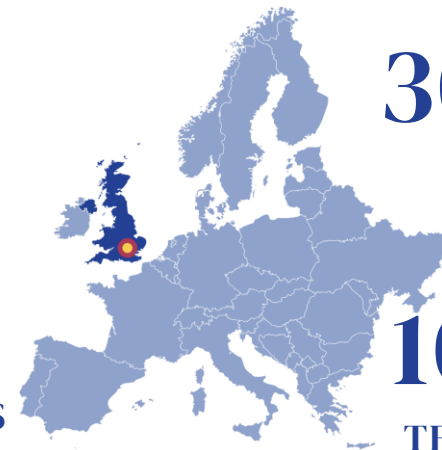
50+
RESTAURANTS

10,000+
TEAM MEMBERS

4
COUNTRIES



 CORPORATE OFFICES



SCHULTE CAPABILITIES

ACQUISITIONS & ASSET MANAGEMENT

Owner

Schulte has a strong owner mentality as we are one. Schulte has completed >\$5.0 billion in acquisitions since 2012 on our own and through programmatic joint ventures with institutional capital partners.

Sophisticated Team

10-person strong acquisitions / investment team with backgrounds from PE and banking.

Asset Management

We offer a suite of services to enhance an asset's value and maximize its return. We combine data-driven analysis incorporating property and market-level data with strong industry relationships to optimize performance.

Consulting

We provide consulting services on hotel developments, renovations, acquisitions, and existing properties. Our team of hospitality, construction and financial professionals can assist in numerous ways and will even adopt a short-term agreement to give your hotel the edge it needs to succeed.

MANAGEMENT

Summary

Schulte currently operates 200+ hotels in 39 states and four countries with \$1.5bn+ in revenue under management.

Brands

SHG operates hotels across the brand spectrum and chain scale.

F&B Expertise

Schulte manages \$150m of annualized F&B revenue out of its hotels and through its dedicated Schulte restaurant group.

Schulte Boutique & Lifestyle

This division manages 7,000+ keys, making us the 3rd largest boutique hotel operator in the U.S.

Revenue Management

Schulte revenue managers incorporate technology to analyse historical, city-wide, competitor, and destination-specific trends to predict revenue potential and tap into all lucrative opportunities. Revenue management works in detailed concert with Sales, Operations, and Marketing to use all available resources and channels to achieve maximum revenue potential.

CONVERSIONS

Takeovers

Schulte has a well-oiled takeover process, with over 100 takeovers and new openings over the past 5 years. We have also executed a number of hotel openings and are familiar with the pre-opening process including shepherding the hotel through completion of construction, punch list, and beginning operations.

Brand Conversions

In 2021, Schulte completed the acquisition and conversions of the 466 key W Midtown Atlanta into the Starling, Curio Collection Hotel by Hilton, and the 326 key W Washington DC into the independent Hotel Washington. Schulte coordinates with brands, design and construction consultants, and public relations agencies to successfully execute on these conversions. Schulte has been involved in more than 40 brand conversions.

Renovations & Ground Up Developments

110 hotel renovations and 18 ground-up constructions completed.

SCHULTE EUROPEAN GROUP

Schulte Hospitality European Group (**SEG**) is a dedicated and growing team, centrally based in London. All key disciplines are lead directly from our European office including revenue, sales, financing, accounting, and human resources.

Our European team is fully supported with additional resources from our U.S. team to provide hoteliers a powerful and efficient team. This includes revenue management reporting and analytics, hotel transition support, OS&E ordering, and technology implementation in full compliance with GDPR regulations.

FAST AND GROWING PORTFOLIO

SEG has continued to add hotels to its portfolio through the pandemic, with a number of hotels in the pipeline.



STRONG TEAM WITH SIGNIFICANT EXPERIENCE

SHG's executive leadership team has combined more than 100 years of experience in the European hospitality industry with experience at the top brand, private equity, management company, and developers globally.



SELECT SCHULTE EUROPEAN GROUP ASSETS



1 GRADUATE CAMBRIDGE

2 RANDOLPH HOTEL

3 RUSACKS HOTEL

4 SLIEVE DONARD

5 MARINE NORTH BERWICK

6 MARINE TROON

SCHULTE EUROPEAN GROUP ASSETS

GRADUATE CAMBRIDGE

The only city centre hotel on the River Cam. Kings College, and Chapel, Cambridge Arts Theatre, and Guildhall are all within walking distance, as well as many bars, shops, and restaurants.

Guests can watch the punts glide by on the adjacent river while enjoying an unforgettable culinary experience in the Riverside Brasserie.

The hotel features eight conference and function rooms for up to 300 guests.



MARINE HOTEL & SPA

Marine Hotel & Spa in North Berwick is renowned for its beautiful coastal setting and glorious 19th century Victorian architecture near 20 amazing golf courses in East Lothian.

It boasts extensive conference facilities and a luxurious spa complex making it the ideal base for business stays as well as leisure breaks. The hotel is also home to the award-winning Craighleith restaurant, where guests can enjoy the finest Scottish cuisine with views of the Firth of Forth.



RANDOLPH HOTEL

The Randolph Hotel is a landmark building with elegance and charm featuring the historical Acanthus Restaurant.

The hotel has played host to prime ministers and presidents, and the renowned Morse Bar is instantly recognizable as the watering hole of Colin Dexter's world-famous detective, Inspector Morse. The Randolph's Cartoon Bar is the latest to hit Oxford, offering an outstanding selection of Champagnes and Gins along with classic cocktails and light bites.



RUSACKS HOTEL

Located in St. Andrews, a Scottish setting famous for its royal romance, West Sands Beach, cathedral, aquarium, and golf.

Rusacks Hotel is within a sand wedge of the 18th hole of the world-famous Old Course.

Stylishly remodeled on a golfing theme, the hotel offers luxurious accommodation occupied by some of the great names in the game's history. The Rusacks has a dedicated golf concierge for guests.



MARINE HOTEL TROON

Located on the beautiful South Ayrshire coastline, with bespoke views over the Royal Troon Golf club and across to the Isle of Arran, the stunning 4-star hotel has everything for a relaxing getaway.

Built-in 1894, the landmark Marine Hotel was designed by notable Glaswegian architects Salmon and Gillespie. Now newly refurbished, it features subtle Scottish themes, fabrics and textures all laced with history.



SLIEVE DONARD

With stunning views of the County Down coastline and superb spa facilities, including a 50 feet pool, the 4-star Slieve Donard stands in 6 acres of grounds, leading to the Royal County Down Golf Club.

The hotel boasts 180 luxurious bedrooms, including 100 new Executive and Resort rooms and six magnificent Suites, many of which have stunning panoramic views.



ATLANTIC HOTEL PORTRUSH

Explore the beauty and wonder of Northern Ireland's breathtaking coastline on the Atlantic Ocean. Portrush is a favorite seaside resort destination, offering a multitude of attractions and activities. From grand historic castles to challenging golf courses, our town offers something for everyone. Portrush Atlantic Hotel is convenient to dining, shopping and attractions and is situated in the center of town overlooking the Atlantic Ocean.



ADELPHI HOTEL PORTRUSH

Adelphi Portrush offers unparalleled luxury coupled with a quality of service that is second to none. Situated in the heart of the Provinces No 1 Tourist Resort, Portrush, the Adelphi is ideally placed to enjoy the world-famous Causeway Coast, Bushmills Distillery, Carrick-a-reed Rope Bridge, Royal Portrush among many others and only 1 Hour from both Belfast and L'Derry Airports and 3 hours from Dublin.



MARINE & LAWN SEG ASSETS

RUSACKS HOTEL

Located in St. Andrews, Rusacks Hotel is within a sand wedge of the 18th hole of the world-famous Old Course.

MARINE NORTH BERWICK

This Marine hotel in North Berwick is renowned for its beautiful coastal setting and glorious 19th century Victorian architecture, near to 20 amazing golf courses in East Lothian.

MARINE TROON

This 4-star hotel is located on the beautiful South Ayrshire coastline, with bespoke views over the Royal Troon Golf club and across to the Isle of Arran.

SLIEVE DONARD

Built by the Belfast and County Down Railway in 1898 as a luxury holiday destination, the "must-see" property was the epitome of Victorian grandeur. Today, that legacy lives on with the M&L restoration.

DORNOCH STATION

Mere steps from the legendary Royal Dornoch Golf Club, one of Scotland's finest championship courses, with stunning views of the coastline and Dornoch Firth.



MARINE & LAWN HIGHLIGHTS



—PORTFOLIO HIGHLIGHTS—

Management of the Marine & Lawn portfolio was taken over by Schulte European Group in January 2020, and the hotels reopened to the public following extensive renovations.

SALES DRIVES

- New Golf Tour Operator (GTO) relationships have been a key source of business driving elevated rates.
- Targeting business in connection with local demand drivers, e.g. University of St Andrews, Prestwick Airport, agencies and corporate business.
- Multi-property discounts implemented to leverage the whole portfolio performance.

PERFORMANCE

- **Rusacks:** 2022 RevIndex +20%, RevPAR +41% vs. 2019
- **Rusacks:** 2023B NOI +15% vs. 2022A
- **Rusacks:** Jan 23, OTB rooms 70% of budget, +37% STLY
- **North Berwick:** 2022 RevIndex +11%, RevPAR +34% vs. 2019
- **North Berwick:** 2023B NOI +30% vs. 2022
- **Troon:** 2022 RevIndex +78%, RevPAR +81% vs. 2019

ACHIEVEMENTS

- **Rusacks:** One of The Best New Hotels in the World: 2022 It List – Travel + Leisure, One of The Best Hotels in Scotland 2022 – Conde Nast Traveller, Part of the luxury Amex Fine Hotels & Resorts programme, Nominated for Cateys Award
- **North Berwick:** One of the Best Hotels to Visit – Tatler 2021
- **Troon:** Named one of The Best Spas in Scotland – Conde Nast Traveller 2023, reclassified as 5 Star

MARINE & LAWN

SLIEVE DONARD – Opened Summer 2023



MARINE & LAWN

DORNOCH STATION – Opened Summer 2023



GRADUATE SEG ASSETS



Launched in 2014, Graduate Hotels is a new, boutique hotel collection targeting dynamic university towns across the UK and America.

Schulte was selected to be the strategic partner and primary manager of Graduate Hotels in April 2018. Schulte created a dedicated management platform, which is called Graduate Hotels Management (GHM) to be a single point of contact and manage existing and future Graduate Hotels.

Each of the properties commemorates and cultivates the spirit of each community in a bright new way.

GRADUATE CAMBRIDGE

The only city centre hotel on the River Cam. Guests can watch the punts glide by on the adjacent river.



RANDOLPH HOTEL OXFORD

The Randolph Hotel is a landmark building with elegance and charm that has played host to prime ministers and presidents.



GRADUATE HIGHLIGHTS



PORTFOLIO HIGHLIGHTS

Management of the Graduate portfolio was taken over by Schulte European Group in July 2019, and the hotels reopened to the public following extensive renovations in August 2021.

SALES DRIVES

- **Oxford:** Focus on increasing pricing for groups and driving demand over the shoulder period. Repositioned pricing in transient segment has been successful. Pace for 2023 is strong with transient bookings +12% on STLY and group bookings +47%.
- **Cambridge:** Significant focus on increasing ADR on weekends and holidays. Corporate market largest area of opportunity. Pace for 2023 is strong with transient bookings +20% on STLY and group bookings +41%.

PERFORMANCE

- **Oxford:** 2023B RevPAR +18%, vs. 2022A
- **Oxford:** 2023B F&B revenues +26%, vs. 2022A
- **Oxford:** 2023B NOI uplift of +48%, vs. 2022A
- **Cambridge:** 2023B RevPAR +32%, vs. 2022A
- **Cambridge:** 2023B F&B revenues +50%, vs. 2022A
- **Cambridge:** 2023B NOI uplift of +77%, vs. 2022A

ACHIEVEMENTS

- **Brand:** Sponsor of 2022 and 2023 Boat Race
- **Cambridge:** World Travel Awards, England's Leading Hotel 2022, nominated
- **Cambridge:** Hotel Interior of the Year, The 2022 Designer Award, Designatori
- **Oxford:** Oxford Preservation Trust Certificate

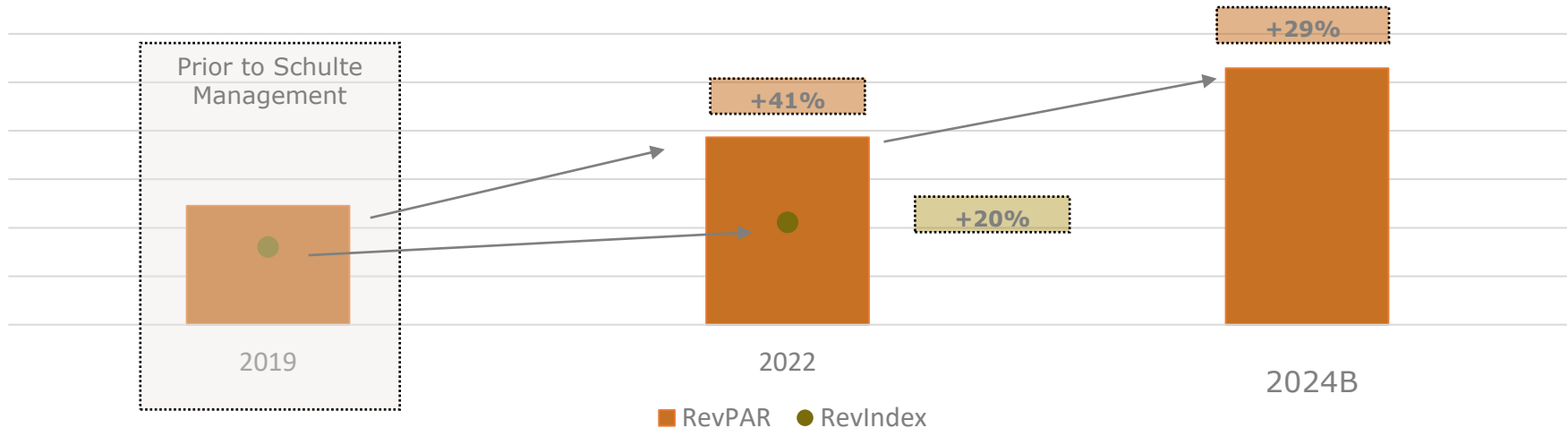
RUSACKS – COMMERCIAL CASE STUDY

Hotel management was taken over by Schulte European Group in January 2020, and the hotel reopened to the public in September 2021, following a period of extensive renovations, including a 46-key extension.

SALES DRIVES

- New Golf Tour Operator (GTO) relationships a key source of business driving elevated rates
- Targeting recurring events in connection with University of St Andrews to drive rooms and F&B Revenue
- Ranked first in the competitive set in terms of RGI, with expectation to further increase RGI by 9% in 2024, driven by increases in ADR currently +11% vs. STLY

PERFORMANCE



ACHIEVEMENTS

- One of The Best New Hotels in the World: 2022 T&L It List
- One of The Best Hotels in Scotland 2022 – Conde Nast
- Hotel of choice for the 150th Open 2022
- Winner of Best Hotel Over 50 Rooms – Scottish Golf Tourism Awards 2023
- Cateys Award Shortlisted – Hotel of the Year (UK)
- Part of the luxury Amex Fine Hotels & Resorts programme

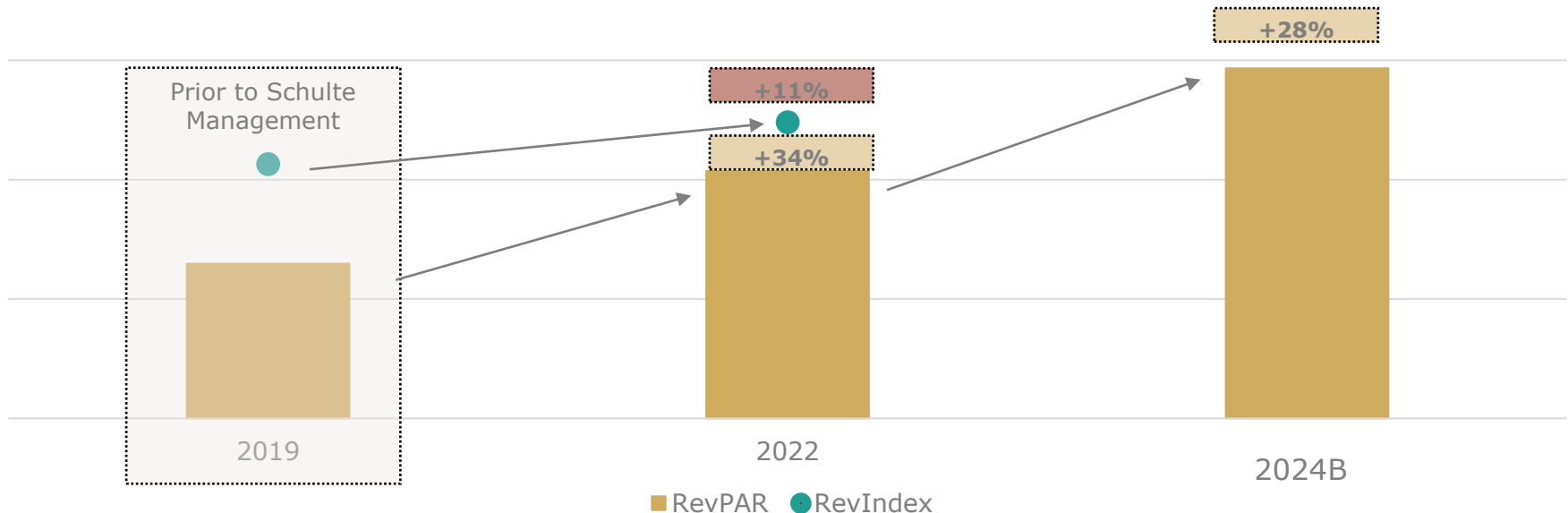
MARINE N BERWICK – COMM. CASE STUDY

Hotel management was taken over by Schulte European Group in February 2020, and the hotel reopened to the public in September 2021, following a period of renovations.

SALES DRIVES

- New Golf Tour Operator (GTO) relationships have been a key source of business driving elevated rates
- Golf multi-property discount implemented across the M&L portfolio
- Focus on weddings shows, publications and open days to drive wedding and social events
- Targeting DMC's and incentive companies to drive incentive business
- Ranked first in the competitive set in terms of RGI, with expectation to further increase RGI by 11% in 2024

PERFORMANCE



ACHIEVEMENTS

- One of The Best Scottish Hotels to Visit – Tatler 2021

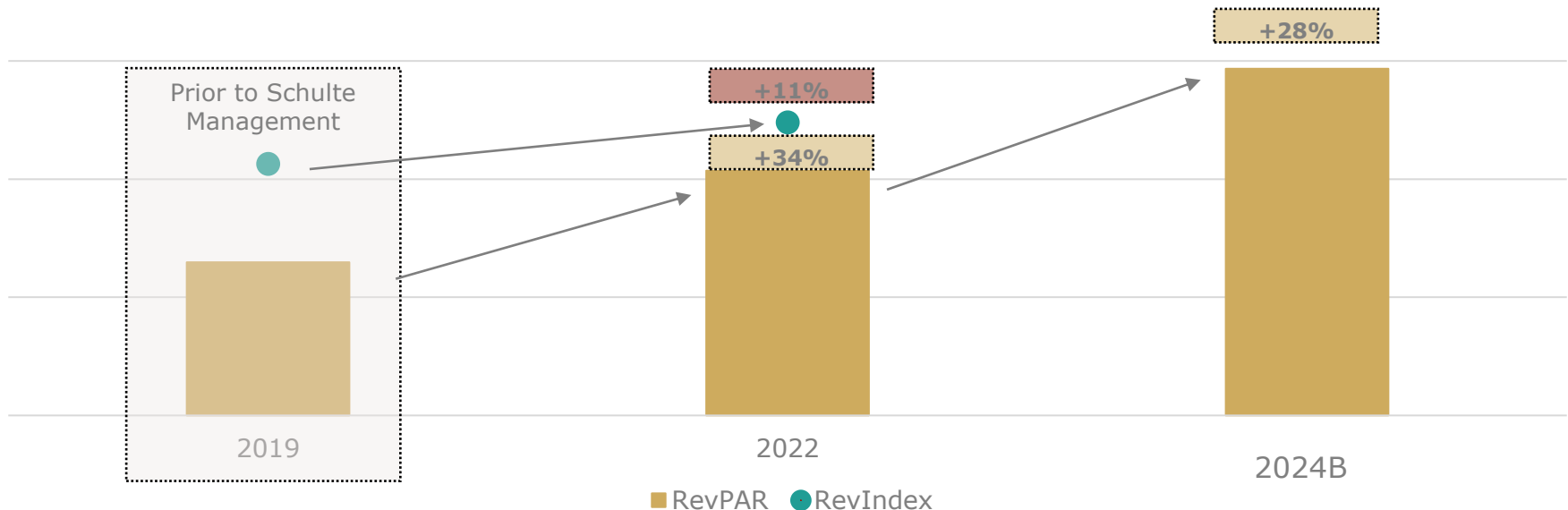
MARINE TROON – COMMERCIAL CASE STUDY

Hotel management was taken over by Schulte European Group in October 2020, and the hotel reopened to the public in May 2022, following a period of extensive renovations.

SALES DRIVES

- Expand catering and events offerings for locals, particularly in the low-season
- Promotion of hotel as a wedding venue, previously non-existent business
- Targeting airport business and local project work and the new spaceport at Prestwick Airport
- Target agencies and corporate accounts from the Glasgow market
- Property forecast to increase RGI by 16% in 2024, driven by increases in ADR, which is expected to be up 20%

PERFORMANCE



ACHIEVEMENTS

- Hotel reclassified as 5 Star on online channels
- One of The Best Spas in Scotland- Conde Nast Traveller 2023

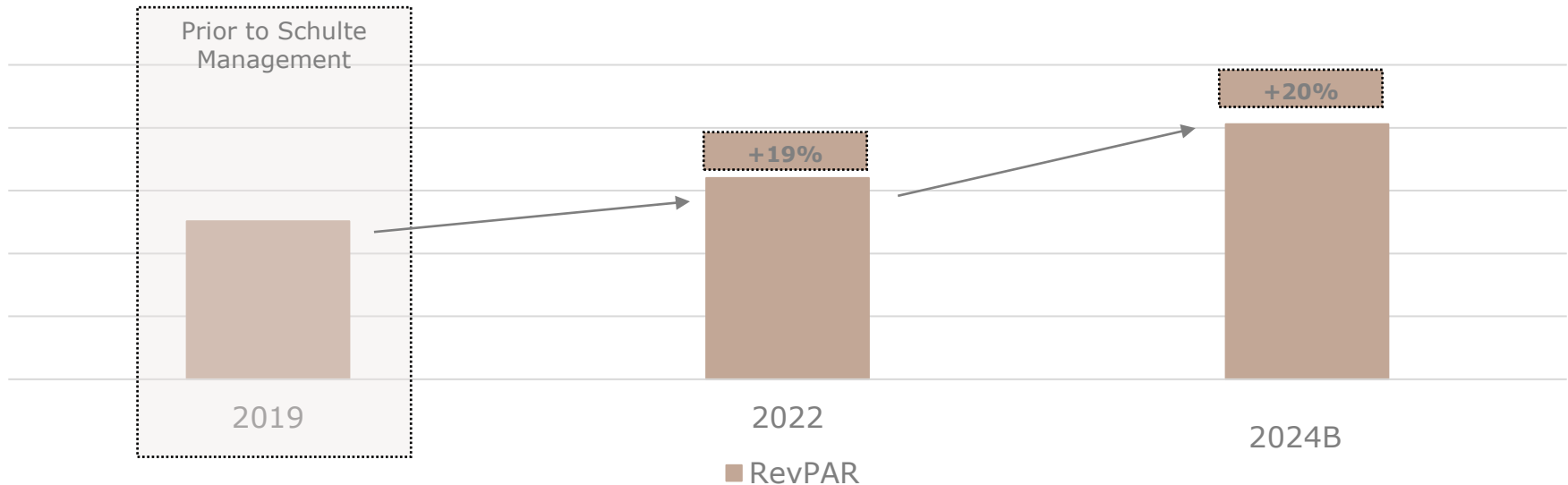
GRAD OXFORD – COMMERCIAL CASE STUDY

Management of the Graduate portfolio was taken over by Schulte European Group in July 2019, and the hotels reopened to the public following extensive renovations in August 2021.

SALES DRIVES

- Focus on maximising peak dates in the calendar and driving pricing for groups
- Continuing to increase market share and ADR through consistency of service
- Forecast to see a 5% increase in RGI vs. competitive set in 2024

PERFORMANCE



ACHIEVEMENTS

- Hotel reclassified as 5 Star on online channels
- One of The Best Spas in Scotland- Conde Nast Traveller 2023

SCHULTE EUROPEAN TEAM

Vincent Levy

Vincent is the European Managing Director, has over 25 years of experience in hotel management and was most recently Vice President of Asset Management for London & Regional Properties. He has also worked at Intercontinental, Le Meridien, Starwood, and set up the European platform for Highgate International.

Vincent has spent his entire career in hospitality, including working in a restaurant kitchen in his early days. He has held a wide range of roles, giving him a unique blend of experience in Finance, Operations, and Hotel Development.

Additionally, he has worked across multiple markets (UK, Belgium, France, Switzerland, Germany, Austria, the Netherlands, Monaco, and Barbados) building cultural understanding which has enabled the development of meaningful relationships with customers, external stakeholders and internal teams, leading to the successful delivery of business objectives.

Vincent holds an MBA in Hotel Management from Cornell ESSEC as well as a bachelor's degree from Gilon Hotel School.



SELECT ASSET EXPERIENCE



LE MERIDIEN STUTTGART
GERMANY



K+K HOTEL PARIS
FRANCE



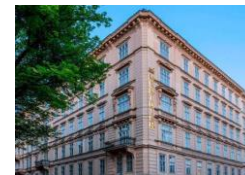
LE MERIDIEN MUNICH
GERMANY



LE MERIDIEN PICADILLY
LONDON



THE ST. REGIS MAURITIUS RESORT
MAURITIUS



LE MERIDIEN VIENNA
AUSTRIA



HOTEL DES INDES
NETHERLANDS



LE MERIDIEN ORAN
ALGERIA

SCHULTE EUROPEAN TEAM

Schulte has above property expertise in operations, sales, revenue, HR and finance / accounting. These individuals bring experience from both internationally branded companies as well as boutique hotels and third-party management companies.

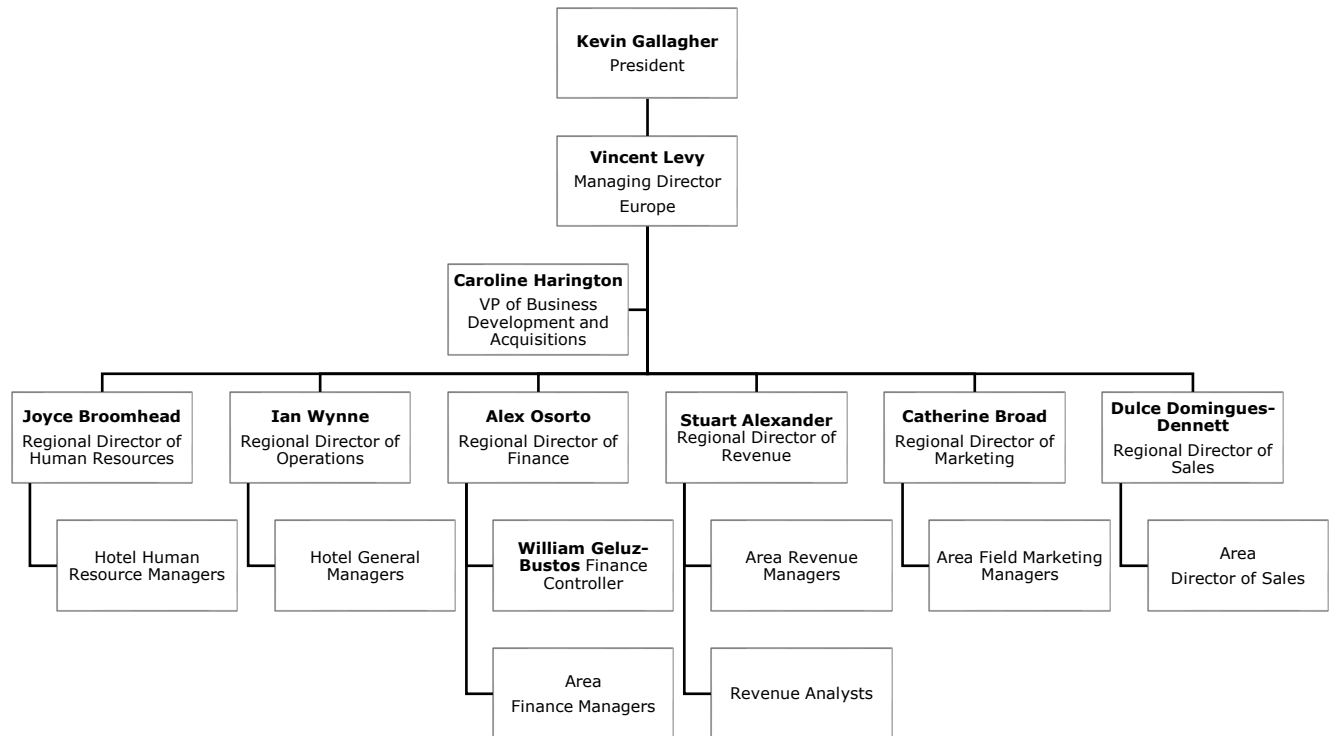
By having a small and on the ground team, we remain close to the business, closer to reality and are able to quickly identify opportunities for improvement and efficiency.



Vincent Levy
Managing Director, Europe



Caroline Harington,
VP of Business Development
and Acquisitions



SCHULTE EUROPEAN TEAM

IAN WYNNE | REGIONAL DIRECTOR OF OPERATIONS / PLATFORM LEAD MARINE & LAWN HOTELS

Ian has over 30 years of experience having worked for multiple hotel brands and equity partners. He began his career with Marriott and Whitbread in the UK and then spent almost a decade at property and regional oversight roles for Radisson Hotels in Australia and the South Pacific. Following his return from Asia, he worked for the Lalco Group, as Group Operations Director, overseeing their mixed-use portfolio in Ireland. Ian has also acted as the Group Operations Director for Harcourt Developments, overseeing a luxury hotel portfolio in the UK, Ireland, Jersey and the Caribbean. Prior to Schulte, Ian was the Operations Director and Asset Manager for a private equity company focused on hotels in the UK.

DULCE DOMINGUES | REGIONAL DIRECTOR OF SALES

Dulce has over 20 years' experience in the hospitality business across the UK and Europe. Prior to joining Schulte, Dulce has held several positions at Hilton Hotels overseeing both the sales and events teams. Most recently she was Hilton's Area Director of Sales for the Iberian Peninsula & Eastern Mediterranean region where she re-shaped the sales structure and setup an above property sales office. In 2019, she was awarded Hilton Global Sales Leader for her remarkable work with the hotels and for driving projects such as emerging and vertical markets across the region. Dulce has also a vast experience in new openings, and she has been involved in several new openings including Hilton's first European resort in Croatia and the first hotel in country in Albania.

STUART ALEXANDER | REGIONAL DIRECTOR OF REVENUE

Stuart is an experienced hospitality professional with over 15 years of experience in the industry across several roles in the upscale and luxury hotel segment. He now specializes in revenue management and has held senior positions across multiple brands. Before joining Schulte Hospitality, he worked for Cycas, a management company, where he focused on improving performance for the extended stay portfolio. Stuart has worked across multiple markets, including UK, Germany and the Netherlands. He has held director of revenue positions at IHG, Marriott and Starwood in London and led the London portfolio's revenue teams, with responsibilities of hotels such as W London, St Pancras, Crowne Plaza and the Grosvenor House Hotel. He has also worked for luxury independent properties in key UK markets.

CATHERINE BROAD | REGIONAL DIRECTOR OF MARKETING

Catherine began her hotel career over 20 years ago at the London regional office of The Leading Hotels of the World. A passion for lifestyle properties led her to pursue a marketing role with Ian Schrager Hotels, joining St Martins Lane & Sanderson soon after their launch in the UK. Catherine enjoyed multiple roles with Morgans Hotel Group before spending 3 years in a senior marketing role at Virgin Atlantic, leading their B2B marketing strategy.

ALEX OSORTO | REGIONAL DIRECTOR OF FINANCE

Alex has been a part of Schulte Hospitality Group for over 7 years and has worked numerous roles within the company. His most recent role prior to joining Schulte European Group, was the Vice President of Hotel Accounting for Schulte Hospitality Group in the US. In this role he served as the main point of contact for one of the company's largest clients and held the responsibility of producing and presenting the monthly financials. He also functioned as the accounting leader for over 65 hotels with a mixture of Full and Limited Service Hotels. Lastly, Alex managed a group of 5 Financial Controllers and 15 Staff Accountants along with other positions. Prior to that, Alex held the Regional Controller role within SEG in which he led, trained and assisted a group of Staff Accountants while holding the responsibilities of numerous Audits throughout the portfolio.

JOYCE BROOMHEAD | REGIONAL DIRECTOR OF HUMAN RESOURCES

Joyce has over 15 years of experience in Employee Relations, Human Resources and Talent Management. She joins Schulte from RBH Hotel Group where she spent seven years in a variety of roles, most recently as the Group HR Operations Manager. Previously she worked for IHG as the Employee Relations Manager for the UK & Ireland. She has substantial experience in dealing with complex ER/HR issues including grievances, whistleblowing investigations, performance management/coaching and termination of employment; highly developed communication (verbal and written) and relationship building/partnering skills; extensive recruitment experience; keen planning and organizational skills and a sound understanding of the risks and commercial realities businesses face when dealing with HR issues.

CAROLINE HARINGTON | VP ACQUISITIONS FOR EUROPE

Caroline was previously at Belmond, a luxury hospitality company with a 52-asset global portfolio comprising of hotels, trains and cruises. As Development Manager, Caroline worked on acquisition and management opportunities across all regions. Prior to this she worked at Qatari Diar, a real estate development company established by the sovereign wealth fund of Qatar. Through this role Caroline worked on development projects across multiple asset classes, including hotel, residential, PRS, office and retail.

SCHULTE LEADERSHIP TEAM



DARRYL SCHULTE
FOUNDER & CEO

A third-generation hotelier and an entrepreneur at heart, Darryl built upon his family's knowledge of the hotel business and formed SHG with his father and brother in 1999.

Darryl believes that the relationships he creates and nurtures are the company's most valuable asset.

Previously, Darryl was a general manager of several hotels and before moving to development. Darryl's achievements include developing, acquiring, and financing more than \$5 billion in real estate transactions, the formation and sale of Summit Real Estate Group, and the formation of joint ventures with Starwood Capital Group, which have acquired nearly 70 hotels.



RAY SCHULTE
PRINCIPAL

A founding partner, Ray oversees all operational aspects of our portfolio. He has managed the growth of the company from its first location to its current portfolio. Additionally he has implemented and developed the systems and procedures that have allowed the company to streamline its operations and achieve best-in-class results for its investors and ownership groups. He is also involved in the management of the company's real estate, office, and retail holdings. Previously, he worked with John Q. Hammons, Summit Hotels, and a Dallas-based real estate developer. Ray also worked at various restaurants where he developed his skills and passion in the culinary arts, which experiences culminated in a position as a chef at a 5-star restaurant.



KEVIN GALLAGHER
PRESIDENT

Kevin is responsible for overseeing the company's operations and finances and led the 2019 expansion into Europe. Previously, Kevin served as the CFO and grew the company by creating a platform for sourcing, underwriting and closing acquisitions for Schulte, its affiliates, and its partners. Kevin led the team in acquiring more than \$1.3 billion in assets, as well as executing on debt procurement of over \$1 billion. He also led all capital markets, finance, accounting and legal activities for both Schulte and the real estate development group. Kevin previously held roles at United Airlines, where he led the corporate sales channel, CIBC Worldwide Markets, as an equity analyst, and First Union Capital Markets, in derivatives trading.



ERIC SCHWARTZ
CHIEF INVESTMENT OFFICER

Eric has spent his entire career in hotel investing, in capacities including private equity, public securities and investment banking. He was a member of the Lodging Acquisitions team at Starwood Capital Group where he acquired \$1.5 billion of assets and assisted in the formation of the Joint Venture with Schulte. He has worked with the Schulte team for nearly 10 years from both sides of the table and has executed over \$2.0 billion of asset acquisition/disposition. Previously, Eric was a Research Analyst for Cohen & Steers, a fund complex with over \$30 billion in public REIT AUM. He began his career at Bank of America Merrill Lynch in Real Estate and Lodging Investment Banking, executing over \$5 billion in real estate transactions.

SCHULTE LEADERSHIP TEAM



JAY BARIBEAU
CHIEF LEGAL OFFICER

Jay is the Chief Legal Officer of the Schulte Companies. Prior to joining Schulte, Jay was an equity member at Frost Brown Todd LLC where he spent the previous seven years primarily focused on representing clients in complex commercial real estate transactions on a national basis. Before going to Frost Brown Todd, Jay worked in New York at Kirkland Ellis LLP. He is an accomplished attorney who has successfully led many teams and clients in multi-million dollar commercial real estate developments and acquisitions, private equity and bankruptcy-related debt financings, origination of construction and CMBS loans, as well as a variety of other legal and general business litigation matters.

Jay holds a Bachelor of Arts degree in Economics from the University of Colorado-Boulder and received his law degree from Brooklyn Law School in New York.



SAM GRABUSH
CHIEF OPERATING OFFICER

As our Chief Operating Officer, Sam oversees operations for the company's vast hotel portfolio. Sam is a well-respected leader in the hotel industry with more than 25 years of experience working in positions ranging from General Manager to President of Hotel Operations. Prior to joining Schulte, Sam served as President of Operations for Highgate Hotels where he spent the last 14 years overseeing the company's 118 "legacy" properties in the U.S. and CALA and led a team of more than 20 senior operations leaders.

Prior to joining Highgate, Grabush spent nearly 14 years with Hilton Hotels Worldwide where he worked in various property-level leadership positions for several of Hilton's marquis properties in both New York and Boston.



CARTER GILMAN
EVP, COLLEGIATE HOTEL GROUP

Carter recently rejoined Schulte to lead the Property Operations, Sales, Revenue, F&B, and Asset Management teams. Prior to rejoining Schulte, Carter served as the Head of Real Estate for arcana, which is a unique new hospitality brand that is focused on combining the inspiration of the city with the power of the outdoors. In his initial stint at Schulte, Carter held several roles including, EVP Hotel Performance, and SVP Acquisitions where he helped close more than 70 deals that totaled over \$1.0 billion. Carter also previously led Schulte's Design & Construction team where he was responsible for planning, budgeting, and executing over 30 hotel renovations.

Before initially joining Schulte, Carter worked for companies like Oliver Wyman, United Airlines, and Virgin America in various positions where he was located on three continents in areas like strategy, finance, technical operations, project management, revenue strategy, and human resources. He holds a Bachelor's Degree in International Business from the University of Virginia, with a second major in Spanish

BRAND PARTNERS

Schulte currently operates hotels with the following brand partners:



OUR CLIENTS & CAPITAL PARTNERS

Trusted Operator for Institutional Investors: Schulte manages assets for some of the largest institutional hotel investors.

- Schulte is purpose built for large institutional relationships.
- Our portfolio currently has 16 clients (average 12+ hotels per client), allowing us to provide best in class service.

KKR



PIMCO

ROCKPOINT



SCHULTE + AJ CAPITAL PARTNERSHIP

Schulte manages all of the Marine and Lawn Hotels in the UK, and nearly all of the Graduate Hotels in the UK and US.

- Schulte won an RFP in 2018 and was awarded management of six Graduate hotels, and further awarded an additional three hotels (consolidating all nine hotels in the Graduate portfolio) at transition.
- Since the initial transition, Schulte is the exclusive manager for all Graduate hotels. Schulte has also built a dedicated European platform for Graduate's expansion into the U.K., where Schulte currently operates both the Graduate Cambridge and Graduate Oxford.
- Schulte's dedicated platform – Graduate Hotel Management works hand-in-hand with both ownership and the brand team to create a seamless one-culture operating ethos (GHM employees have their own Graduate e-mail addresses, work in Graduate-designed offices developed by Schulte, and are immersed in the Graduate brand culture).
- SHG created a dedicated management platform – Graduate Hotels Management (GHM) to operate these nine hotels (which were previously operated by four different management companies), and **in the first 18 months post-transition, Schulte increased GOP margins at these nine hotels by >400bps.**



Graduate Cambridge

SCHULTE + KKR PARTNERSHIP

Schulte manages nearly all hotel assets owned by a KKR joint venture that was formed to acquire hotels in a \$5b KKR-fund.

- KKR formed a joint venture in late 2020 that has acquired ~\$1.5b in hotel assets in less than 24 months.
- Schulte manages 41 hotels for the joint venture, which represents ~90% of the joint venture's non-brand-managed hotel assets.
- Schulte is deeply integrated into the acquisitions process for KKR and leads most aspects of underwriting, investment memo creation and due diligence for transactions.
- In September 2021, KKR acquired a portfolio of 48 select service assets. During the acquisition process, Schulte's operations and project management teams toured every asset to provide the KKR team as much insight as possible.
- Schulte's acquisition team has a regular pipeline process with the KKR team and has sourced several hotels that the joint venture acquired. Schulte's acquisitions and asset management teams have also created custom financial reporting and business intelligence for the KKR partnership.
- After the success of the first joint venture, KKR is now working to form a second venture to acquire hotels in KKR's latest fund.

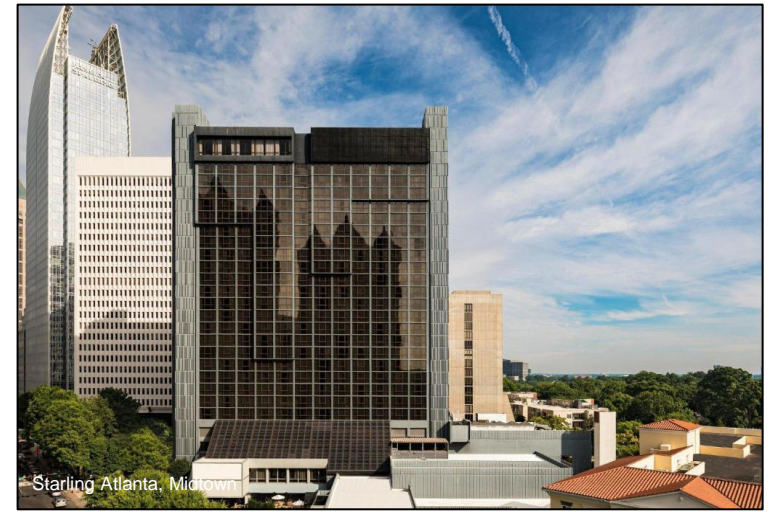


KKR / Schulte Managed Assets

SCHULTE + PIMCO PARTNERSHIP

Schulte's relationship with PIMCO was built over time by relationships throughout hotel capital structures and has resulted in the acquisition and management of \$500m of asset value

- Schulte's first introduction to PIMCO was in 2020. Schulte and PIMCO did significant work on a possible mezzanine loan acquisition related to a \$1.5b portfolio of 30 hotels. The Schulte and PIMCO teams worked around the clock on this complicated transaction before it fell apart on the 1-yard line when the borrower paid it off.
- Although this initial mezzanine loan purchase did not close, the PIMCO and Schulte acquisition team developed an even closer relationship through the intense transaction, which continued through the regular pipeline meetings. This work resulted in PIMCO and Schulte forming multiple joint ventures in 2021 that acquired the following \$500m of hotels:
 - Hilton Nashville Airport in June 2021
 - W Hotel Atlanta Midtown (now the Starling Atlanta Midtown) in July 2021
 - Courtyard Greenville SC in August 2021
 - W Hotel Washington DC (now the Hotel Washington) in August 2021
- PIMCO and Schulte's acquisition team continue to have regular pipeline meetings and have executed letters of intent on various potential acquisitions, including as recently as Jan 2023.

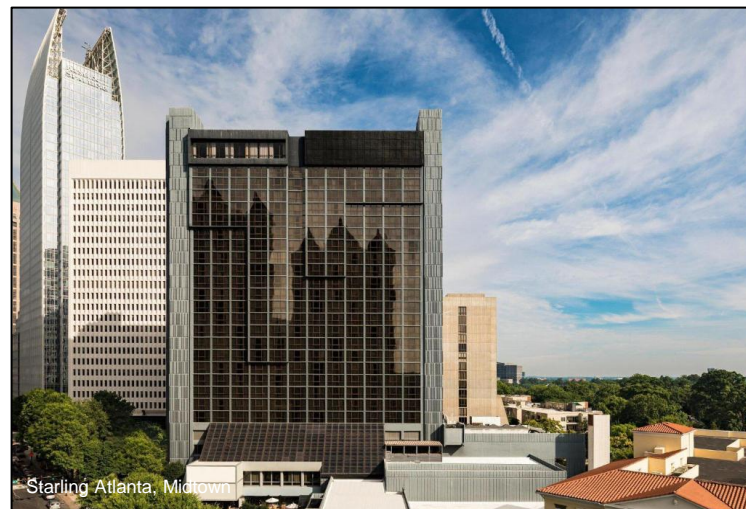


PIMCO / Schulte Managed Assets

SCHULTE + DUNE PARTNERSHIP

Schulte sourced Dune Real Estate Partners as Buyer of the SHG / SCG owned \$381m 22-Hotel Portfolio in 2019, and through this process successfully retained management of the portfolio and developed a cornerstone relationship between Schulte and Dune.

- SHG's acquisition team worked on an off-market basis to source buyers for a portfolio that initially included 23 select service hotels which ultimately resulted in Dune Real Estate ("Dune") acquiring the portfolio in late 2019.
- On behalf of Dune, the SHG acquisition team led the underwriting, investment memo creation and due diligence process. The SHG team also led all hotel tours with SHG acquisitions, operations and project management personnel to allow for ease of execution on the geographically diverse portfolio.
- Through strong brand relationships, Schulte improved IRR metrics for Dune by successfully negotiating brand extensions and renovation scope reductions.
- Schulte and Dune have underwritten many acquisition opportunities since the closing of the initial portfolio, including two hotels that Dune has under contract. Dune has told Schulte it will be Dune's exclusive manager for any new hotel investment going forward.



PIMCO / Schulte Managed Assets

CONSOLIDATED

ASSET REVIEW



PORTFOLIO STRATS

'22AF / '26P PORTFOLIO REVENUE STRATS

The top seven revenue generating assets accounted for ~64% of total revenue in '22AF. Those same assets are projected to account for ~63.0% of total revenue in '26P. The top seven GOP generating assets are projected to account for ~71.0% of GOP in '26P.

Aroundtown UK Portfolio Strats ('22A – '26P Revenue and '26P GOP) – Sorted by '26P Revenue

| Aroundtown UK Portfolio Strats | | | | | | | | |
|--------------------------------|--------------------------------------|-------|---------|--------|--------|-----------|--------|--------|
| Rank | Property | Keys | Revenue | | GOP | Revenue % | | GOP % |
| | | | 22A | '26P | '26P | '22AF | '26P | '26P |
| 1 | Cardiff Holland House Hotel & Spa | 172 | 8,026 | 9,950 | 3,382 | 10.7% | 10.6% | 12.9% |
| 2 | Warwickshire Walton Hall Hotel & Spa | 197 | 8,075 | 8,768 | 2,135 | 10.8% | 9.4% | 8.2% |
| 3 | Sheffield St Paul's Hotel & Spa | 169 | 7,319 | 8,703 | 2,686 | 9.7% | 9.3% | 10.3% |
| 4 | Bristol Grand | 186 | 6,591 | 8,645 | 2,816 | 8.8% | 9.3% | 10.8% |
| 5 | Blackburn Dunkenhalgh & Spa | 175 | 5,760 | 8,231 | 1,851 | 7.7% | 8.8% | 7.1% |
| 6 | Liverpool Atlantic Tower | 225 | 6,154 | 7,700 | 2,159 | 8.2% | 8.2% | 8.2% |
| 7 | Exeter Southgate | 156 | 6,380 | 7,308 | 2,272 | 8.5% | 7.8% | 8.7% |
| 8 | Ibis Styles Manchester | 229 | 5,106 | 7,160 | 2,225 | 6.8% | 7.7% | 8.5% |
| 9 | Haydock | 135 | 4,594 | 5,555 | 924 | 6.1% | 5.9% | 3.5% |
| 10 | Daventry Court | 155 | 4,054 | 5,006 | 678 | 5.4% | 5.4% | 2.6% |
| 11 | London Staines-Upon-Thames | 88 | 4,495 | 4,703 | 1,607 | 6.0% | 5.0% | 6.1% |
| 12 | Exeter Rougemont | 98 | 3,347 | 4,178 | 1,232 | 4.5% | 4.5% | 4.7% |
| 13 | Boxhill Burford Bridge | 57 | 2,628 | 3,898 | 1,055 | 3.5% | 4.2% | 4.0% |
| 14 | Winchester Wessex | 94 | 2,557 | 3,650 | 1,163 | 3.4% | 3.9% | 4.4% |
| Total | | 2,136 | 75,087 | 93,455 | 26,185 | 100.0% | 100.0% | 100.0% |

U/W METHODOLOGY AND SUMMARY

AROUNDTOWN PORTFOLIO U/W APPROACH

Expenses were largely u/w based on a detailed ground-up build that is reflective of how Schulte would operate the assets. Revenue was u/w based on a detailed analysis of daily RevPAR and RevIndex data, where SEG was able to identify opportunities for improving the existing strategies.

| A Expense | U/W Approach |
|----------------------|---|
| Rooms | <input type="checkbox"/> Detailed ground-up build. |
| F&B | <input type="checkbox"/> In-line with '22AF. |
| Other / Misc. | <input type="checkbox"/> Assumed 60.0% expense margin for spa, 35.0% expense margin for other revenues (where costs were included in the '22AF received). |
| A&G | <input type="checkbox"/> Detailed ground-up build. |
| S&M | <input type="checkbox"/> Detailed ground-up build. |
| IT | <input type="checkbox"/> Detailed ground-up build. |
| R&M | <input type="checkbox"/> '22AF increased based on UK inflation. |
| Utilities | <input type="checkbox"/> '22AF increased based on UK inflation. |

| B Revenue | U/W Approach |
|----------------------|---|
| Rooms | <input type="checkbox"/> Schulte is underwriting an improvement in RevIndex at the portfolio from '23A lows of 96.7% back towards 104.5% . <input type="checkbox"/> See detailed write-ups on revenue / sales analysis in the ensuing pages. <input type="checkbox"/> Rather than pinpoint precise indexes Schulte would seek to operate the asset under, SEG has u/w the assets largely climbing back to historical peaks / slightly above historical peaks based on the missed opportunities we found by analyzing the '23A data. <input type="checkbox"/> SEG believes there could be further upside post-doing additional DD on the revenue / sales strategies being employed and through conversations with the on-property team. |
| F&B | <input type="checkbox"/> Asset specific; generally '22AF POR increased based on UK inflation or improvement u/w based on group focused revenue strategy expected to drive B&C revenue growth. |
| Other / Misc. | <input type="checkbox"/> '22AF POR increased based on UK inflation. |

AROUNDTOWN PORTFOLIO U/W SUMMARY

| # | Property Information | | Revenue | | GOP | | RevIndex | | | | Details |
|---|--------------------------------|------|---------|-------|-------|-------|----------|------|------|------|---|
| | Property | Keys | '19A | '22A | '26P | '26P | '19A | '22A | '23A | '26P | Summary u/w |
| 1 | Blackburn Dunkenhalgh & Spa | 175 | 6,001 | 5,760 | 8,231 | 1,851 | 94% | 89% | 84% | 103% | <ul style="list-style-type: none"> RevPAR index has fallen from 99.5% in 2018 to 84.0% in 2023, a difference in index of -15.5% for '23 vs. '18. Decline in RevIndex is largely down to a decline in OccIndex which has decreased -13.1%. Meanwhile, YTD May'24 asset RevIndex is down -4.3% largely due to occupancy declines. With a recently renovated product (2020) the asset should have more upside and we are underwriting improvement in RevIndex to 102.9%, a slight improvement from historic levels. SEG would implement a group-focused revenue / sales strategy that would boost occ on lower volume days and increase rates during peak / compression periods. Existing Occ Strategy Gap: In '23 the asset ran 256 days with <=70.0% occupancy, which is +100 days vs. the comp set. Existing Rate Strategy Gap: Asset RevIndex was substantially discounted when rooms occupancy was <70% (72.9% vs. 84.0% index for the year). |
| 2 | Boxhill Burford Bridge | 57 | 3,434 | 2,628 | 3,898 | 1,055 | 108% | 87% | 79% | 108% | <ul style="list-style-type: none"> RevPAR index has fallen from 108.1% in 2018 to 78.8% in 2023, a difference in index of -29.3% for '23 vs. '18. Decline in RevIndex is largely down to a decline in ADRIndex which has decreased -15.4% from 2018 to 2023, whilst OccIndex also declined -14.6%. The asset is small in size with excellent meetings and events facilities which should allow for a recovery of performance back to 2018/2019 levels. SEG is underwriting improvement in RevPAR back to 2019 levels of 108.3%. Existing Rate Strategy Gap: Asset RevIndex was substantially discounted when rooms occupancy was <70% (63.3% vs. 78.8% index for the year). |
| 3 | Bristol Grand | 186 | 7,094 | 6,591 | 8,645 | 2,816 | 92% | 94% | 87% | 97% | <ul style="list-style-type: none"> U/W an improvement in RevIndex from the '23A lows of 87.0%, back towards and slightly above historical levels (stabilized RevIndex of ~97.0%) Post-takeover, SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days and increase rates during peak / compression periods. An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover Existing Occ Strategy Gap: In '23A, the asset ran 128 days with <=70.0% occupancy, which is +20 days more than the comp set Existing Rate Strategy Gap: The asset saw only a +1.8% improvement in RevIndex on days with more than 95.0% occ vs. days with a >90.0% occ in '23 |

AROUNDTOWN PORTFOLIO U/W SUMMARY

| Property Information | | | Revenue | | GOP | | RevIndex | | | | Details |
|----------------------|-----------------------------------|------|---------|-------|-------|-------|----------|------|------|------|--|
| # | Property | Keys | '19A | '22A | '26P | '26P | '19A | '22A | '23A | '26P | Summary u/w |
| 4 | Cardiff Holland House Hotel & Spa | 172 | 7,597 | 8,026 | 9,950 | 3,382 | 101% | 101% | 92% | 105% | <ul style="list-style-type: none"> • Projecting an improvement in RevIndex from the '23A lows of 92.0%, back towards and slightly above historical levels (stabilized RevIndex of ~105.0%) • Post-takeover, SEG would seek to increase the asset's occupancy and ADR index levels back to historical peaks seen in '19A. • An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover • Existing Occ Strategy Gap: The asset ran 80 less days with occupancy >90% in '23A vs. prior year and 13 more days with occupancy <=70% • Existing Rate Strategy Gap: The asset's ADR index fell by -3.7% YoY |
| 5 | Exeter Rougemont | 98 | 3,588 | 3,347 | 4,178 | 1,232 | 120% | 112% | 101% | 119% | <ul style="list-style-type: none"> • U/W an improvement in RevIndex from the '23A lows of 101.0%, back towards historical levels (stabilized RevIndex of ~119.0%) • Post-takeover, SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days and increase rates during peak / compression periods. • An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover • Existing Occ Strategy Gap: In '23A, the asset ran 115 days with <=70.0% occupancy, which is +35 days more than the comp set • Existing Rate Strategy Gap: The asset saw only a +1.4% improvement in RevIndex on days with more than 95.0% occ vs. days with a >90.0% occ in '23A |
| 6 | Exeter Southgate | 156 | 6,279 | 6,380 | 7,308 | 2,272 | 123% | 119% | 106% | 122% | <ul style="list-style-type: none"> • RevPAR index has fallen from 121.5% in 2018 to 105.8% in 2023, a difference in index of -15.6% for '23 vs. '18. • This decline in RevIndex is largely ADR driven, where ADRI has fallen -10.0%, and OccI has fallen -5.1% for the same time period. • SEG sees the asset recovering and slightly exceeding 2019 levels, with a RevPAR Index of 121.5%. • Existing Occ Strategy Gap: In '23A, the asset ran 81 days with <=70.0% occupancy, which is +40 days more than the comp set • Existing Rate Strategy Gap: The asset's RevIndex at occupancies <=70% was 89.9% vs. 105.8% for the overall year. • Schulte would recommend looking into potential rebranding for this asset as the property could benefit from better distribution. |

AROUNDTOWN PORTFOLIO U/W SUMMARY

| Property Information | | | Revenue | | GOP | | RevIndex | | | | Details |
|----------------------|----------------------------|------|---------|-------|-------|-------|----------|------|------|------|---|
| # | Property | Keys | '19A | '22A | '26P | '26P | '19A | '22A | '23A | '26P | Summary u/w |
| 7 | Ibis Styles Manchester | 229 | 6,042 | 5,106 | 7,160 | 2,225 | 104% | 96% | 86% | 102% | <ul style="list-style-type: none"> • RevIndex u/w to improve from the '23A lows of 86.0%, back towards historical levels (stabilized RevIndex of ~102.0%) • Post-takeover, SEG would seek to increase the asset's occupancy and ADR index levels back to historical peaks seen in '19A. • An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover • Existing Occ Strategy Gap: In '23A, the asset ran 148 days with <=70.0% occupancy, which is +49 days than the comp set • Existing Rate Strategy Gap: SEG notes that the asset only saw a +0.8% improvement in RevIndex on days with 95.0% occ vs. days with a 90.0% occ |
| 8 | Liverpool Atlantic Tower | 225 | 5,694 | 6,154 | 7,700 | 2,159 | 78% | 82% | 74% | 87% | <ul style="list-style-type: none"> • RevIndex u/w to improve from the '23A lows of 73.5%, back towards, and above historical levels (stabilized RevIndex of ~87.0%) • Post-takeover, SEG would seek to increase the asset's occupancy and ADR above historical peaks by building base occupancy in-line with / just above the set, and yielding out higher volume days at more elevated rates • An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover • Existing Occ Strategy Gap: In '23A, the asset ran 174 days with <=70.0% occupancy, which is +77 days than the comp set • Existing Rate Strategy Gap: SEG notes that the asset only saw a +1.1% improvement in RevIndex on days with >95.0% occ vs. days with a >90.0% occ |
| 9 | London Staines-Upon-Thames | 88 | 1,929 | 4,495 | 4,703 | 1,607 | 125% | 146% | 239% | 148% | <ul style="list-style-type: none"> • RevPAR index has increased significantly for the property from 125.4% in 2018 to 238.5% in 2023, a difference of +113.2% for '23 vs. '18. • The increase in RevIndex is largely down an increase in OccIndex, which is +49.2% in 2023 vs. 2018, whilst ADRIndex is +32.5% for the same time period. • 2023 performance saw an enormous spike, which may have been partly due to the Ramada Hounslow Heathrow East being shut for this period. It now appears in 2024 that the subject property is closed. |
| 10 | Daventry Court | 155 | 3,845 | 4,054 | 5,006 | 678 | 79% | 90% | 95% | 96% | <ul style="list-style-type: none"> • RevPAR index has increased from 77.6% in 2018 to 95.0% in 2023, a difference in index of +17.4% for '23 vs. '18. • The increase in RevIndex is largely down to an increase in ADRIndex of +10.7% from '18 to '23, and OccIndex which increased +7.6% for the same period. • SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days and increase rates during peak / compression periods, and with this in place sees the property being able to perform at a slight premium to 2023A, with a stabilised index of 95.7%. |

AROUNDTOWN PORTFOLIO U/W SUMMARY

| Property Information | | | Revenue | | GOP | | RevIndex | | | | Details |
|----------------------|--------------------------------------|------|---------|-------|-------|-------|----------|------|------|------|---|
| # | Property | Keys | '19A | '22A | '26P | '26P | '19A | '22A | '23A | '26P | Summary u/w |
| 11 | Haydock | 135 | 4,288 | 4,594 | 5,555 | 924 | 108% | 99% | 94% | 100% | <ul style="list-style-type: none"> • U/W an improvement in RevIndex from the '23A lows of 94.0%, back towards and slightly above historical levels (stabilized RevIndex of ~100.0% - note comparison vs. '19A RGI not relevant due to closure of hotel in set) • Post-takeover, SEG would seek to increase the asset's occupancy and ADR back to historical peaks achieved in '22A • An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover • Existing Occ / Rate Strategy Gap: The asset ran 164 days with <=70.0% occupancy in '23A vs. only 127 days in '22A, while its ADR only went up by ~£1.0, implying revenue / sales strategies employed were unsuccessful |
| 12 | Sheffield St Paul's Hotel & Spa | 169 | 7,547 | 7,319 | 8,703 | 2,686 | 148% | 125% | 124% | 128% | <ul style="list-style-type: none"> • RevPAR Index has fallen from 159.7% in 2018 to 123.6% in 2023, a difference in index of -36.0% for '23 vs. '18. • This decline in RevIndex is largely ADR driven, with ADRI falling -17.4% between for '23 vs. '18 as the competitive set ADR has grown substantially. • RevIndex performance increased +2.6% YTD May'24 with occupancy +7.6pts, and ADR -6.0%. • Schulte recommends a light renovation for the property in order to maintain market share with new supply entering the Sheffield market. • We forecast that with the asset as-is, in the short term, we can achieve a slight premium to 2022 RevIndex, stabilising at 128.1%, with new supply in the market boosting rates. |
| 13 | Warwickshire Walton Hall Hotel & Spa | 197 | 6,175 | 8,075 | 8,768 | 2,135 | 77% | 89% | 73% | 82% | <ul style="list-style-type: none"> • RevPAR index has fallen from 75.7% in 2018 to 72.6% in 2023, a decrease of -3.0%. • This decline in RevIndex is largely driven by OccIndex which has fallen -10.2%, whereas ADR Index has increased 6.4%. • On a May'24 YTD basis, OccIndex has shown a sharp decline of -35.5%. • The property has 1,104 sqm of meetings and events space and so a detailed group sales strategy is needed, as a focused marketing strategy for leisure-driven stays. • With this in place we see the opportunity for the asset to stabilise at a RevIndex of 81.9%, a premium to '18/'19 performance, and adjusted for 2022 comp set slow post-covid recovery. • Existing Occ Strategy Gap: In '23A, the asset ran 274 days with <=70.0% occupancy, which is +96 days more than the comp set |

AROUNDTOWN PORTFOLIO U/W SUMMARY

| Property Information | | | Revenue | | GOP | | RevIndex | | | | Details |
|----------------------|-------------------|-------|---------|--------|--------|--------|----------|------|------|------|---|
| # | Property | Keys | '19A | '22A | '26P | '26P | '19A | '22A | '23A | '26P | Summary u/w |
| 14 | Winchester Wessex | 94 | 2,688 | 2,557 | 3,650 | 1,163 | 107% | 106% | 101% | 110% | <ul style="list-style-type: none"> • RevIndex u/w to improve from the '23A lows of 100.6%, back towards, and above historical levels (stabilized RevIndex of ~110.0%) • SEG would seek to increase the asset's occupancy and ADR back towards historical peaks achieved in '18A • Index has fallen by -5.0% YoY from 105.6% in '22A to 100.6% in '23A • The Mercure Winchester has the best location in the comp set – overlooking the historic Winchester Cathedral, and should be generating an occupancy and ADR premium vs. the set given the location • Give the strong location, SHG would seek to adjust the current revenue and sales strategy to attain and surpass historical indexes by focusing on both boosting occupancies, and yielding ADRs |
| Total/WAVG | | 2,136 | 72,203 | 75,087 | 93,455 | 26,185 | 102% | 100% | 97% | 104% | |

1

**BLACKBURN
DUNKENHALGH
& SPA
ASSET REVIEW**



ASSET OVERVIEW

1



Description

- Set in 17 acres of parkland, the hotel is in a 700-year-old building with original features.
- Several tourist attractions are in easy reach including the Trafford Centre, Chester Zoo and Blackpool Pleasure Beach.
- The countryside of the Blackburn, Lancashire area surrounds this hotel.
- Guests looking to unwind in tranquil natural surroundings can enjoy a visit to the outstandingly beautiful Trough of Bowland, which is located 20 miles away.
- The hotel was refurbished in 2020.

Schulte Business Plan

- The asset appears in good condition, having been refurbished in 2020.
- Tripadvisor reviews (see overleaf) confirm this with guests complimenting location, cleanliness and service.
- As of 2023, the asset ranked **6 out of 7 hotels** in the comp set in terms of RevPAR.
- **Recommendation:** Schulte believes that with a recently renovated product the asset should have more upside than it is currently seeing.
- SEG would implement a group-focused revenue / sales strategy that would boost occ on lower volume days and increase rates during peak / compression periods.
- **Existing Occ Strategy Gap:** In '23 the asset ran **256 days** with **<=70.0%** occupancy, which is +100 days vs. the comp set.
- **Existing Rate Strategy Gap:** Asset RevIndex was substantially discounted when rooms occupancy was <70% (72.9% vs. 84.0% index for the year).

| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 13 | |
| Rooms to | 30 | 175 |

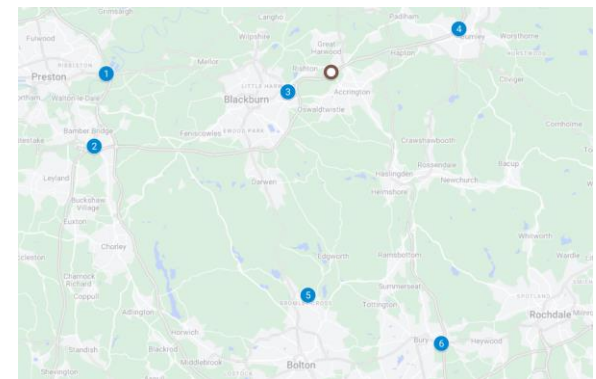
| Food & Beverage | Seats |
|------------------|-------|
| Cameo Restaurant | 120 |
| Cameo Bar | 40 |

| Meeting & Events | SQM | Seats |
|------------------|--------------|-------|
| Largest Room | 370 | 350 |
| 14 Meeting Rooms | 802 | |
| Total | 1,172 | |

| Other | |
|----------|-------------------|
| Spa | 8 treatment rooms |
| 12m Pool | £10 per visit |
| Fitness | |

Competitive Set

- 1 Macdonald Tickled Trout Hotel
- 2 Holiday Inn Express Preston
- 3 Hampton by Hilton Blackburn
- 4 Holiday Inn Express Burnley
- 5 Last Drop Village Hotel & Spa
- 6 Village Hotel Bury



TRIPADVISOR OVERVIEW

1

4.0 **Very good**
●●●●○ 582 reviews

#2 of 2 hotels in Clayton le Moors



Location
Cleanliness
Service
Value

"Anniversary Treat" – May 2024



Anniversary Treat

Lovely night away to celebrate our 1st Wedding Anniversary. Emily from reservations even gave us a free upgrade which added to our treat. Wonderful service from her, would highly recommend

Thank you again for making our Anniversary one to remember 🥰🥰

"Lovely Night Away!" – May 2024



Lovely night away!

Lovely night away at the dunkenhalgh hotel and spa, it was such a relaxing environment, was perfect to chill out. Emily from reservations gave a free upgrade which topped off the night away perfectly. This was so lovely of her! 100% recommend!

"Our Wedding" – April 2024



Our wedding

I got married here end of April - Hired the Dunklaw suite for the ceremony and meal I hired a venue dresser who dressed it lovely - everything went smoothly thanks to Danielle/Athena who planned the wedding to Edwina on the day and a big shout out to aziz who on the day went above and beyond to make sure everyone was happy.

Lovely food

Also used the spa which was lovely but can struggle for sun loungers especially at peak times. Would definitely recommend to hold your wedding here it has lovely grounds for photos.

REVPAR UNDERWRITING

1

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£58.2** and a RevPAR index of **102.9%**.

■ **General:** Asset presents in good condition and was renovated in 2020.

- RevPAR index has fallen from **99.5% in 2018**, to **94.5% in 2019**, to **84.0% in 2023**, a difference in index of **-15.5%** for 2023 vs. 2018.
- The decline in RevIndex is largely down to a decline in OccIndex which has decreased **-13.1%** from 2018 to 2023, meanwhile YTD May'24 asset RevIndex is down **-4.3%**, driven by declines in occupancy.
- The decline in performance from '23A to '22A appears to be a function of revenue management strategies and less so on branding as there was a large increase in rate in 2023 (+15%) which then caused Occ to decrease by 8pts.
- We have benchmarked against the following comps and believe that this hotel should be able to drive a premium:
 - Holiday Inn Express Preston – **~70.0% occ / ~£55 ADR (2019) = £37 RevPAR**
 - Holiday Inn Preston – **~70.0% occ / £60 ADR (2019)= £39 RevPAR**
- **Revenue Management Opportunity:**
 - Asset had **256 days** with **<=70%** occ in '23A vs. the CS at **156 days**. This was up **+78 days** vs. 2022 where the asset had **178 days <=70%**.
 - Asset RevIndex was substantially discounted when rooms occupancy was **<=70%** (**72.9%** vs. 84.0% index for the year).

■ **OccIndex: Schulte is underwriting a stabilized MPI of 98.0% in 2026**

- Key count is large vs. competitive set, however facilities are extensive including a large proportion of M&E space (15 rooms / ~1,200sqm) that should support mid-week business, we expect to reach occupancy at slight discount to competitive set, and in-line with 2018 achieved levels.

■ **ADR Index: Schulte is underwriting a stabilised ARI of 105.0% in 2026**

- The asset was achieving an ADRI of 101% in 2018. It is now fully renovated and with excellent leisure as well as group facilities, the asset should be a larger rate premium to the Holiday Inn comparables mentioned above.

| BLACKBURN DUNKENHALGH & SPA | | | | | | | | | | | |
|-----------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 70.8% | 67.8% | 67.7% | 59.9% | 58.3% | 51.9% | 62.6% | 69.7% | 69.7% | 69.7% | 69.7% |
| Comp Set | 71.9% | 71.0% | 70.3% | 70.2% | 68.1% | 65.4% | 71.2% | 71.2% | 71.2% | 71.2% | 71.2% |
| Rank | - | 4 of 6 | 5 of 7 | 6 of 7 | - | 6 of 7 | | | | | |
| Index | 98.6% | 95.5% | 96.3% | 85.4% | 85.6% | 79.3% | 88.0% | 98.0% | 98.0% | 98.0% | 98.0% |
| ADR | | | | | | | | | | | |
| Subject | 60.3 | 59.9 | 63.6 | 73.4 | 71.7 | 74.7 | 81.0 | 83.4 | 85.1 | 86.8 | 88.5 |
| Comp Set | 59.7 | 60.5 | 69.1 | 74.7 | 72.2 | 73.5 | 77.9 | 79.5 | 81.0 | 82.7 | 84.3 |
| Rank | - | 3 of 6 | 4 of 7 | 4 of 7 | - | 4 of 7 | | | | | |
| Index | 100.9% | 98.9% | 92.0% | 98.3% | 99.3% | 101.7% | 104.0% | 105.0% | 105.0% | 105.0% | 105.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 42.7 | 40.6 | 43.0 | 44.0 | 41.8 | 38.8 | 50.7 | 58.2 | 59.3 | 60.5 | 61.7 |
| Comp Set | 42.9 | 43.0 | 48.6 | 52.4 | 49.1 | 48.0 | 55.4 | 56.5 | 57.7 | 58.8 | 60.0 |
| Rank | - | 3 of 6 | 5 of 7 | 6 of 7 | - | 6 of 7 | | | | | |
| Index | 99.5% | 94.5% | 88.6% | 84.0% | 85.0% | 80.7% | 91.5% | 102.9% | 102.9% | 102.9% | 102.9% |

| Comp Set | Keys | Open Date |
|-----------------------------------|------|-----------|
| Blackburn Dunkenhagh & Spa | 175 | - |
| Holiday Inn Express Preston South | 103 | - |
| Last Drop Village Hotel & Spa | 135 | Jan-66 |
| Macdonald Tickled Trout | 98 | Jan-72 |
| Village Hotel Bury | 128 | - |
| Holiday Inn Express Burnley | 102 | Aug-08 |
| Hampton by Hilton Blackburn | 152 | Dec-20 |

Occ in the market remained flat from '22 to '23, however ADR saw an increase of 8%, meaning that overall RevPAR was 8% up vs. '22. Going in to '24, occ is down -3pts May YTD vs. STLY, whilst ADR increased c. 2%, leaving overall RevPAR down -2%.

Moving forward, we forecast the compset to continue recovery in terms of occ, increasing 2pts between '25-'27, and for ADR growth to be inflationary, at 2.5% p.a. for 2025, and 2% p.a. thereafter.

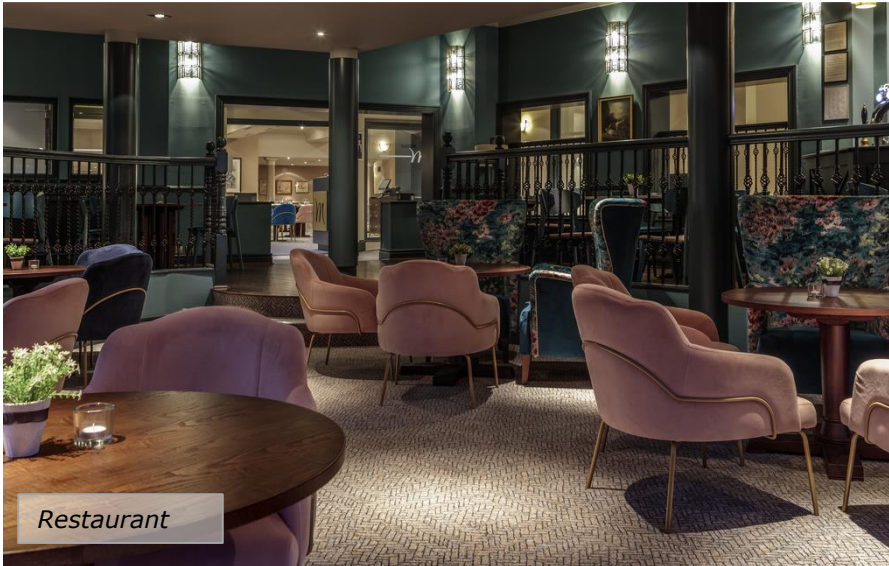
BLACKBURN 5-YEAR P&L

1

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 62.6% | | | 69.7% | | | 69.7% | | | 69.7% | | | 69.7% | | |
| Average Daily Rate (ADR) | 81.0 | | | 83.4 | | | 85.1 | | | 86.8 | | | 88.5 | | |
| RevPAR | 50.7 | | | 58.2 | | | 59.3 | | | 60.5 | | | 61.7 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 3,240 | 44.9% | 81 | 3,716 | 45.1% | 83 | 3,791 | 45.1% | 85 | 3,877 | 45.1% | 87 | 3,944 | 45.1% | 89 |
| F&B Revenue | 2,921 | 40.5% | 73 | 3,318 | 40.3% | 74 | 3,384 | 40.3% | 76 | 3,462 | 40.3% | 77 | 3,521 | 40.3% | 79 |
| Spa Revenue | 943 | 13.1% | 24 | 1,071 | 13.0% | 24 | 1,093 | 13.0% | 25 | 1,117 | 13.0% | 25 | 1,137 | 13.0% | 26 |
| Other/Misc Revenue | 111 | 1.5% | 3 | 126 | 1.5% | 3 | 128 | 1.5% | 3 | 131 | 1.5% | 3 | 133 | 1.5% | 3 |
| Total Revenue | 7,215 | 100.0% | 180 | 8,231 | 100.0% | 185 | 8,396 | 100.0% | 188 | 8,587 | 100.0% | 192 | 8,735 | 100.0% | 196 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,216 | 37.5% | 30 | 1,356 | 36.5% | 30 | 1,383 | 36.5% | 31 | 1,414 | 36.5% | 32 | 1,439 | 36.5% | 32 |
| F&B Expense | 1,911 | 65.4% | 48 | 2,171 | 65.4% | 49 | 2,214 | 65.4% | 50 | 2,265 | 65.4% | 51 | 2,304 | 65.4% | 52 |
| Spa Expense | 566 | 60.0% | 14 | 643 | 60.0% | 14 | 656 | 60.0% | 15 | 670 | 60.0% | 15 | 682 | 60.0% | 15 |
| Other/Misc Expense | 39 | 35.0% | 1 | 44 | 35.0% | 1 | 45 | 35.0% | 1 | 46 | 35.0% | 1 | 47 | 35.0% | 1 |
| Total Departmental Exp | 3,731 | 51.7% | 93 | 4,213 | 51.2% | 95 | 4,297 | 51.2% | 96 | 4,395 | 51.2% | 98 | 4,471 | 51.2% | 100 |
| Total Dept Profit | 3,484 | 48.3% | 87 | 4,018 | 48.8% | 90 | 4,098 | 48.8% | 92 | 4,193 | 48.8% | 94 | 4,264 | 48.8% | 96 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 6.5% | 12 | 480 | 5.8% | 11 | 489 | 5.8% | 11 | 499 | 5.8% | 11 | 509 | 5.8% | 11 |
| Credit Card Commissions | 94 | 1.3% | 2 | 107 | 1.3% | 2 | 109 | 1.3% | 2 | 112 | 1.3% | 2 | 114 | 1.3% | 3 |
| Info & Telecommunications | 161 | 2.2% | 4 | 165 | 2.0% | 4 | 168 | 2.0% | 4 | 171 | 2.0% | 4 | 175 | 2.0% | 4 |
| Sales & Marketing | 524 | 7.3% | 13 | 534 | 6.5% | 12 | 545 | 6.5% | 12 | 556 | 6.5% | 12 | 567 | 6.5% | 13 |
| Franchise Fees | 194 | 6.0% | 5 | 223 | 6.0% | 5 | 227 | 6.0% | 5 | 233 | 6.0% | 5 | 237 | 6.0% | 5 |
| Repairs & Maintenance | 211 | 2.9% | 5 | 240 | 2.9% | 5 | 244 | 2.9% | 5 | 250 | 2.9% | 6 | 254 | 2.9% | 6 |
| Utilities | 369 | 5.1% | 9 | 419 | 5.1% | 9 | 428 | 5.1% | 10 | 437 | 5.1% | 10 | 445 | 5.1% | 10 |
| Total Undistributed Exp | 2,024 | 28.0% | 51 | 2,167 | 26.3% | 49 | 2,211 | 26.3% | 50 | 2,258 | 26.3% | 51 | 2,300 | 26.3% | 52 |
| Gross Operating Profit | 1,460 | 20.2% | 37 | 1,851 | 22.5% | 42 | 1,888 | 22.5% | 42 | 1,935 | 22.5% | 43 | 1,964 | 22.5% | 44 |

ASSET IMAGES

1





2

**BOXHILL
BURFORD
BRIDGE
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 22 | 57 |
| Rooms to | 25 | |

| Food & Beverage | Seats |
|----------------------|-------|
| Emlyn Restaurant | 70 |
| Burford Bar & Lounge | 62 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 284 | 180 |
| 4 Meeting Rooms | 230 | |
| Total | 514 | |

| Other |
|--------------|
| Outdoor Pool |

Description

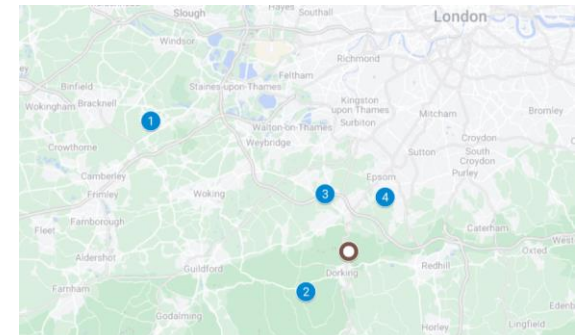
- A 4-star hotel set in 3 acres of picturesque gardens at the foot of Box Hill, overlooking the River Mole.
- Features 57 en-suite rooms, an outdoor heated swimming pool, restaurant serving local cuisine, and facilities for weddings/events.
- Located close to National Trust walks and the scenic North Downs area, ideal for hiking and outdoor activities.
- Conveniently situated just 2.9 km from Dorking railway station, providing easy access to nearby attractions like Box Hill and the Surrey Hills Area of Outstanding Natural Beauty.
- The hotel was refurbished in 2017 and 2019.

Schulte Business Plan

- The asset appears in good condition, having been refurbished in 2017 and 2019.
- Tripadvisor reviews (see overleaf) confirm this with guests complimenting location, cleanliness and service.
- As of 2023, the asset ranked **4 out of 5 hotels** in the competitive set in terms of RevPAR.
- **Recommendation:** Schulte recommends to maintain branding. The asset is small in size with excellent meetings and events facilities which should allow for a recovery of performance back to 2018/2019 levels.
- **Existing Rate Strategy Gap:** Asset RevIndex was substantially discounted when rooms occupancy was <70% (63.3% vs. 78.8% index for the year).

Competitive Set

- 1 Macdonald Berystede Hotel & Spa
- 2 Wotton House
- 3 Woodlands Park Hotel
- 4 Holiday Inn Express London - Epsom Downs



3.5 Very good
●●●●○ 1,018 reviews

#4 of 6 hotels in Dorking



"Best Wedding Ever" – May 2024



Best wedding ever

Was here for a wedding the manager Mani was 100% fab and loved the venue. Farah the staff and miles and Jamie and Sam are fantastic. My cousin has spoken to the venue for a future wedding. Can't wait!! Everything was amazing can't wait to go here again xxx

"Best Wedding Venue, Staff Make It!" – May 2024



Best wedding venue, staff make it!

This was by far the best service I have ever received at a hotel. We stayed here last weekend for my sisters wedding. Kiki the wedding planner was amazing she couldn't do enough and was so kind and patient and always smiling. Her and the other ladies were constantly popping up to our room the morning of the wedding to check we had everything we needed. The venue was decorated beautifully exactly how they wanted and nothing was too much trouble. Constantly on hand 24/7 to check everything ran smoothly. Always so happy and friendly. All the staff were the same. Everyone I spoke to was so friendly and chatty and always asking if there was anything we need or they could do.

It's little touches like this that make a special day even more special and I would absolutely recommend this venue to anyone planning a wedding. I would also recommend the hotel to stay at. The food was lovely and the rooms were perfect but it was without a doubt all the staff who make this hotel great. From the waitresses in the restaurant, the guys behind the bar and the housekeeping staff. All of them stopped to have conversations with us and offer their congratulations and ask if we needed anything. Thank you so much.

"Birthday Meal With Family" – May 2024



Birthday meal with family

Thanks to the restaurant staff for another lovely family meal here - great food, friendly service and they went above and beyond to help to serve our birthday cake! Very relaxing atmosphere, would recommend this place to anyone.

REVPAR UNDERWRITING

2

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£88.2** and a RevPAR index of **108.3%**.

■ **General:** Asset presents in good condition and online reviews seem to confirm this.

- RevPAR index has fallen from **108.1% in 2018**, to **107.7% in 2019**, to **78.8% in 2023**, a difference in index of **-29.3%** for 2023 vs. 2018.
- The decline in RevIndex is largely down to a decline in ADRIndex which has decreased **-15.4%** from 2018 to 2023, whilst OccIndex also declined **-14.6%**.
- Going in to 2024 there has been a slight increase in RevIndex of **+11.7%**, led by an increase in ADR Index of **+15.9%**, where ADR growth at the asset has been **+7%**, vs. **-11%** in the comp set.
- Revenue Management Opportunity:**
 - Asset performs well vs. the competitive set with **197 days** of occupancy **<=70%** vs., **246 days** in the competitive set.
 - Asset RevIndex was substantially discounted when rooms occupancy was **<=70%** (**63.3%** vs. **78.8%** index for the year).

■ **OccIndex: Schulte is underwriting a stabilized MPI of 114.0% in 2026**

- The asset is almost half the size of the rest of the competitive set at 57 keys and has been losing OccI since 2018, despite the competitive set remaining the same.
- We believe that an asset of this size and location, with excellent leisure and wedding facilities, as well as meeting / private dining areas should be able to achieve an occupancy of c. 70%, in line with achieved 2019 levels.

■ **ADR Index: Schulte is underwriting a stabilised ARI of 95.0% in 2026**

- The hotel has seen an improvement in ADR index from 2022, with YTD performing at 93% of the competitive set ADR.
- We see the opportunity to carry this performance forward, pushing the leisure ADR, whilst allowing for more group rates for weddings, leaving our overall ADRI stabilising at the levels seen in 2019.

| BOXHILL BURFORD BRIDGE | | | | | | | | | | | |
|------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 76.5% | 72.4% | 60.1% | 62.6% | 51.3% | 44.9% | 62.6% | 71.4% | 72.5% | 72.5% | 72.5% |
| Comp Set | 64.0% | 63.7% | 52.2% | 59.6% | 55.0% | 49.9% | 59.6% | 62.6% | 63.6% | 63.6% | 63.6% |
| Rank | - | 1 of 5 | 1 of 5 | 2 of 5 | - | 4 of 5 | | | | | |
| Index | 119.6% | 113.8% | 115.2% | 105.0% | 93.3% | 89.9% | 105.0% | 114.0% | 114.0% | 114.0% | 114.0% |
| ADR | | | | | | | | | | | |
| Subject | 97.7 | 98.0 | 95.7 | 101.5 | 92.0 | 98.9 | 121.2 | 123.6 | 126.1 | 128.6 | 131.2 |
| Comp Set | 108.1 | 103.4 | 126.7 | 135.3 | 118.9 | 106.0 | 127.5 | 130.1 | 132.7 | 135.4 | 138.1 |
| Rank | - | 3 of 5 | 5 of 5 | 5 of 5 | - | 4 of 5 | | | | | |
| Index | 90.4% | 94.7% | 75.5% | 75.1% | 77.4% | 93.3% | 95.0% | 95.0% | 95.0% | 95.0% | 95.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 74.7 | 70.9 | 57.5 | 63.5 | 47.2 | 44.4 | 75.8 | 88.2 | 91.4 | 93.2 | 95.1 |
| Comp Set | 69.1 | 65.8 | 66.1 | 80.6 | 65.4 | 52.9 | 76.0 | 81.5 | 84.4 | 86.1 | 87.8 |
| Rank | - | 2 of 5 | 3 of 5 | 4 of 5 | - | 4 of 5 | | | | | |
| Index | 108.1% | 107.7% | 87.0% | 78.8% | 72.2% | 83.8% | 99.8% | 108.3% | 108.3% | 108.3% | 108.3% |

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Boxhill Burford Bridge | 57 | - |
| Macdonald Berrystede Hotel & Spa | 126 | - |
| Hand Picked Woodlands Park | 57 | Jan-81 |
| Wotton House Country Estate Hotel | 123 | - |
| Holiday Inn Express London Epsom Downs | 120 | Sep-08 |

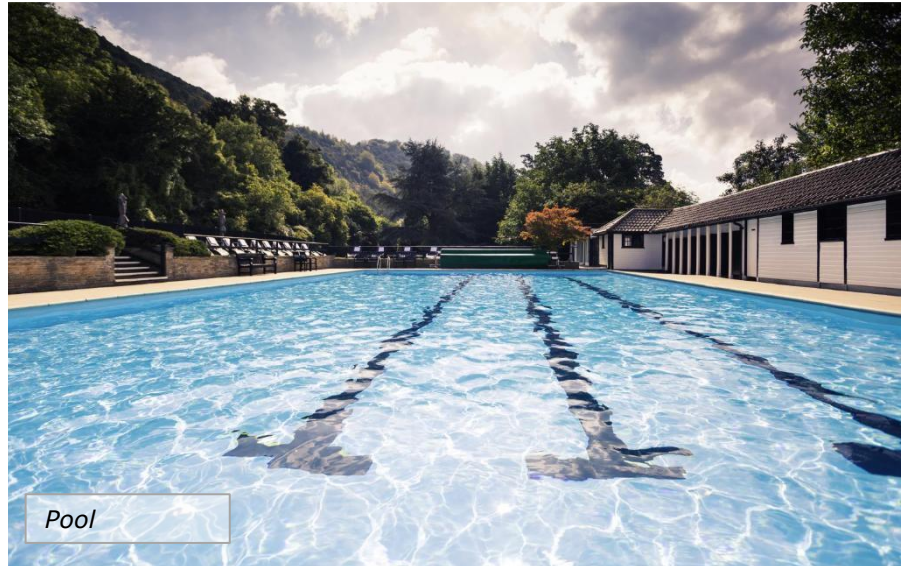
Occ in the market showed an increase of 7pts from '22 to '23, and ADR increased 7%, meaning overall RevPAR was up 22%.
Going in to '24, occ is down -5pts vs. STLY, and ADR has fallen -11%, meaning a decline in overall RevPAR of -19%.

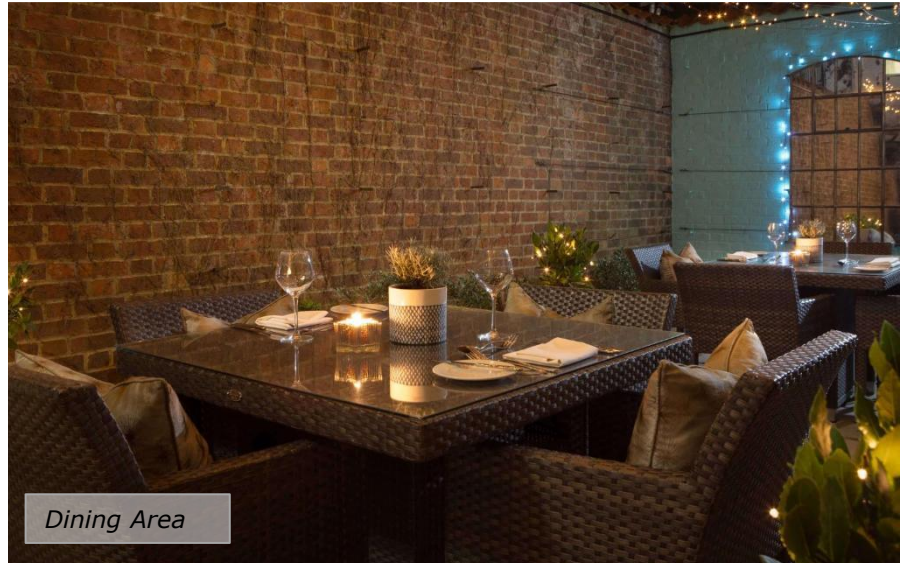
Moving forward, we forecast the compset to mitigate some of the losses seen early this year and end the year with occ down 3pts, increasing 7pts '25-'27 due to the correction in ADR. We see ADR falling by 8% this year with an inflationary growth going forward at 2.5% p.a. for 2025, and 2% p.a. thereafter.

BOXHILL 5-YEAR P&L

2

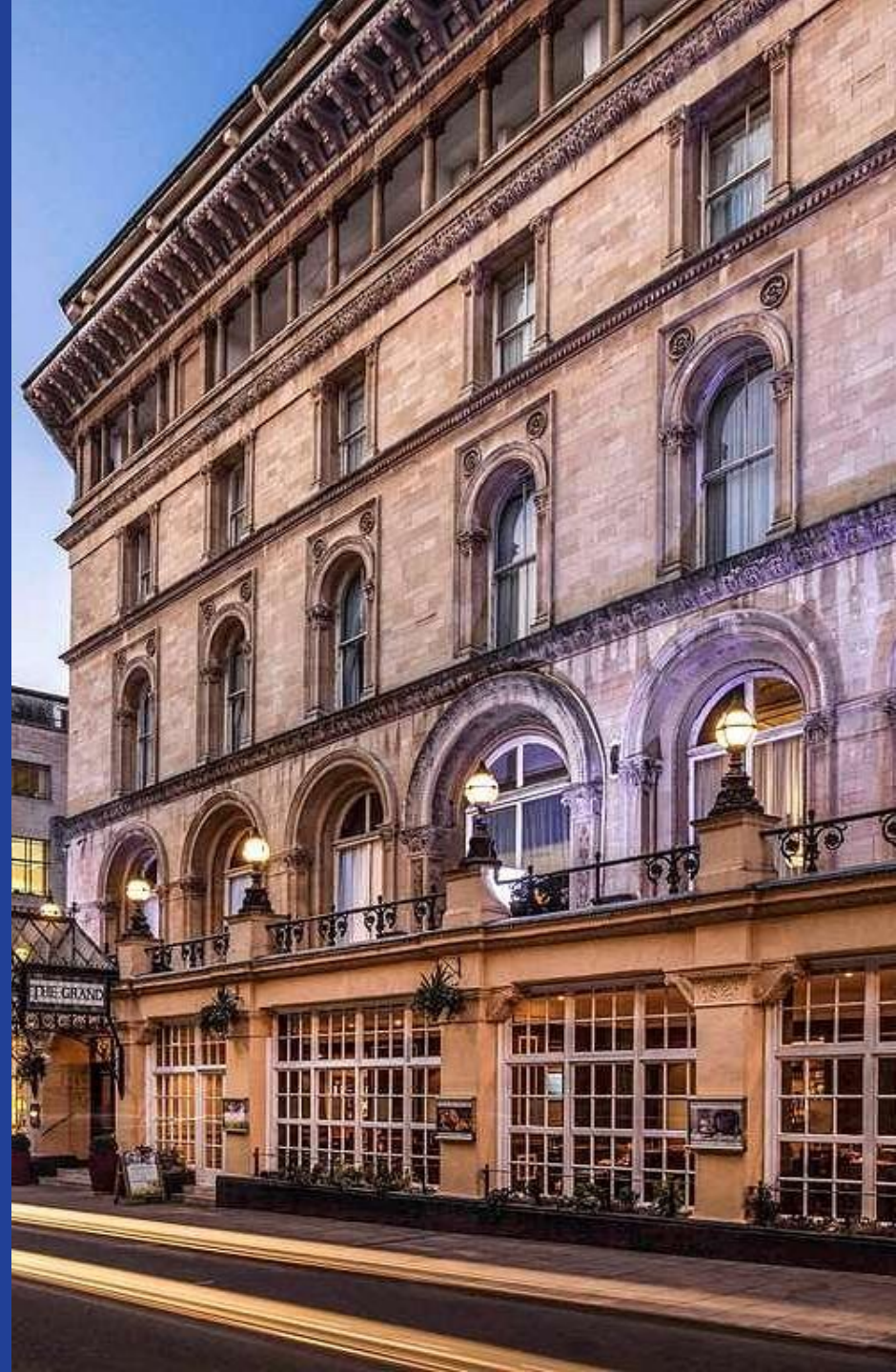
| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 62.6% | | | 71.4% | | | 72.5% | | | 72.5% | | | 72.5% | | |
| Average Daily Rate (ADR) | 121.2 | | | 123.6 | | | 126.1 | | | 128.6 | | | 131.2 | | |
| RevPAR | 75.8 | | | 88.2 | | | 91.4 | | | 93.2 | | | 95.1 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 1,578 | 47.1% | 121 | 1,835 | 47.1% | 124 | 1,902 | 47.1% | 126 | 1,945 | 47.1% | 129 | 1,979 | 47.1% | 131 |
| F&B Revenue | 1,602 | 47.8% | 123 | 1,863 | 47.8% | 125 | 1,931 | 47.8% | 128 | 1,975 | 47.8% | 131 | 2,009 | 47.8% | 133 |
| Spa Revenue | 107 | 3.2% | 8 | 124 | 3.2% | 8 | 129 | 3.2% | 9 | 132 | 3.2% | 9 | 134 | 3.2% | 9 |
| Other/Misc Revenue | 65 | 1.9% | 5 | 76 | 1.9% | 5 | 78 | 1.9% | 5 | 80 | 1.9% | 5 | 82 | 1.9% | 5 |
| Total Revenue | 3,352 | 100.0% | 257 | 3,898 | 100.0% | 263 | 4,040 | 100.0% | 268 | 4,132 | 100.0% | 273 | 4,203 | 100.0% | 279 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 481 | 30.5% | 37 | 540 | 29.4% | 36 | 557 | 29.3% | 37 | 570 | 29.3% | 38 | 580 | 29.3% | 38 |
| F&B Expense | 1,068 | 66.7% | 82 | 1,242 | 66.7% | 84 | 1,287 | 66.7% | 85 | 1,316 | 66.7% | 87 | 1,339 | 66.7% | 89 |
| Spa Expense | 64 | 60.0% | 5 | 75 | 60.0% | 5 | 77 | 60.0% | 5 | 79 | 60.0% | 5 | 80 | 60.0% | 5 |
| Other/Misc Expense | 23 | 35.0% | 2 | 27 | 35.0% | 2 | 27 | 35.0% | 2 | 28 | 35.0% | 2 | 29 | 35.0% | 2 |
| Total Departmental Exp | 1,636 | 48.8% | 126 | 1,883 | 48.3% | 127 | 1,949 | 48.2% | 129 | 1,993 | 48.2% | 132 | 2,028 | 48.2% | 134 |
| Total Dept Profit | 1,716 | 51.2% | 132 | 2,016 | 51.7% | 136 | 2,091 | 51.8% | 139 | 2,139 | 51.8% | 141 | 2,175 | 51.8% | 144 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 178 | 5.3% | 14 | 182 | 4.7% | 12 | 185 | 4.6% | 12 | 189 | 4.6% | 12 | 193 | 4.6% | 13 |
| Credit Card Commissions | 44 | 1.3% | 3 | 51 | 1.3% | 3 | 53 | 1.3% | 3 | 54 | 1.3% | 4 | 55 | 1.3% | 4 |
| Info & Telecommunications | 70 | 2.1% | 5 | 72 | 1.8% | 5 | 73 | 1.8% | 5 | 74 | 1.8% | 5 | 76 | 1.8% | 5 |
| Sales & Marketing | 112 | 3.3% | 9 | 114 | 2.9% | 8 | 116 | 2.9% | 8 | 119 | 2.9% | 8 | 121 | 2.9% | 8 |
| Franchise Fees | 159 | 10.1% | 12 | 185 | 10.1% | 12 | 191 | 10.1% | 13 | 196 | 10.1% | 13 | 199 | 10.1% | 13 |
| Repairs & Maintenance | 147 | 4.4% | 11 | 171 | 4.4% | 12 | 178 | 4.4% | 12 | 182 | 4.4% | 12 | 185 | 4.4% | 12 |
| Utilities | 160 | 4.8% | 12 | 186 | 4.8% | 13 | 193 | 4.8% | 13 | 197 | 4.8% | 13 | 201 | 4.8% | 13 |
| Total Undistributed Exp | 870 | 26.0% | 67 | 960 | 24.6% | 65 | 989 | 24.5% | 66 | 1,011 | 24.5% | 67 | 1,029 | 24.5% | 68 |
| Gross Operating Profit | 846 | 25.2% | 65 | 1,055 | 27.1% | 71 | 1,102 | 27.3% | 73 | 1,128 | 27.3% | 75 | 1,146 | 27.3% | 76 |





3

BRISTOL GRAND ASSET REVIEW





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 16 | |
| Rooms to | 30 | 186 |

| Food & Beverage | Seats |
|-----------------------|-------|
| Keepers Kitchen & Bar | 105 |

| Meeting & Events | SQM | Seats |
|------------------|--------------|-------|
| Largest Room | 632 | 450 |
| 5 Meeting Rooms | 667 | |
| Total | 1,329 | |

| Other |
|-------|
|-------|

Description

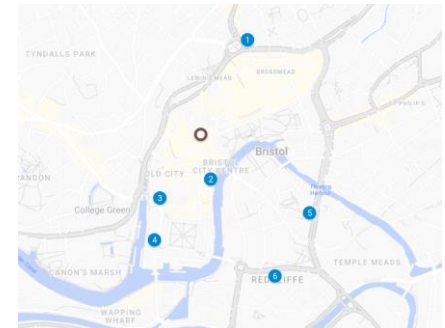
- Housed in a grand Victorian building dating back to 1869, which is a Grade II listed heritage property that underwent a **£4.5m** renovation in 2017, and a further renovation to remaining bedrooms in 2019.
- It is centrally located on Broad Street in Bristol's Old City area, just a 5-minute walk from the Bristol Hippodrome theater, a 9-minute walk from the Cabot Circus shopping center, and close to St John's Arch and the harbourside area.
- Notable nearby attractions include numerous historical sites in Bristol's city center such as Bristol City Centre Church and St Nicholas Church within 0.6-0.8 km, as well as Brunel's SS Great Britain museum a short drive away.
- Well-diversified business mix with substantial corporate and leisure demand drivers. The hotel is also a popular wedding location.
- The hotel was refurbished in 2017 and 2019.

Schulte Business Plan

- SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days and increase rates during peak / compression periods.
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **128 days** with **<=70.0%** occupancy, which is **+20 days** more than the comp set.
- **Existing Rate Strategy Gap:** The asset saw only a **+1.8%** improvement in RevIndex on days with more than **95.0%** occ vs. days with a **>90.0%** occ in '23A.

Competitive Set

- 1 Holiday Inn Bristol City Centre
- 2 Mercure Bristol Brigstow Hotel
- 3 Radisson Blu Hotel, Bristol
- 4 The Bristol Hotel
- 5 Hilton Garden Inn Bristol City Centre
- 6 DoubleTree by Hilton Bristol City Centre



3.0 Average
●●●○○ 1,516 reviews

#40 of 42 hotels in Bristol



"Great Location, Standard Room" – April 2024



Great location, standard room

Small room but had everything that we needed. It would feel cramped for more than 1 night. Great location for anything in around Bristol city centre. Bed was comfortable and the free safe was appreciated. Water pressure on the shower was poor. Biggest complaint is on floor 5 of the car park, there is a sign stating £15 for parking overnight. I was charged £17. When I queried on checking in I was told that £17 was correct and the signs hadn't been updated. No apology or comment for the sign. Strange customer service. For a small amount I wasn't arguing on this. I noticed on return to my car, £17 was stated on some signs and £15 on others. This really needs rectifying.

"Better Than Expected" – April 2024



Better than expected

Better than expected. Room was small but had everything needed. Bathroom was nice with toiletries. Location excellent. Staff very helpful and breakfast was good value for money. Asked for a quiet room and got one tucked away. No view bit also no noise so perfect for our needs.

"Nice Stay. Shame About The Stains" – April 2024



Nice stay shame about the stains.

Room was large had a suite, bed was comfortable, only thing that let the room down was stains on carpet and marks on wall / skirting boards. Bathroom was well appointed, staff were friendly and helpful. Paid for parking in advance which was easy. Location on a whole was excellent. Would stay again.

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£86.5** and a RevPAR index of **97.4%**

- **General: Schulte is underwriting the asset to surpass historical '22A / '23A RGI levels of 93.7% / 87.0% through a more focused revenue and sales strategy that will see the asset climbing towards index levels closer to ~97.0%+ remaining Mercure branded. Additionally, SEG believes there could be additional upside from re-branding to a stronger brand family.**
 - The asset is currently under-indexing significantly on low-volume days pointing towards the need for a more focused revenue and sales strategy on underperforming days:
 - As an example, the asset's RevIndex in '23A was **87.0%**, but the RevIndex at occupancies **<=70.0%** was **67.9%**
 - Similarly, the asset's RevIndex in '22A was **93.7%**, but the RevIndex at occupancies **<=70.0%** was **78.0%**
 - SEG believes the asset should not be underperforming the set on lower-volume days, as (i) given the recent **£4.5m / £24k** per key renovation completed in '17 – the asset's product quality is high, (ii) the hotel has a central location (on Broad Street in the heart of Bristol city centre), and (iii) the asset has **1.3k sqm** of meeting space (with only **186 keys** – which should provide the ability to yield our transient rooms).
 - Through a more focused commercial strategy aimed at (i) increasing volume and rate on lower volume days, (ii) winning key group business in the market, and (iii) yielding out transient RNs at premiums rates – SEG believes the asset should be able to increase RGIs towards **~98.0%+.**
- **OccIndex: Schulte is underwriting a stabilized MPI of 102.5% in 2026 (+3.2% vs. '23A levels)**
 - While SEG sees occ index upside from '23A levels given the lower indexes on lower volume days - SEG would seek to grow, and also limit occupancy upside to levels just above the set (i.e. lower vs. '22A occ indexes), remixing the business to be more focused on higher ADRs.
 - As a further example of the occupancy upside, In '23A, the asset ran **128 days** with **<70.0% occupancy**, which is **+20 days** more than the comp set implying significant occupancy upside through a more focused occupancy strategy on lower volume days.
 - The asset has a significant amount of meeting space (**1.3k sqm**), and a heavily focused group business sales strategy - which SEG would seek to implement would likely yield more group leads / revenue, and create an opportunity to more effectively yield transient rooms.
 - The asset has **six meeting rooms**, with a capacity of up to **~600 pax**, and is a popular wedding destination.
 - **The Mercure Bristol is home to the largest ballroom of the city centre.**
- **ADRIndex: Schulte is underwriting a stabilised ARI of 95.0% in 2026 (+7.3% vs. '23A levels)**
 - SEG would seek to drive ADR upside by:
 - **Increasing rate on lower occupancy days**
 - On days when occupancy was **<=70.0%** - the asset's RevIndex was **67.9%** (vs. **87.0%** for '23A).
 - In our experience, lowering ADR on low occ days more often than not – does not induce higher demand. Further, the ability to yield lower occ days would also be aided through a brand conversion – that would drive more traffic to the hotel on lower volume days (the asset had an ADR index of **80.5%** when occupancies were **<=70.0%** vs. **87.7%** vs. the entire year '23A).

REVPAR UNDERWRITING

3

■ ADRIndex (Con't): Schulte is underwriting a stabilised ARI of 95.0% in 2026 (+7.3% vs. '23A levels)

○ Yielding out both low / high occupancy days at more elevated rates:

- SEG notes that the asset saw only a **+1.8%** improvement in RevIndex on days with **95.0%** occ vs. days with a **90.0%** occ in '23A.
- On days when occupancy was **>90.0%** - the asset's RevIndex was **97.8%**.
- On days when occupancy was **>95.0%** - the asset's RevIndex was **99.6%**.

■ Market Growth:

- Comp set occupancies increased from **72.2%** in '22A to **74.6%** in '23A. While occupancies have fallen YTD 5/24, SEG believes the market will continue to grow, with occupancies climbing towards the **high 70% / low 80%** range in '25 – '27 (in-line with historical Bristol market performance).
- Comp set ADRs increased from **£84.4** to **£91.3** from '22A to '23A, and have continued to increase in 5/24 YTD to **£88.5**, driving overall RevPAR to **£70.7** YTD 5/24, up by **£2.4 / 3.5%** YTD.

| BRISTOL GRAND | | | | | | | | | | | |
|------------------|------------|--------|--------|--------|-----------|-----------|------------|--------|--------|--------|--------|
| | Historical | | | | | | Historical | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 76.1% | 79.8% | 77.1% | 74.1% | 64.2% | 74.5% | 79.1% | 81.1% | 82.1% | 82.1% | 82.1% |
| Comp Set | 81.2% | 81.7% | 72.2% | 74.6% | 67.7% | 65.9% | 77.1% | 79.1% | 80.1% | 80.1% | 80.1% |
| Rank | | 7 of 7 | 2 of 6 | 4 of 6 | | 1 of 6 | | | | | |
| Index | 93.7% | 97.6% | 106.9% | 99.3% | 94.9% | 112.9% | 102.5% | 102.5% | 102.5% | 102.5% | 102.5% |
| ADR | | | | | | | | | | | |
| Subject | 81.7 | 80.8 | 84.4 | 91.3 | 85.7 | 88.5 | 104.0 | 106.6 | 108.7 | 110.9 | 113.1 |
| Comp Set | 86.2 | 85.8 | 96.3 | 104.2 | 100.9 | 107.2 | 110.0 | 112.2 | 114.5 | 116.8 | 119.1 |
| Rank | | 6 of 7 | 5 of 6 | 5 of 6 | | 6 of 6 | | | | | |
| Index | 94.8% | 94.2% | 87.6% | 87.7% | 84.9% | 82.5% | 94.5% | 95.0% | 95.0% | 95.0% | 95.0% |
| RevPAR | | | | | | | | | | | |
| | 7.3% | | | | | | | | | | |
| Subject | 62.2 | 64.5 | 65.1 | 67.7 | 55.0 | 65.9 | 82.2 | 86.5 | 89.3 | 91.1 | 92.9 |
| Comp Set | 70.0 | 70.1 | 69.5 | 77.7 | 68.3 | 70.7 | 84.8 | 88.8 | 91.7 | 93.5 | 95.4 |
| Rank | | 7 of 7 | 5 of 6 | 6 of 6 | | 6 of 6 | | | | | |
| Index | 88.8% | 92.0% | 93.7% | 87.0% | 80.5% | 93.2% | 96.9% | 97.4% | 97.4% | 97.4% | 97.4% |

Comp Set RevPAR has increased by +£8.3 / +11.9% from '22A to '23A, and by +£2.4 / +3.5% 5/24 YTD

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Bristol Grand | 186 | May-1896 |
| Doyle Collection Bristol Hotel | 187 | - |
| DoubleTree by Hilton Hotel Bristol City Centre | 206 | Jun-74 |
| Hilton Garden Inn Bristol City Centre | 171 | Jan-99 |
| Mercure Bristol Brigstow Hotel | - | - |
| Radisson Blu Hotel Bristol | 176 | Oct-09 |
| Holiday Inn Bristol City Centre | 155 | May-11 |

SEG is projecting continued RevPAR growth over the next few years driven by both occupancy and ADR increases as the Bristol market returns back towards high 70% / low 80% occupancies.

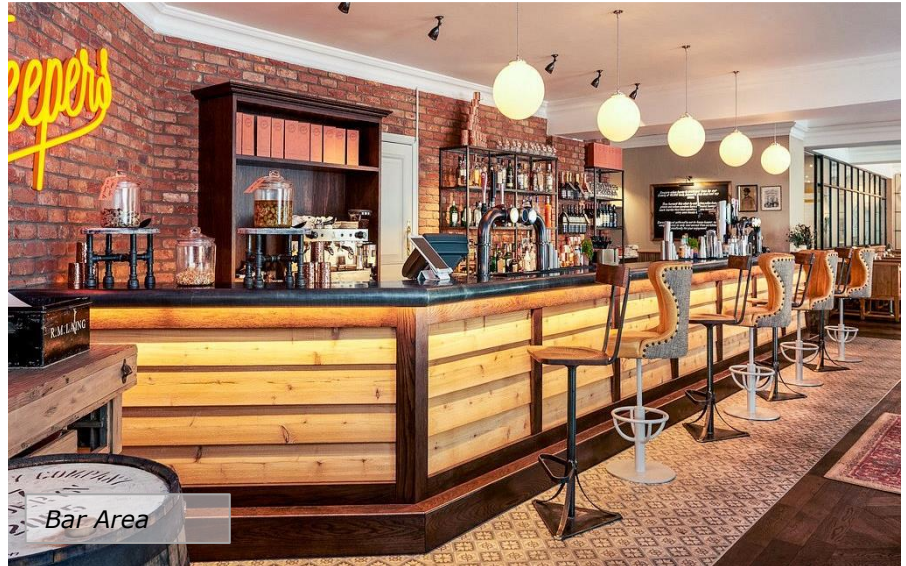
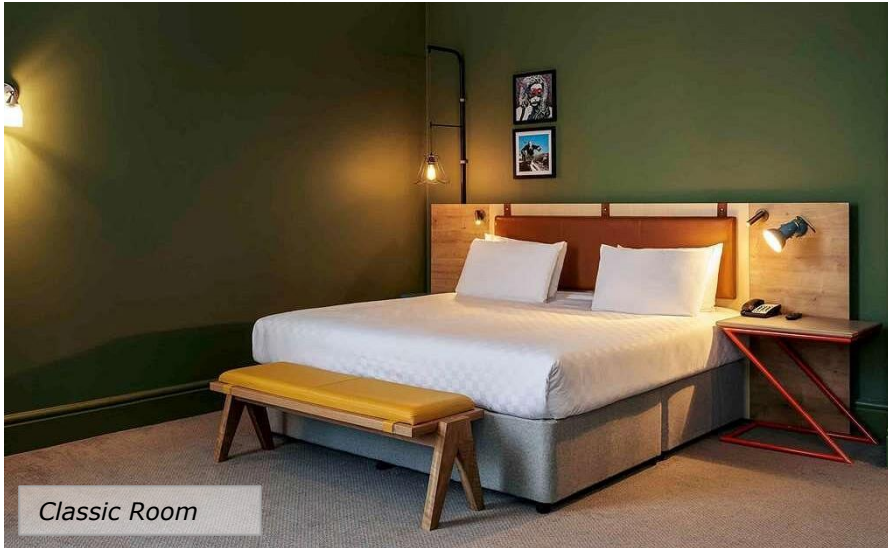
SEG believes the asset's RevPAR index will increase from 87.0% in '23A towards ~97.0%+ through a more focused revenue and sales strategy.

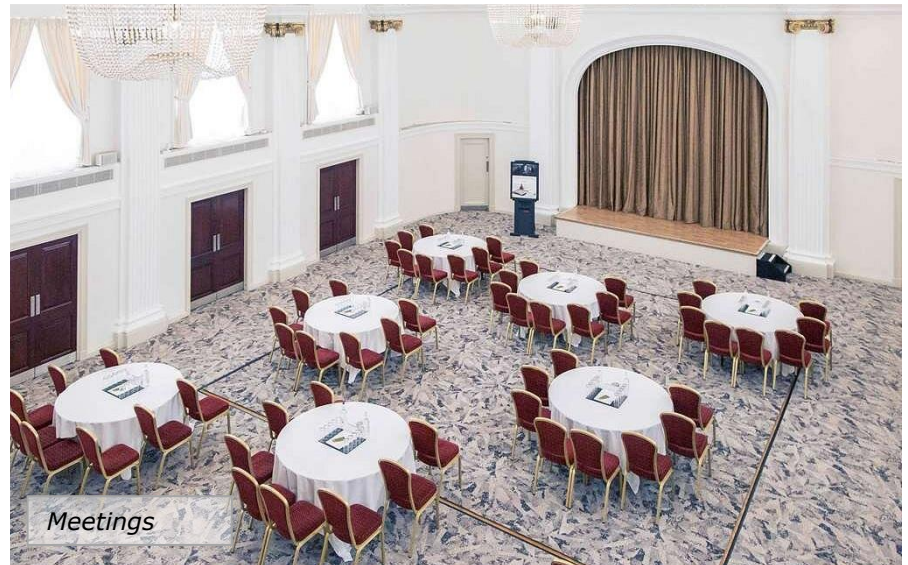
Note: Comp set performance / rankings excludes data for the Mercure Bristol Brigstow Hotel which appears to be housing immigrants at the current time.

BRISTOL 5-YEAR P&L

3

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 79.1% | | | 81.1% | | | 82.1% | | | 82.1% | | | 82.1% | | |
| Average Daily Rate (ADR) | 104.0 | | | 106.6 | | | 108.7 | | | 110.9 | | | 113.1 | | |
| RevPAR | 82.2 | | | 86.5 | | | 89.3 | | | 91.1 | | | 92.9 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 5,581 | 67.8% | 104 | 5,871 | 67.9% | 107 | 6,064 | 67.9% | 109 | 6,202 | 67.9% | 111 | 6,309 | 67.9% | 113 |
| F&B Revenue | 2,285 | 27.8% | 43 | 2,392 | 27.7% | 43 | 2,470 | 27.7% | 44 | 2,527 | 27.7% | 45 | 2,570 | 27.7% | 46 |
| Other/Misc Revenue | 365 | 4.4% | 7 | 382 | 4.4% | 7 | 395 | 4.4% | 7 | 404 | 4.4% | 7 | 411 | 4.4% | 7 |
| Total Revenue | 8,231 | 100.0% | 153 | 8,645 | 100.0% | 157 | 8,929 | 100.0% | 160 | 9,132 | 100.0% | 163 | 9,290 | 100.0% | 167 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,675 | 30.0% | 31 | 1,747 | 29.8% | 32 | 1,800 | 29.7% | 32 | 1,840 | 29.7% | 33 | 1,873 | 29.7% | 34 |
| F&B Expense | 1,465 | 64.1% | 27 | 1,533 | 64.1% | 28 | 1,584 | 64.1% | 28 | 1,620 | 64.1% | 29 | 1,648 | 64.1% | 30 |
| Other/Misc Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Departmental Exp | 3,140 | 38.1% | 59 | 3,280 | 37.9% | 60 | 3,384 | 37.9% | 61 | 3,460 | 37.9% | 62 | 3,521 | 37.9% | 63 |
| Total Dept Profit | 5,091 | 61.9% | 95 | 5,365 | 62.1% | 97 | 5,545 | 62.1% | 99 | 5,672 | 62.1% | 101 | 5,769 | 62.1% | 103 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 5.7% | 9 | 480 | 5.5% | 9 | 489 | 5.5% | 9 | 499 | 5.5% | 9 | 509 | 5.5% | 9 |
| Credit Card Commissions | 107 | 1.3% | 2 | 112 | 1.3% | 2 | 116 | 1.3% | 2 | 119 | 1.3% | 2 | 121 | 1.3% | 2 |
| Info & Telecommunications | 172 | 2.1% | 3 | 175 | 2.0% | 3 | 179 | 2.0% | 3 | 182 | 2.0% | 3 | 186 | 2.0% | 3 |
| Sales & Marketing | 533 | 6.5% | 10 | 543 | 6.3% | 10 | 554 | 6.2% | 10 | 565 | 6.2% | 10 | 576 | 6.2% | 10 |
| Franchise Fees | 426 | 7.6% | 8 | 448 | 7.6% | 8 | 463 | 7.6% | 8 | 473 | 7.6% | 8 | 481 | 7.6% | 9 |
| Repairs & Maintenance | 260 | 3.2% | 5 | 272 | 3.1% | 5 | 281 | 3.1% | 5 | 287 | 3.1% | 5 | 292 | 3.1% | 5 |
| Utilities | 495 | 6.0% | 9 | 518 | 6.0% | 9 | 535 | 6.0% | 10 | 547 | 6.0% | 10 | 557 | 6.0% | 10 |
| Total Undistributed Exp | 2,463 | 29.9% | 46 | 2,548 | 29.5% | 46 | 2,617 | 29.3% | 47 | 2,673 | 29.3% | 48 | 2,722 | 29.3% | 49 |
| Gross Operating Profit | 2,628 | 31.9% | 49 | 2,816 | 32.6% | 51 | 2,928 | 32.8% | 53 | 2,999 | 32.8% | 54 | 3,046 | 32.8% | 55 |





While SEG has not underwritten the asset as converting to a brand, SEG believes there could be further upside to performance through conversion to a stronger brand family.

■ **General:**

- **Given the recent renovation** (details below), **central location of the asset** (in the heart of Bristol), and **historical nature of the building** (1869 build) – SEG believes the asset would command significant attention from the brands.
- **£4.5m / £24k** per key renovation completed in '17 to refurbish all bedrooms excluding the fourth floor, two net additional rooms, reception, restaurant, and bar, and all common parts.
 - Further, given the substantial corporate, leisure, and group demand drivers in the market – the asset would benefit from having access to a stronger brand distribution.
 - In particular, SEG believes that the hotel could stand to win additional corporate business from a stronger brand profile given the size of the commercial presence in the area (corporates include KPMG, PwC, Airbus, BBC, Lloyds Banking Group, and Rolls Royce).

■ **RevPAR Comps:**

- Marriott City Center – **~80.0% occ / ~£110.0 ADR (2019) = £88 RevPAR**
- Other upscale hotel in the city - **~80.0% occ / £100 ADR (2019)= £80 RevPAR**

■ **Branding Considerations:**

- SEG believes potential brands for consideration should include Doubletree / Tapestry by Hilton, Voco by IHG, and Tribute Collection by Marriott.

TRIBUTE
PORTFOLIO

TAPESTRY
COLLECTION
by Hilton™



VOCO®
AN IHG HOTEL

4

**CARDIFF HOLLAND
HOUSE HOTEL &
SPA
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 23 | |
| Rooms to | 33 | 172 |

| Food & Beverage | Seats |
|---------------------|-------|
| Urban Bar & Kitchen | 110 |

| Meeting & Events | SQM | Seats |
|------------------|--------------|-------|
| Largest Room | 690 | 550 |
| 13 Meeting Rooms | 841 | |
| Total | 1,531 | |

| Other | |
|-------------|---------------------------|
| Spa | Starting at £35 per visit |
| Indoor Pool | 12 Treatment Rooms |
| Fitness | |

Description

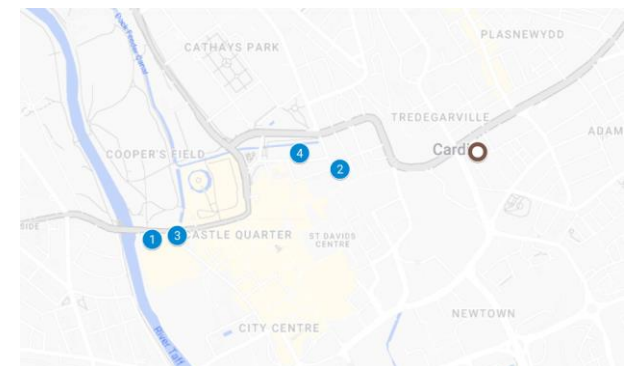
- 172 rooms, benefitting from large M&E facilities, and a popular and well-regarded restaurant and bar with views over the Royal Liver Building and River Mersey.
- The hotel is centrally located in Cardiff city center, within a 10-minute walk of major attractions like Cardiff Castle, Capitol Shopping Centre, New Theatre, and St. David's shopping complex.
- It is situated just 600m from the National Museum Cardiff and 1.2 miles from BikePark Wales and the RHS Flower Show.
- Highly accessible by road, the property is located 5 miles south of the M4 motorway, providing connectivity from South Wales to London.
- Net 7 new bedrooms added in 2018. The 8 new bedrooms on Level 14 replaced 1 suite and an office.

Schulte Business Plan

- SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days, and increase rates during peak / compression periods.
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **115 days** with **<=70.0%** occupancy, which is **+35 days** more than the comp set.
- **Existing Rate Strategy Gap:** The asset saw only a **+1.4%** improvement in RevIndex on days with more than **95.0%** occ vs. days with a **>90.0%** occ in '23A.

Competitive Set

- 1 Holiday Inn Cardiff City Centre
- 2 Leonardo Hotel Cardiff
- 3 Angel Hotel Cardiff
- 4 Park Plaza Cardiff



4.0 Very good
●●●●○ 3,763 reviews

#32 of 65 hotels in Cardiff



"Member Feedback" – May 2024



Member Feedback

I am a member here and I have told the team this myself, but they are really doing a great job - within the last few weeks the cleanliness is on top form, the staff are always so friendly and accommodating, they've also told me we have new gym equipment on the way which is a positive. I've been a member for quite a few years, it is my place to come and relax as well as workout and I wanted this to be passed on to management that they are really doing a great job. As I said, I have told the team this myself. Thank you Mercure Health Club

"Spa Experience" – May 2024



Spa experience

Just wanted to leave my review when I came recently. I had booked a treatment online previously and the spa called to say I could use the pool aswell which was great. When I arrived all the spa reception were super friendly and my therapist Scarlet done an amazing job with my massage. I was also able to use the relax room and the coffee room which made it feel more of a spa experience.

"Very Nice" – May 2024



Very nice

Very good I am gym pool member here. Nice people I bring my friends the gym good got lot of good stuff. Happy staff my friend also want to join and I get reward for this. I like that I can use pool too it is very good. How I claim my friend reward please?

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£91.5** and a RevPAR index of **104.8%**.

■ **General: Schulte is underwriting the asset to surpass historical '22A / '23A RGI levels of 101.1% / 91.7% through a more focused revenue and sales strategy that will see the asset climbing towards index levels closer to ~105.0%+ remaining Mercure branded. Additionally, SEG believes there could be additional upside from re-branding to a stronger brand family.**

- The asset's RevPAR index has fallen from **101.1%** in '22A to **91.7%** in '23A.
- RevPAR decline appears to be driven by a less-focused revenue management strategy – which saw occ index drop from **100.5%** to **95.2%** YoY, and ADR fall from **100.6%** to **96.4%** YoY.
 - The Mercure Cardiff had **35 more days** with **<=70%** occupancy in '23A than the comp set vs. **only three more days** in '22A.
 - Additionally, the asset's RevIndex at occupancies **<=70%** was **75.0%** vs. **91.7%** for the overall year.
 - The Mercure has significant meeting space with **13 meeting rooms** capable of holding up to **550 pax**, but only has **172 keys**, and so should be able to maintain occupancy and rate even outside of heavy group-business days (but per the above stats has not).
 - There is an opportunity for RevPAR improvement with a focused commercial strategy, that will drive additional group business / and yield transient nights more effectively.

■ **OccIndex: Schulte is underwriting a stabilized MPI of 101.5% in 2026**

- SEG would seek to implement a focused revenue strategy that aims to grow occupancy levels (in particular group business), and to limit occupancy upside towards levels in-line with set – given the potential for significant rate upside from yielding transient room nights.
 - The asset has **thirteen meeting rooms (1.5k sqm)**, with a capacity of up to **~550 pax**, and is a popular wedding destination.
 - In '23A, the asset ran **115 days** with **<70.0%** occupancy, which is **+35 days** more than the comp set implying significant occupancy upside through a more focused occupancy strategy on lower volume days.

■ **ADRIndex: Schulte is underwriting a stabilised ARI of 103.2% in 2026**

- SEG believes there is significant rate upside at the asset post-conversion, and SEG would seek to drive ADR upside by:
 - **Increasing rate on lower occupancy days**
 - On days when occupancy was **<70.0%** - the asset's RevIndex was **75.0%** (vs. **91.7%** for '23A).
 - In our experience, lowering ADR on low occ days more often than not – does not induce higher demand. Further, the ability to yield lower occ days would also be aided through a brand conversion – that would drive more traffic to the hotel on lower volume days.
 - **Yielding out both low / high occupancy days at more elevated rates**
 - SEG notes that the asset only had a **+1.4%** improvement in RevIndex on days with **95.0%** occ vs. days with a **90.0%** occ in '23A
 - On days when occupancy was **>90.0%** - the asset's RevIndex was **99.1%**
 - On days when occupancy was **>95.0%** - the asset's RevIndex was **100.5%**

REVPAR UNDERWRITING

4

■ Market Growth:

- Comp set occ increased from **77.2%** in '22A to **81.7%** in '23A. Occupancies have fallen YTD 5/24 from **78.4%** YTD to **74.1%** STLY.
- Comp set ADRs increased from **£97.9** to **£98.3** from '22A to '23A, and are in-line 5/24 YTD vs. STLY at **~£92.0**.

| CARDIFF HOLLAND HOUSE HOTEL & SPA | | | | | | | | | | | |
|-----------------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 84.6% | 85.2% | 77.6% | 77.8% | 70.7% | 72.0% | 83.1% | 84.5% | 84.5% | 84.5% | 84.5% |
| Comp Set | 84.5% | 84.9% | 77.2% | 81.7% | 78.4% | 74.1% | 82.2% | 83.2% | 83.2% | 83.2% | 83.2% |
| Rank | | 4 of 5 | 3 of 5 | 5 of 5 | | 3 of 5 | | | | | |
| Index | 100.1% | 100.3% | 100.5% | 95.2% | 90.2% | 97.3% | 101.0% | 101.5% | 101.5% | 101.5% | 101.5% |
| ADR | | | | | | | | | | | |
| Subject | 80.2 | 80.1 | 98.5 | 94.8 | 92.0 | 91.7 | 104.9 | 108.2 | 110.4 | 112.6 | 114.9 |
| Comp Set | 79.4 | 79.4 | 97.9 | 98.3 | 92.7 | 92.3 | 102.8 | 104.9 | 107.0 | 109.1 | 111.3 |
| Rank | | 2 of 5 | 3 of 5 | 3 of 5 | | 2 of 5 | | | | | |
| Index | 101.0% | 100.9% | 100.6% | 96.4% | 99.2% | 99.4% | 102.0% | 103.2% | 103.2% | 103.2% | 103.2% |
| RevPAR | | | | | | | | | | | |
| Subject | 67.8 | 68.2 | 76.4 | 73.7 | 65.0 | 66.1 | 87.1 | 91.5 | 93.3 | 95.2 | 97.1 |
| Comp Set | 67.1 | 67.4 | 75.5 | 80.4 | 72.7 | 68.4 | 84.6 | 87.3 | 89.0 | 90.8 | 92.6 |
| Rank | | 2 of 5 | 2 of 5 | 4 of 5 | | 2 of 5 | | | | | |
| Index | 101.1% | 101.2% | 101.1% | 91.7% | 89.5% | 96.6% | 103.0% | 104.8% | 104.8% | 104.8% | 104.8% |

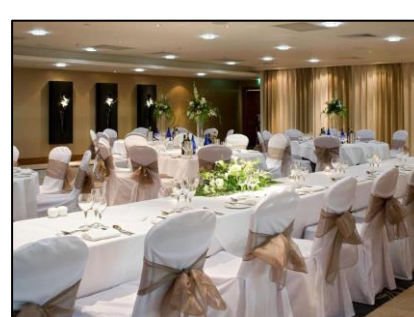
Comp Set RevPAR has increased by +4.8 / +6.4% from '22A to '23A, but has decreased by -£4.3 / -5.9% 5/24 YTD

| Comp Set | Keys | Open Date |
|-----------------------------------|------|-----------|
| Cardiff Holland House Hotel & Spa | 172 | May-04 |
| Holiday Inn Cardiff City Centre | 157 | Jan-66 |
| Leonardo Hotel Cardiff | 142 | Jan-1883 |
| The Angel Hotel | 102 | - |
| Park Plaza Cardiff | 129 | Jan-05 |

SEG is projecting continued RevPAR growth over the next few years driven by both occupancy and ADR increases as the Cardiff market returns back towards mid-80% occupancies.

SEG believes the asset's RevPAR index will increase from 73.6% in '23A towards ~105.0% under SEG management.

The asset has thirteen meeting rooms (1.5k sqm), with a capacity of up to ~550 pax, and is a popular wedding destination.



CARDIFF 5-YEAR P&L

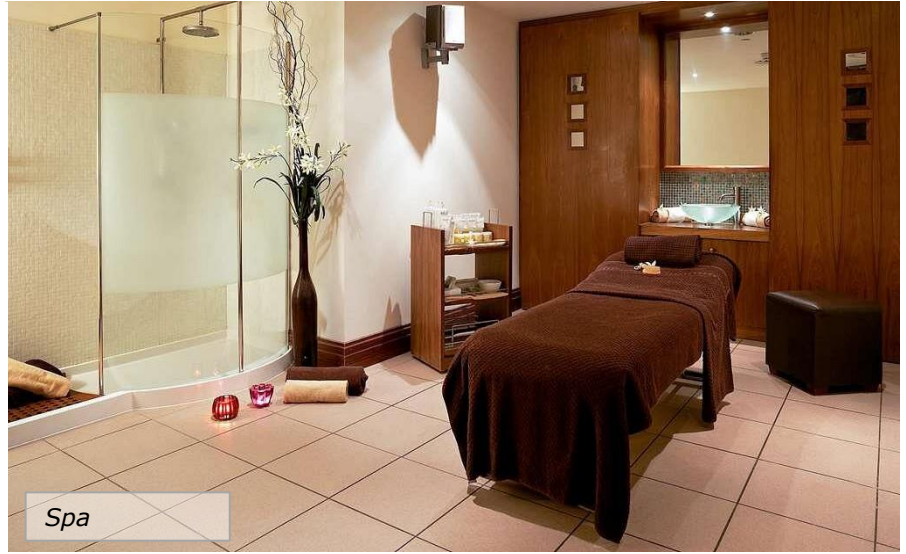
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| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|---------------|---------------|------------|---------------|---------------|------------|---------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 83.1% | | | 84.5% | | | 84.5% | | | 84.5% | | | 84.5% | | |
| Average Daily Rate (ADR) | 104.9 | | | 108.2 | | | 110.4 | | | 112.6 | | | 114.9 | | |
| RevPAR | 87.1 | | | 91.5 | | | 93.3 | | | 95.2 | | | 97.1 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 5,468 | 57.4% | 105 | 5,744 | 57.7% | 108 | 5,859 | 57.7% | 110 | 5,992 | 57.7% | 113 | 6,095 | 57.7% | 115 |
| F&B Revenue | 3,030 | 31.8% | 58 | 3,144 | 31.6% | 59 | 3,207 | 31.6% | 60 | 3,280 | 31.6% | 62 | 3,337 | 31.6% | 63 |
| Spa Revenue | 683 | 7.2% | 13 | 708 | 7.1% | 13 | 723 | 7.1% | 14 | 739 | 7.1% | 14 | 752 | 7.1% | 14 |
| Other/Misc Revenue | 340 | 3.6% | 7 | 353 | 3.6% | 7 | 360 | 3.6% | 7 | 369 | 3.6% | 7 | 375 | 3.6% | 7 |
| Total Revenue | 9,521 | 100.0% | 183 | 9,950 | 100.0% | 188 | 10,149 | 100.0% | 191 | 10,380 | 100.0% | 195 | 10,559 | 100.0% | 199 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,606 | 29.4% | 31 | 1,667 | 29.0% | 31 | 1,700 | 29.0% | 32 | 1,738 | 29.0% | 33 | 1,769 | 29.0% | 33 |
| F&B Expense | 1,853 | 61.2% | 36 | 1,923 | 61.2% | 36 | 1,961 | 61.2% | 37 | 2,006 | 61.2% | 38 | 2,041 | 61.2% | 38 |
| Spa Expense | 410 | 60.0% | 8 | 425 | 60.0% | 8 | 434 | 60.0% | 8 | 443 | 60.0% | 8 | 451 | 60.0% | 9 |
| Other/Misc Expense | 119 | 35.0% | 2 | 124 | 35.0% | 2 | 126 | 35.0% | 2 | 129 | 35.0% | 2 | 131 | 35.0% | 2 |
| Total Departmental Exp | 3,987 | 41.9% | 76 | 4,138 | 41.6% | 78 | 4,221 | 41.6% | 80 | 4,317 | 41.6% | 81 | 4,392 | 41.6% | 83 |
| Total Dept Profit | 5,534 | 58.1% | 106 | 5,811 | 58.4% | 110 | 5,928 | 58.4% | 112 | 6,063 | 58.4% | 114 | 6,167 | 58.4% | 116 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 4.9% | 9 | 480 | 4.8% | 9 | 489 | 4.8% | 9 | 499 | 4.8% | 9 | 509 | 4.8% | 10 |
| Credit Card Commissions | 124 | 1.3% | 2 | 129 | 1.3% | 2 | 132 | 1.3% | 2 | 135 | 1.3% | 3 | 137 | 1.3% | 3 |
| Info & Telecommunications | 159 | 1.7% | 3 | 162 | 1.6% | 3 | 165 | 1.6% | 3 | 168 | 1.6% | 3 | 172 | 1.6% | 3 |
| Sales & Marketing | 533 | 5.6% | 10 | 544 | 5.5% | 10 | 555 | 5.5% | 10 | 566 | 5.5% | 11 | 577 | 5.5% | 11 |
| Franchise Fees | 328 | 6.0% | 6 | 345 | 6.0% | 6 | 352 | 6.0% | 7 | 360 | 6.0% | 7 | 366 | 6.0% | 7 |
| Repairs & Maintenance | 261 | 2.7% | 5 | 271 | 2.7% | 5 | 276 | 2.7% | 5 | 282 | 2.7% | 5 | 287 | 2.7% | 5 |
| Utilities | 481 | 5.1% | 9 | 499 | 5.0% | 9 | 509 | 5.0% | 10 | 521 | 5.0% | 10 | 530 | 5.0% | 10 |
| Total Undistributed Exp | 2,356 | 24.7% | 45 | 2,430 | 24.4% | 46 | 2,478 | 24.4% | 47 | 2,531 | 24.4% | 48 | 2,578 | 24.4% | 49 |
| Gross Operating Profit | 3,178 | 33.4% | 61 | 3,382 | 34.0% | 64 | 3,450 | 34.0% | 65 | 3,532 | 34.0% | 66 | 3,589 | 34.0% | 68 |





Fitness



Spa



Public Space



Meetings

While SHG has not underwritten the asset as converting to a brand, SHG believes there could be further upside to performance through conversion to a stronger brand family.

■ General:

- **Given the asset facilities** (details below), **central location of the asset** (River views, close to Cardiff Castle and National Museum Cardiff), and **high accessibility** (located 5 miles south of the M4 motorway) – SHG believes the asset would command significant attention from the brands.
- The asset has thirteen meeting rooms (**1.5k sqm**), with a capacity of up to **~550 pax**, and is a popular wedding destination.
- Further, given the substantial corporate, leisure, and group demand drivers in the market – the asset would benefit from having access to a stronger brand distribution.

■ RevPAR Comps:

- An increase in RevPAR as a branded asset is supported by '19 RevPAR comp data we have been able to access from the market:
 - VO Cardiff – **86.2%** occ / **£126.6** ADR (2019) = **£109.1** RevPAR
 - IN Cardiff – **86.1%** occ / **£91.5** ADR (2019) = **£78.8** RevPAR
 - HI Cardiff City Centre – **85.7%** occ / **£72.7** ADR (2019) = **£62.4** RevPAR
 - EX Cardiff – **81.5%** occ / **£70.5** ADR (2019) = **£57.5** RevPAR

■ Branding Considerations:

- SHG believes potential brands for consideration should include a Crowne Plaza and a Hotel Indigo by IHG, and Renaissance by Marriott.
- Schulte notes that there is already a full-service Hilton and Marriott in Cardiff, and a Doubletree Hotel that has recently been signed up also – each of which SHG believes would have been candidates, but SHG does not think Marriott or Hilton will want two of those hotels in the Cardiff market.



5

**EXETER
ROUGEMONT
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 15 | 98 |
| Rooms to | 35 | |

| Food & Beverage | Seats |
|-------------------|-------|
| Drakes Restaurant | 50 |
| Drakes Bar | 40 |
| Nelsons Lounge | 22 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 229 | 250 |
| 5 Meeting Rooms | 395 | |
| Total | 624 | |

| Other |
|-------|
|-------|

Description

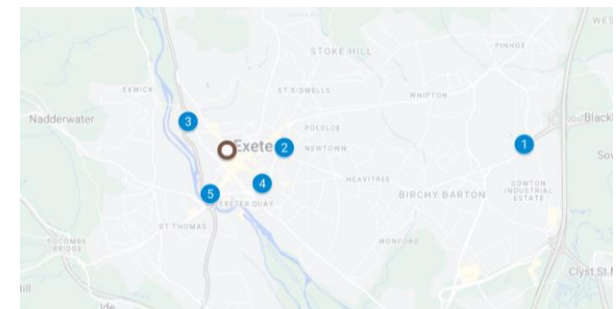
- The Mercure Exeter Rougemont Hotel is a 4-star hotel located in a Victorian building dating from 1870, situated in the heart of Exeter city center opposite Exeter Central train station.
- The hotel offers **98 keys, six meeting rooms** accommodating up to **250 guests**, an on-site restaurant serving British and European cuisine, a bar, and limited on-site private parking.
- Amenities include air conditioning, coffee makers, daily housekeeping, irons/ironing boards, cable/satellite TV, Wi-Fi internet access (fee), a concierge, and laundry/dry cleaning services.
- The hotel is within walking distance of Exeter Cathedral and the city's High Street with shops and restaurants, as well as the University of Exeter and local attractions like the Exeter Underground Passages.

Schulte Business Plan

- SEG would seek to increase the asset's occupancy and ADR index levels back to historical peaks seen in '19A.
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ Strategy Gap:** The asset ran **80 less days** with occupancy **>90%** in '23A vs. prior year and 13 more days with occupancy **<=70%**.
- **Existing Rate Strategy Gap:** The asset's ADR index fell by **-3.7%** YoY.

Competitive Set

- 1 Holiday Inn Express Exeter East
- 2 Leonardo Hotel Exeter
- 3 Premier Inn Exeter Central St Davids hotel
- 4 Premier Inn Exeter City Centre hotel
- 5 Holiday Inn Express Exeter - City Centre



3.5 Very good
●●●●○ 891 reviews

#21 of 23 hotels in Exeter



“Perfectly Organised End of Season Dinner” – May 2024



Perfectly Organised End of Season Dinner

We had an excellent experience at the Mercure Rougemont in Exeter for our hockey club end of season dinner.

With 130 attendees, the whole event was run perfectly.

Massive thanks to Jodie who was brilliant to liaise with over many months of planning.

They were let down with some staff on the night, but even with reduced staff they worked so hard to cater for us smoothly and on time.

It was also the best price I found around Exeter for a dinner event this size.

“Impressive Rooms and Enjoyable Stay” – May 2024



Impressive rooms and enjoyable stay

Lovely hotel an impressive entrance giving a great first impression. The staff were very polite and helpful. The great large rooms with a very comfy bed . Breakfast could have been a bit better as no fried eggs . But all in all a good weekend stay there

“Home From Home” – May 2024



Home from home

I've stayed here many times, a warm friendly welcome every time and always looked after very well.

The location is perfect for the city centre and trips by train into Devon and Cornwall.

The Rougemont Hotel os the grand old lady of Exeter. Perfect!

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£75.6** and a RevPAR index of **119.3%**, following the institution of a more focused revenue management and sales strategy.

■ General: Schulte is underwriting the asset to remain as Mercure

- Index has fallen by **-11.7%** YoY from **112.3%** in '22A to **100.6%** in '23A.
- The decline in performance from '23A to '22A appears to be a function of revenue management strategies and less so on branding (as evidenced by the **112.3%** RevIndex in '22A, and branded comp data we have been able to source).
 - Holiday Inn Express Exeter City Centre – **76.7%** occ / **£64.5** ADR (2019) = **£49.4** RevPAR – which is lower vs. the Mercure Exeter.
- Revenue Management / Sales Induced Decline:
 - The asset ran **80 less days** with occupancy **>90%** in '23A vs. prior year and **13 more days** with occupancy **<=70%**, a significant deviation from the comp set, which generated **nine more days** with occupancy **>90%**, vs. prior year and a comparable # of days YoY with occupancy levels **<=70%**.
 - Even with lower occupancies YoY (subject hotel occupancy fell from **83.6%** to **77.9%** while the comp set increased occupancy from **81.0%** to **81.5%**), the hotel's ADR fell from **£79.7** to **£76.8**, while the comp set held rate).
- It's unlikely that the sudden drop is all related to a needed renovation – given the other assets in the set don't appear to have been renovated recently, and SEG believes the recent lower indexes are due to a lack of revenue / sales focus.
 - **Of note, the asset was ranked 1/6 in the comp set in '19A, and '22A, and fell to 4/6 in '23A**

■ OccIndex: Schulte is underwriting a stabilized MPI of 103.1% in 2025

- SEG believes the asset should be performing at the top of the index vs. the comp set and is u/w the asset to return back to / surpass historical index levels towards the mid-teens.
- In particular, SEG believes the asset should be able to command occupancy premiums vs. the set give its high product quality relative to the comp set, and also given the hotel's location near Rougemont Gardens (**across from the hotel**), the Exeter Castle (**six minute walk**), and the Exeter Cathedral (**five-minute walk**).

■ ADR Index: Schulte is underwriting a stabilised ARI of 115.8% in 2025

- Similar to OccIndex, SEG believes the asset should be running an ARI premium vs. the comp set.
- SEG believes the asset should be driving ARI premiums in excess of historical levels, and closer to **~116%** vs. the set in particular given the hotel's high product quality relative to the set and great location.
- The asset has significant meeting room space, and is a popular wedding destination given its location near to demand drivers, and scenic surroundings, in particular the Rougemont Gardens, Exeter Cathedral, and Exeter Castle. SEG believes there is opportunity to better yield ADRs at the asset especially given the asset's lower key count at **98 keys**.

■ Market Growth:

- Comp set occ increased from **81.0%** in '22A to **81.5%** in '23A. CS occupancies have fallen YTD 5/24 at **73.7%** vs. STLY at **75.3%**.
- Comp set ADRs remained in-line from '22A to '23A at **~£73.0**, but have improved slightly YTD at **£64.7** vs. STLY at **£62.7**.

REVPAR UNDERWRITING

5

The Mercure Exeter Rougemont's RevIndex fell from 112.3% in '22A to 100.6% in '23A, despite having a great location, and a high product quality vs. the rest of the comp set.

| EXETER ROUGEMONT | | | | | | | | | | | |
|------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 83.4% | 86.6% | 83.6% | 77.9% | 75.3% | 73.7% | 85.5% | 87.1% | 87.1% | 87.1% | 87.1% |
| Comp Set | 85.4% | 82.1% | 81.0% | 81.5% | 77.4% | 72.6% | 83.0% | 84.5% | 84.5% | 84.5% | 84.5% |
| Rank | | 1 of 6 | 2 of 6 | 6 of 6 | | 3 of 6 | | | | | |
| Index | 97.8% | 105.4% | 103.1% | 95.6% | 97.3% | 101.5% | 103.1% | 103.1% | 103.1% | 103.1% | 103.1% |
| | | | | | | | | | | | |
| ADR | | | | | | | | | | | |
| Subject | 77.0 | 73.4 | 79.7 | 76.8 | 65.1 | 69.2 | 88.3 | 90.1 | 91.9 | 93.8 | 95.6 |
| Comp Set | 64.8 | 64.6 | 73.2 | 73.0 | 62.7 | 64.7 | 76.3 | 77.8 | 79.4 | 81.0 | 82.6 |
| Rank | | 1 of 6 | 2 of 6 | 2 of 6 | | 2 of 6 | | | | | |
| Index | 118.9% | 113.7% | 108.9% | 105.2% | 103.8% | 107.0% | 115.8% | 115.8% | 115.8% | 115.8% | 115.8% |
| | | | | | | | | | | | |
| RevPAR | | | | | | | | | | | |
| Subject | 64.3 | 63.5 | 66.6 | 59.8 | 49.0 | 51.0 | 75.6 | 78.5 | 80.1 | 81.7 | 83.3 |
| Comp Set | 55.3 | 53.0 | 59.3 | 59.5 | 48.5 | 47.0 | 63.3 | 65.8 | 67.1 | 68.4 | 69.8 |
| Rank | | 1 of 6 | 1 of 6 | 4 of 6 | | 1 of 6 | | | | | |
| Index | 116.2% | 119.8% | 112.3% | 100.6% | 101.0% | 108.6% | 119.3% | 119.3% | 119.3% | 119.3% | 119.3% |

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Exeter Rougemont | 98 | Jan-1876 |
| Holiday Inn Express Exeter East | 149 | Jun-97 |
| Leonardo Hotel Exeter | 170 | Jun-09 |
| Premier Inn Exeter Central St David's | 102 | Mar-11 |
| Premier Inn Exeter City Centre | 120 | Jan-16 |
| Holiday Inn Express Exeter City Centre | 103 | May-19 |

SEG believes the asset should be performing at RevIndex levels in excess of historical indexes given the solid location near to several demand generators, product quality, and meeting facilities (asset is popular location for weddings).

Exeter Cathedral is a six-minute walk from the property.



EXETER ROUGEMONT 5-YEAR P&L

5

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 85.5% | | | 87.1% | | | 87.1% | | | 87.1% | | | 87.1% | | |
| Average Daily Rate (ADR) | 88.3 | | | 90.1 | | | 91.9 | | | 93.8 | | | 95.6 | | |
| RevPAR | 75.6 | | | 78.5 | | | 80.1 | | | 81.7 | | | 83.3 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 2,703 | 67.2% | 88 | 2,807 | 67.2% | 90 | 2,863 | 67.2% | 92 | 2,929 | 67.2% | 94 | 2,979 | 67.2% | 96 |
| F&B Revenue | 1,217 | 30.2% | 40 | 1,263 | 30.2% | 41 | 1,289 | 30.2% | 41 | 1,318 | 30.2% | 42 | 1,341 | 30.2% | 43 |
| Other/Misc Revenue | 104 | 2.6% | 3 | 107 | 2.6% | 3 | 110 | 2.6% | 4 | 112 | 2.6% | 4 | 114 | 2.6% | 4 |
| Total Revenue | 4,024 | 100.0% | 131 | 4,178 | 100.0% | 134 | 4,262 | 100.0% | 137 | 4,359 | 100.0% | 140 | 4,434 | 100.0% | 142 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 934 | 34.6% | 31 | 967 | 34.4% | 31 | 986 | 34.4% | 32 | 1,008 | 34.4% | 32 | 1,026 | 34.4% | 33 |
| F&B Expense | 795 | 65.4% | 26 | 826 | 65.4% | 27 | 842 | 65.4% | 27 | 861 | 65.4% | 28 | 876 | 65.4% | 28 |
| Other/Misc Expense | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Total Departmental Exp | 1,729 | 43.0% | 57 | 1,792 | 42.9% | 58 | 1,828 | 42.9% | 59 | 1,870 | 42.9% | 60 | 1,902 | 42.9% | 61 |
| Total Dept Profit | 2,294 | 57.0% | 75 | 2,386 | 57.1% | 77 | 2,433 | 57.1% | 78 | 2,489 | 57.1% | 80 | 2,532 | 57.1% | 81 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 178 | 4.4% | 6 | 182 | 4.3% | 6 | 185 | 4.3% | 6 | 189 | 4.3% | 6 | 193 | 4.3% | 6 |
| Credit Card Commissions | 52 | 1.3% | 2 | 54 | 1.3% | 2 | 55 | 1.3% | 2 | 57 | 1.3% | 2 | 58 | 1.3% | 2 |
| Info & Telecommunications | 110 | 2.7% | 4 | 113 | 2.7% | 4 | 115 | 2.7% | 4 | 117 | 2.7% | 4 | 120 | 2.7% | 4 |
| Sales & Marketing | 116 | 2.9% | 4 | 118 | 2.8% | 4 | 120 | 2.8% | 4 | 123 | 2.8% | 4 | 125 | 2.8% | 4 |
| Franchise Fees | 162 | 6.0% | 5 | 168 | 6.0% | 5 | 172 | 6.0% | 6 | 176 | 6.0% | 6 | 179 | 6.0% | 6 |
| Repairs & Maintenance | 123 | 3.1% | 4 | 127 | 3.1% | 4 | 130 | 3.1% | 4 | 133 | 3.1% | 4 | 135 | 3.1% | 4 |
| Utilities | 376 | 9.4% | 12 | 391 | 9.4% | 13 | 399 | 9.4% | 13 | 408 | 9.4% | 13 | 415 | 9.4% | 13 |
| Total Undistributed Exp | 1,118 | 27.8% | 37 | 1,153 | 27.6% | 37 | 1,176 | 27.6% | 38 | 1,202 | 27.6% | 38 | 1,224 | 27.6% | 39 |
| Gross Operating Profit | 1,176 | 29.2% | 38 | 1,232 | 29.5% | 40 | 1,257 | 29.5% | 40 | 1,287 | 29.5% | 41 | 1,308 | 29.5% | 42 |





6

**EXETER
SOUTHGATE
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 18 | |
| Rooms to | 36 | 154 |

| Food & Beverage | Seats |
|----------------------|-------|
| The Gate House | 100 |
| Lounge Bar & Terrace | 25 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 178 | 120 |
| 14 Meeting Rooms | 281 | |
| Total | 459 | |

| Other |
|-----------------|
| 15m Indoor Pool |
| Fitness |

Description

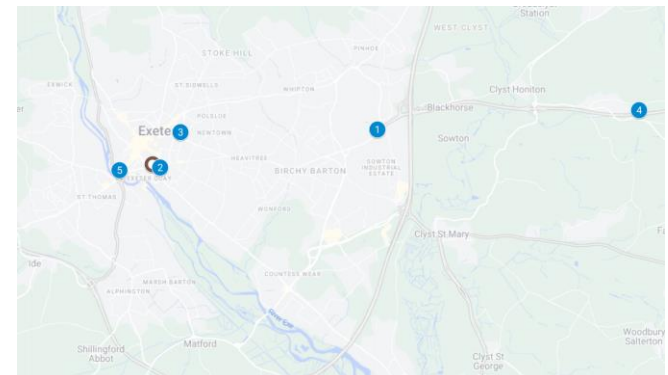
- The Mercure Exeter Southgate Hotel is a 4-star hotel located in the heart of Exeter, close to attractions like Exeter Cathedral, Exeter Quay, and the Underground Passages.
- The hotel offers amenities such as an indoor swimming pool, sauna, jacuzzi, fitness center, on-site parking, and the Gate House Restaurant.
- It is within a 10-minute walk of Exeter Central Rail Station and the shops/restaurants in the city center, making it an ideal location for both leisure and business travelers.

Schulte Business Plan

- Asset does not look to have been recently renovated, however online reviews are mostly positive, and the hotel looks to be in good condition.
- Tripadvisor reviews (see overleaf) confirm this with guests complimenting location, cleanliness and service, although the asset ranks 18 out of 23 hotels in Exeter, which is low.
- As of 2023, the asset ranked **3 out of 6 hotels** in the comp set in terms of RevPAR.
- **Recommendation:** Schulte would recommend that this asset could benefit from a rebranding. There is a lot of interest from the brands and it would enable the asset to retain its ADR index with better brand distribution.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **81 days** with **<=70.0%** occupancy, which is **+40 days** more than the comp set.
- **Existing Rate Strategy Gap:** The asset's RevIndex at occupancies **<=70%** was **89.9%** vs. **105.8%** for the overall year.

Competitive Set

- 1 Holiday Inn Express Exeter East
- 2 Hotel du Vin Exeter
- 3 Leonardo Hotel Exeter
- 4 Hampton by Hilton Exeter Airport
- 5 Holiday Inn Express Exeter - City Centre



4.0 Very good
●●●●○ 3,130 reviews

#18 of 23 hotels in Exeter



"The Best Hotel in Exeter" – April 2024



The Best Hotel in Exeter!

From the moment we arrived until departure, this hotel exceeded our expectations on every level!

The reception has an almost luxurious appearance, yet the coal effect fire and comfy seating immediately presented a 'homely' and welcoming feel to the hotel. I loved the "Hydration Station"!

The room was spacious, with a huge TV and THE most comfy hotel bed I've ever slept in! I could not have asked for more!

The only negative thing about my stay was the price of a pint at the hotel bar - £8! Still, with a Wetherspoons just around the corner, this 'issue' was soon overcome!

Book this hotel with confidence. You won't be disappointed!

"Excellent Hotel Within Walking Distance of City Centre and Cathedral" – April 2024



Excellent hotel within walking distance of city centre and cathedral

I enjoyed an excellent 2 night stay in this hotel in Exeter. It's about 25 mins walk from St David's station or a short taxi ride. Easy walking distance to the cathedral area or city centre shopping area. The staff were very friendly and super helpful. I needed to get a document printed and it was simple c/o reception staff - thank you so much, a great help! Breakfast was fine, usual selection of hot & cold buffet foods including some continental options. The bar area is older style (welcomed) and relaxing. The entrance is opposite to the side facing the large roundabout - took me a while to find it. The room (privilege) was great, lots of space, a proper desk, walk in shower and clean. Decor in good shape, windows overlooking trees and it was super quiet at night. All in all a great place for a short stay, highly recommended.

"Thank You Martyn!" – April 2024



Thank you Martyn!

Stayed here as a family of 3 and the hotel was well equipped for families and the egg hunt was a nice touch. I wanted to mentioned Martyn at the front desk, as he has brilliant customer service and made our trip memorable. Thank you very much, you are a star and a credit to the hotel!

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£85.5** and a RevPAR index of **121.5%**.

- **General:** Asset does not look to have been recently renovated, however online reviews are mostly positive, and the hotel looks to be in good condition.
 - RevPAR index has fallen from **121.5%** in 2018, to **123.0%** in 2019, to **105.8%** in 2023, a difference in index of **-15.6%** for 2023 vs. 2018.
 - This decline in RevIndex is largely ADR driven, where ADRI has fallen **-10.0%**, and OccI has fallen **-5.1%** for the same time period.
 - During this period it is important to note that the Jury's Inn hotel in the competitive set rebranded to Leonardo Hotel Exeter, which may have had some impact on the RevIndex performance.
 - On a YTD May'24 basis, the asset has seen a degradation of RevIndex by **-11.0%**, split evenly between occ and ADR.
 - **Revenue Management Opportunity:**
 - RevPAR decline appears to be driven by a less-focused revenue management strategy, with performance YTD May'24 also deteriorating in terms of occupancy and ADR.
 - The Mercure Exeter Southgate saw an increase in low occupancy days in 2023, with **40 more days** with **<=70%** occupancy in '23A than the comp set vs. **8 less days** than the comp set in '22A.
 - Additionally, the asset's RevIndex at occupancies **<=70%** was **89.9%** vs. **105.8%** for the overall year.
- **OccIndex: Schulte is underwriting a stabilized MPI of 103.0% in 2026**
 - Exeter is a market that runs with high occupancies, in 2023 comp set occupancy was in-line 2018/19 performance.
 - There has been some new supply in the market with the Hotel Indigo (104 keys) opening in Dec-2022, however this does not seem to have impacted 2023 performance. Pipeline projects are minimal, with the majority of them currently deferred.
 - The property currently runs 4 out of 6 in terms of occupancy, down from 3 out of 6 in 2019.
 - SEG would seek to limit occupancy upside towards levels in-line with set – given the potential for significant rate upside.
 - In '23A, the asset ran **81 days** with **<70.0%** occupancy, which is **+40 days** than the comp set implying occupancy upside through a more focused occupancy strategy on lower volume days.
- **ADRIndex: Schulte is underwriting a stabilised ARI of 118.0% in 2026**
 - SEG believes there is significant rate upside at the asset post-conversion, and SEG would seek to drive ADR upside by:
 - **Increasing rate on lower occupancy days**
 - On days when occupancy was **<70.0%** - the asset's RevIndex was **89.9%** (vs. **112.4%** for '22A).
 - In our experience, lowering ADR on low occ days more often than not – does not induce higher demand.
 - Further, the ability to yield lower occ days would also be aided through a brand conversion – that would drive more traffic to the hotel on lower volume days.

REVPAR UNDERWRITING

6

■ Market Growth:

- Comp set occ increased from **75.8%** in '22A to **85.2%** in '23A (+9pts). Occupancies have fallen YTD 5/24 from **78.9%** YTD vs. **80.4%** STLY.
- Comp set ADRs increased from **£79** to **£80** from '22A to '23A, whilst YTD 5/24 has remained flat.

■ Alternative branding:

- This property has a lot of interest from the brands, with Crowne Plaza being suggested from IHG and DoubleTree and Graduate from Hilton.
- The Mercure has **7 meeting rooms** across c. 460sqm of space, with the largest room able to hold up to 120 people banquet style, and this should support occupancy and rate even outside of heavy group-business days. With a stronger brand distribution, we believe that the asset can improve ADR and occupancy index vs. the competitive set.
- There is an opportunity for RevPAR improvement – both with a focused revenue strategy, and also through a renovation and conversion – which will provide a strong distribution network from which to source additional group business / and yield transient nights more effectively.

| EXETER SOUTHGATE | | | | | | | | | | | |
|------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 85.5% | 87.1% | 80.1% | 80.1% | 80.4% | 74.2% | 83.4% | 85.9% | 85.9% | 85.9% | 85.9% |
| Comp Set | 86.3% | 84.3% | 75.8% | 85.2% | 80.7% | 78.9% | 83.4% | 83.4% | 83.4% | 83.4% | 83.4% |
| Rank | - | 3 of 6 | 3 of 6 | 4 of 6 | - | 3 of 6 | | | | | |
| Index | 99.1% | 103.3% | 105.6% | 94.0% | 99.7% | 94.1% | 100.0% | 103.0% | 103.0% | 103.0% | 103.0% |
| ADR | | | | | | | | | | | |
| Subject | 87.1 | 83.9 | 89.6 | 90.0 | 81.6 | 78.5 | 92.7 | 99.6 | 101.6 | 103.6 | 105.7 |
| Comp Set | 71.0 | 70.5 | 79.4 | 79.9 | 71.7 | 72.1 | 82.7 | 84.4 | 86.1 | 87.8 | 89.6 |
| Rank | - | 2 of 6 | 2 of 6 | 2 of 6 | - | 2 of 6 | | | | | |
| Index | 122.6% | 119.0% | 112.9% | 112.5% | 113.7% | 108.8% | 112.0% | 118.0% | 118.0% | 118.0% | 118.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 74.5 | 73.1 | 71.7 | 72.1 | 65.6 | 58.2 | 77.3 | 85.5 | 87.2 | 89.0 | 90.8 |
| Comp Set | 61.3 | 59.4 | 60.2 | 68.1 | 57.9 | 56.9 | 69.0 | 70.4 | 71.8 | 73.2 | 74.7 |
| Rank | - | 2 of 6 | 2 of 6 | 3 of 6 | - | 3 of 6 | | | | | |
| Index | 121.5% | 123.0% | 119.2% | 105.8% | 113.4% | 102.3% | 112.0% | 121.5% | 121.5% | 121.5% | 121.5% |

Comp Set RevPAR has increased by 13% from '22A to '23A, but has decreased by -2% May '24 YTD vs. STLY.

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Exeter Southgate | 156 | Sep-89 |
| Holiday Inn Express Exeter East | 149 | Jun-97 |
| Hotel du Vin Exeter | 60 | Jan-01 |
| Leonardo Hotel Exeter | 170 | Jun-09 |
| Hampton by Hilton Exeter Airport | 160 | Apr-13 |
| Holiday Inn Express Exeter City Centre | 103 | May-19 |

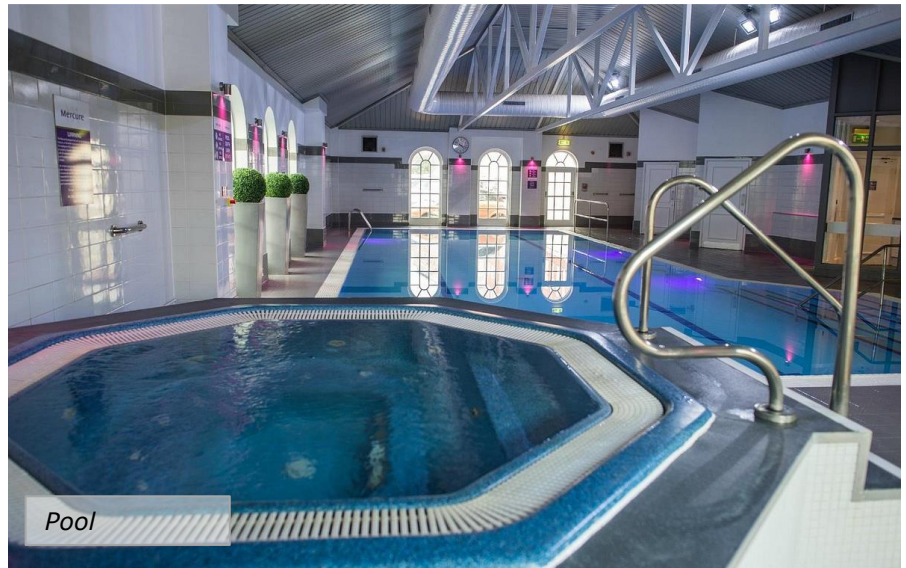
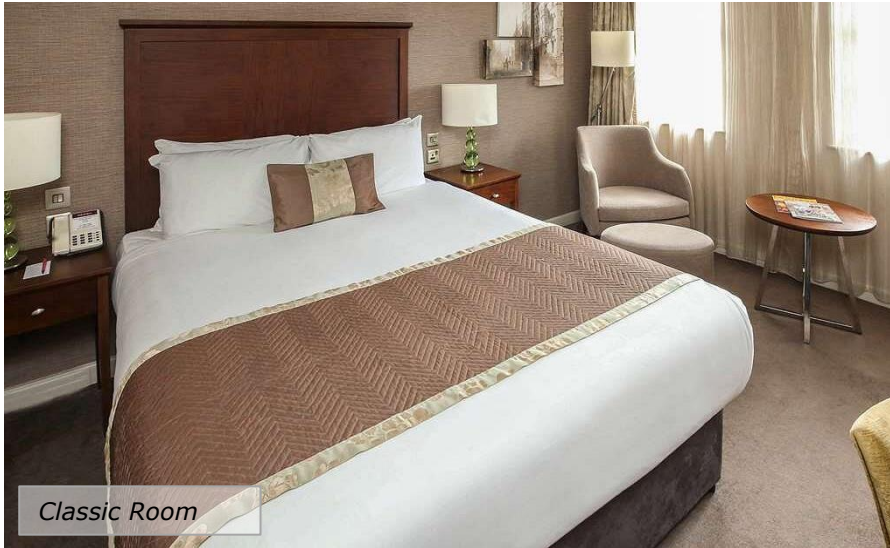
Moving forward we forecast that this year will end with occupancy down -2% in the comp set, and ADR+1%, with an inflationary growth going forward of 2.5% in 2025, and 2% p.a. thereafter.

SEG believes the asset's RevPAR index will increase from 105.8% in '23A towards ~121.5% at stabilisation.

EXETER SOUTHGATE 5-YEAR P&L

6

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 83.4% | | | 85.9% | | | 85.9% | | | 85.9% | | | 85.9% | | |
| Average Daily Rate (ADR) | 92.7 | | | 99.6 | | | 101.6 | | | 103.6 | | | 105.7 | | |
| RevPAR | 77.3 | | | 85.5 | | | 87.2 | | | 89.0 | | | 90.8 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 4,399 | 65.5% | 93 | 4,869 | 66.6% | 100 | 4,967 | 66.6% | 102 | 5,080 | 66.6% | 104 | 5,167 | 66.6% | 106 |
| F&B Revenue | 1,882 | 28.0% | 40 | 1,978 | 27.1% | 40 | 2,017 | 27.1% | 41 | 2,063 | 27.1% | 42 | 2,099 | 27.1% | 43 |
| Spa Revenue | 192 | 2.9% | 4 | 202 | 2.8% | 4 | 206 | 2.8% | 4 | 211 | 2.8% | 4 | 215 | 2.8% | 4 |
| Other/Misc Revenue | 246 | 3.7% | 5 | 259 | 3.5% | 5 | 264 | 3.5% | 5 | 270 | 3.5% | 6 | 274 | 3.5% | 6 |
| Total Revenue | 6,720 | 100.0% | 142 | 7,308 | 100.0% | 149 | 7,454 | 100.0% | 152 | 7,624 | 100.0% | 156 | 7,755 | 100.0% | 159 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,484 | 33.7% | 31 | 1,567 | 32.2% | 32 | 1,599 | 32.2% | 33 | 1,634 | 32.2% | 33 | 1,663 | 32.2% | 34 |
| F&B Expense | 1,142 | 60.7% | 24 | 1,200 | 60.7% | 25 | 1,224 | 60.7% | 25 | 1,251 | 60.7% | 26 | 1,273 | 60.7% | 26 |
| Spa Expense | 115 | 60.0% | 2 | 121 | 60.0% | 2 | 124 | 60.0% | 3 | 127 | 60.0% | 3 | 129 | 60.0% | 3 |
| Other/Misc Expense | 86 | 35.0% | 2 | 90 | 35.0% | 2 | 92 | 35.0% | 2 | 94 | 35.0% | 2 | 96 | 35.0% | 2 |
| Total Departmental Exp | 2,827 | 42.1% | 60 | 2,979 | 40.8% | 61 | 3,038 | 40.8% | 62 | 3,106 | 40.7% | 63 | 3,161 | 40.8% | 65 |
| Total Dept Profit | 3,893 | 57.9% | 82 | 4,329 | 59.2% | 89 | 4,416 | 59.2% | 90 | 4,518 | 59.3% | 92 | 4,594 | 59.2% | 94 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 343 | 5.1% | 7 | 350 | 4.8% | 7 | 357 | 4.8% | 7 | 364 | 4.8% | 7 | 372 | 4.8% | 8 |
| Credit Card Commissions | 87 | 1.3% | 2 | 95 | 1.3% | 2 | 97 | 1.3% | 2 | 99 | 1.3% | 2 | 101 | 1.3% | 2 |
| Info & Telecommunications | 160 | 2.4% | 3 | 163 | 2.2% | 3 | 166 | 2.2% | 3 | 170 | 2.2% | 3 | 173 | 2.2% | 4 |
| Sales & Marketing | 322 | 4.8% | 7 | 329 | 4.5% | 7 | 335 | 4.5% | 7 | 342 | 4.5% | 7 | 349 | 4.5% | 7 |
| Franchise Fees | 339 | 7.7% | 7 | 371 | 7.6% | 8 | 379 | 7.6% | 8 | 387 | 7.6% | 8 | 394 | 7.6% | 8 |
| Repairs & Maintenance | 202 | 3.0% | 4 | 212 | 2.9% | 4 | 216 | 2.9% | 4 | 221 | 2.9% | 5 | 225 | 2.9% | 5 |
| Utilities | 511 | 7.6% | 11 | 537 | 7.3% | 11 | 547 | 7.3% | 11 | 560 | 7.3% | 11 | 570 | 7.3% | 12 |
| Total Undistributed Exp | 1,965 | 29.2% | 41 | 2,057 | 28.1% | 42 | 2,098 | 28.1% | 43 | 2,144 | 28.1% | 44 | 2,183 | 28.1% | 45 |
| Gross Operating Profit | 1,929 | 28.7% | 41 | 2,272 | 31.1% | 46 | 2,318 | 31.1% | 47 | 2,374 | 31.1% | 48 | 2,411 | 31.1% | 49 |





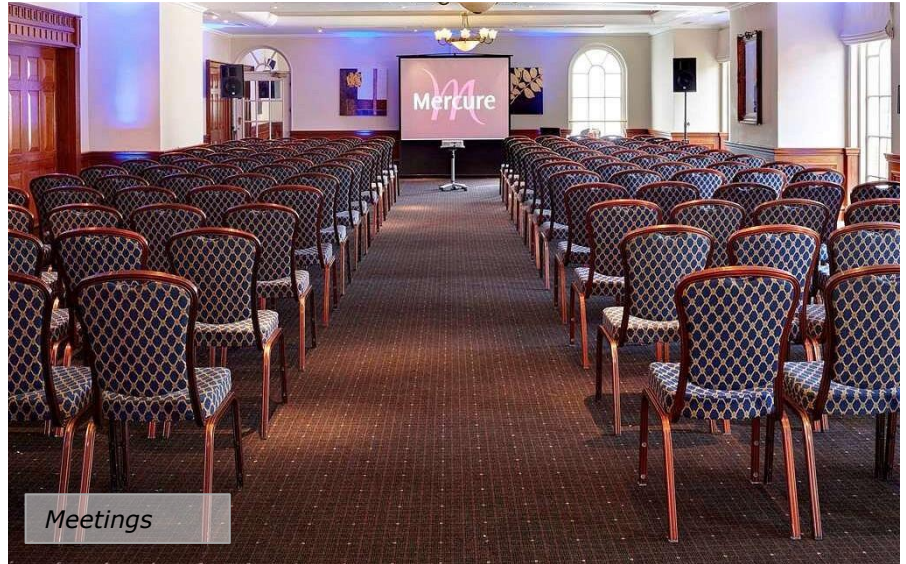
Fitness



Bar Lounge



Weddings



Meetings

7

IBIS STYLES MANCHESTER ASSET REVIEW





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 16 | 229 |
| Rooms to | 20 | |

| Food & Beverage | Seats |
|---------------------|-------|
| Jamboree Restaurant | 96 |

| Meeting & Events | SQM | Seats |
|------------------|-----|-------|
| - | - | - |

| Other | SQM | Seats |
|-------|-----|-------|
| - | - | - |

Description

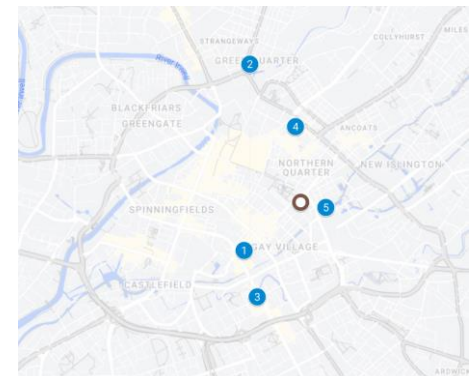
- Situated in the heart of Manchester city center, just a 7-minute walk from Manchester Piccadilly train station and near Piccadilly Gardens.
- On-site amenities include the Jamboree Foodfest & Bar restaurant serving international cuisine, a fitness center, and meeting rooms.
- Within walking distance of top attractions like Manchester Town Hall, Chinatown, the Arndale shopping center, and the Science and Industry Museum.
- The hotel captures the strong corporate and leisure demand in the surrounding area, generated by a large corporate presence and a large number of visitors to the area.
- Rebranded to Ibis Styles in 2017, the hotel underwent a £5.2m refurbishment, including all 204 rooms, plus 25 new rooms, corridors, stairwells, toilets, lobby and FOH offices.

Schulte Business Plan

- SEG would seek to increase the asset's occupancy and ADR index levels back to historical peaks seen in '19A.
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **148 days** with **<70.0%** occupancy, which is **+49 days** than the comp set.
- **Existing Rate Strategy Gap:** SEG notes that the asset only saw a **+0.8%** improvement in RevIndex on days with **95.0%** occ vs. days with a **90.0%** occ.

Competitive Set

- 1 Premier Inn Manchester City Centre
- 2 Park Inn by Radisson Manchester City Centre
- 3 Holiday Inn Express Manchester Cc - Oxford...
- 4 Holiday Inn Express Manchester City Centre ...
- 5 Premier Inn Manchester City (Piccadilly) hotel



3.5 Very good
●●●●○ 1,633 reviews

#82 of 126 hotels in Manchester



"Pleasant Stay in this Quirkily Decorated Hotel" – May 2024



Pleasant stay in this quirkily decorated hotel

Overnight stay in this quirkily decorated hotel had everything we needed. Very well located just north of Piccadilly Gardens and easy walking distance from Piccadilly Railway Station. The staff were pleasant and helpful. The room was on the small side but contained everything necessary. Good shower and toiletries. We had a small meal in the hotel car/ restaurant which was perfectly fine and did a great mojito cocktail ! Stored our luggage after check out until late at night after a show. Didn't have breakfast there as we were going out for brunch.

"Okay for 1 Night, Would Look for Alternative Next Time..." – May 2024



Okay for 1 night, would look for alternative next time...

A hotel in a good location. Not the best night sleep, only given 1 thin pillow and was told they don't keep extra when asking for another at the desk. Also ear plugs are a need unless you want to hear the rest of the corridors conversations as walls a super thin. The room and bathroom were clean even if the latter was on the small side, and lacking usable space. I'm sure you could find better for the price.

"5 Stars From Me" – April 2024



5 stars from me 👍

Staff are lovely food was BEAUTIFUL
So kind and very calm atmosphere
Highly recommend , gentlemen at bar was ace , made perfect cocktails and made me and family very comfortable
Great place and near to station as not originally from here
Awesome trip , many thanks to the team

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£72.3** and a RevPAR index of **101.5%**

■ **General: Schulte is underwriting the asset to surpass historical '22A / '23A RGI levels of 96.2% / 85.6% through a more focused revenue and sales strategy that will see the asset climbing towards index levels closer to ~101.5%+ remaining Mercure branded. Additionally, SEG believes there could be additional upside from re-branding to a stronger brand family.**

- The asset's RevPAR index has fallen from **96.2%** in '22A to **85.6%** in '23A (**-10.6%** decline YoY).
- RevIndex decline was driven by an occ index drop from **107.9%** to **96.4%** YoY, and ADR index fall from **89.2%** to **88.8%** YoY.
 - The Manchester Ibis had **49 more days** with **<=70%** occupancy in '23A than the comp set vs. **39 less days** vs. the set in '22A.
 - Additionally, the asset's RevIndex at occupancies **<=70%** was **71.5%** vs. **85.6%** for the overall year '23A. The **71.5%** '23A index at occupancies **<70.0%** is also lower vs. the similar **85.6%** RevIndex the asset ran for **<=70%** occupancies in '22A.

■ **OccIndex: Schulte is underwriting a stabilized MPI of 102.8% in 2025**

- As a branded asset, the hotel will have access to a wider distribution network, and be able to generate occupancies higher than / in-line with the comp set.
- SEG would seek to limit occupancy upside towards levels in-line with set – given the potential for significant rate upside:
 - In '23A, the asset ran **148 days** with **<=70.0%** occupancy, which is **+49 days** than the comp set implying significant occupancy upside through a more focused occupancy strategy on lower volume days, and also through a strong distribution system.

■ **ADRIndex: Schulte is underwriting a stabilised ARI of 98.8% in 2025**

- SEG believes there is significant rate upside at the asset post-conversion, and SEG would seek to drive ADR upside by:
 - **Increasing rate on lower occupancy days**
 - On days when occupancy was **<=70.0%** - the asset's RevIndex was **71.5%** (vs. **85.6%** for '23A).
 - **Yielding out both low / high occupancy days at more elevated rates**
 - SEG notes that only a **+0.8%** improvement in RevIndex on days with **95.0%** occupancy vs. days with a **90.0%** occupancy.
 - On days when occupancy was **>90.0%** - the asset's RevIndex was **93.0%**.
 - On days when occupancy was **>95.0%** - the asset's RevIndex was **93.8%**.

■ **Market Growth:**

- Comp set occ increased from **72.3%** in '22A to **77.8%** in '23A. Occupancies have increased YTD 5/24 from **73.9%** YTD to **75.6%** STLY.
- Comp set ADRs increased from **£74.9** to **£84.0** from '22A to '23A, and are in-line 5/24 YTD vs. STLY at **~£77.0**.

REVPAR UNDERWRITING

7

The Ibis Styles Manchester Hotel's RevIndex fell from 96.2% in '22A to 85.6% in '23A. SEG believes there would be significant upside with a re-brand of the asset into a stronger brand distribution system.

| IBIS STYLES MANCHESTER | | | | | | | | | | | |
|------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 81.8% | 84.4% | 78.0% | 75.1% | 71.3% | 77.5% | 84.1% | 85.1% | 85.1% | 85.1% | 85.1% |
| Comp Set | 79.2% | 82.7% | 72.3% | 77.8% | 73.9% | 75.6% | 81.8% | 82.8% | 82.8% | 82.8% | 82.8% |
| Rank | | 3 of 6 | 4 of 6 | 4 of 6 | | 4 of 6 | | | | | |
| Index | 103.3% | 102.1% | 107.9% | 96.4% | 96.6% | 102.5% | 102.8% | 102.8% | 102.8% | 102.8% | 102.8% |
| ADR | | | | | | | | | | | |
| Subject | 69.4 | 69.7 | 66.8 | 74.6 | 68.2 | 65.6 | 85.9 | 87.6 | 89.4 | 91.2 | 93.0 |
| Comp Set | 70.3 | 68.6 | 74.9 | 84.0 | 77.6 | 77.1 | 87.0 | 88.7 | 90.5 | 92.3 | 94.2 |
| Rank | | 3 of 6 | 5 of 6 | 6 of 6 | | 6 of 6 | | | | | |
| Index | 98.7% | 101.5% | 89.2% | 88.8% | 87.8% | 85.1% | 98.8% | 98.8% | 98.8% | 98.8% | 98.8% |
| RevPAR | | | | | | | | | | | |
| Subject | 56.7 | 58.9 | 52.1 | 56.0 | 48.6 | 50.9 | 72.3 | 74.6 | 76.1 | 77.6 | 79.2 |
| Comp Set | 55.7 | 56.8 | 54.2 | 65.4 | 57.3 | 58.3 | 71.2 | 73.5 | 75.0 | 76.5 | 78.0 |
| Rank | | 3 of 6 | 4 of 6 | 6 of 6 | | 5 of 6 | | | | | |
| Index | 101.9% | 103.6% | 96.2% | 85.6% | 84.8% | 87.2% | 101.5% | 101.5% | 101.5% | 101.5% | 101.5% |

Comp Set RevPAR has increased by +11.2 / +20.7% from '22A to '23A, and by +£1.0 / +1.7% 5/24 YTD

| Comp Set | Keys | Open Date |
|---|------|-----------|
| Ibis Styles Manchester | 229 | Jan-73 |
| Premier Inn Manchester City Centre Portland Street | 233 | Jan-01 |
| Park Inn by Radisson Manchester City Centre | 252 | Jun-09 |
| Holiday Inn Express Manchester City Centre Oxford I | 147 | Jul-10 |
| Holiday Inn Express Manchester City Centre Arena | 192 | Sep-11 |
| Premier Inn Manchester City Centre Picadilly | 193 | Oct-12 |

SEG is projecting continued RevPAR growth over the next few years driven by both occupancy and ADR increases as the Manchester market returns back towards low-to-mid 80% occupancies.

MANCHESTER 5-YEAR P&L

7

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------|-------|---|-----|-------|---|-----|-------|---|-----|-------|---|-----|-------|---|-----|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 84.1% | | | 85.1% | | | 85.1% | | | 85.1% | | | 85.1% | | |
| Average Daily Rate (ADR) | 85.9 | | | 87.6 | | | 89.4 | | | 91.2 | | | 93.0 | | |
| RevPAR | 72.3 | | | 74.6 | | | 76.1 | | | 77.6 | | | 79.2 | | |

Revenue

| | | | | | | | | | | | | | | | |
|----------------------|--------------|---------------|-----------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| Rooms Revenue | 6,041 | 87.1% | 86 | 6,237 | 87.1% | 88 | 6,362 | 87.1% | 89 | 6,507 | 87.1% | 91 | 6,619 | 87.1% | 93 |
| F&B Revenue | 843 | 12.2% | 12 | 871 | 12.2% | 12 | 888 | 12.2% | 12 | 908 | 12.2% | 13 | 924 | 12.2% | 13 |
| Other/Misc Revenue | 51 | 0.7% | 1 | 53 | 0.7% | 1 | 54 | 0.7% | 1 | 55 | 0.7% | 1 | 56 | 0.7% | 1 |
| Total Revenue | 6,935 | 100.0% | 99 | 7,160 | 100.0% | 101 | 7,304 | 100.0% | 103 | 7,470 | 100.0% | 105 | 7,599 | 100.0% | 107 |

Departmental Expenses

| | | | | | | | | | | | | | | | |
|-------------------------------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|
| Rooms Expense | 1,686 | 27.9% | 24 | 1,739 | 27.9% | 24 | 1,774 | 27.9% | 25 | 1,814 | 27.9% | 25 | 1,846 | 27.9% | 26 |
| F&B Expense | 621 | 73.6% | 9 | 641 | 73.6% | 9 | 654 | 73.6% | 9 | 668 | 73.6% | 9 | 680 | 73.6% | 10 |
| Other/Misc Expense | 18 | 35.0% | 0 | 18 | 35.0% | 0 | 19 | 35.0% | 0 | 19 | 35.0% | 0 | 20 | 35.0% | 0 |
| Total Departmental Exp | 2,325 | 33.5% | 33 | 2,399 | 33.5% | 34 | 2,447 | 33.5% | 34 | 2,502 | 33.5% | 35 | 2,545 | 33.5% | 36 |
| Total Dept Profit | 4,610 | 66.5% | 66 | 4,762 | 66.5% | 67 | 4,857 | 66.5% | 68 | 4,968 | 66.5% | 70 | 5,053 | 66.5% | 71 |

Undistributed Expenses

| | | | | | | | | | | | | | | | |
|--------------------------------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|--------------|--------------|-----------|
| Administrative & General | 470 | 6.8% | 7 | 480 | 6.7% | 7 | 489 | 6.7% | 7 | 499 | 6.7% | 7 | 509 | 6.7% | 7 |
| Credit Card Commissions | 90 | 1.3% | 1 | 93 | 1.3% | 1 | 95 | 1.3% | 1 | 97 | 1.3% | 1 | 99 | 1.3% | 1 |
| Info & Telecommunications | 211 | 3.0% | 3 | 215 | 3.0% | 3 | 220 | 3.0% | 3 | 224 | 3.0% | 3 | 229 | 3.0% | 3 |
| Sales & Marketing | 535 | 7.7% | 8 | 545 | 7.6% | 8 | 556 | 7.6% | 8 | 567 | 7.6% | 8 | 579 | 7.6% | 8 |
| Franchise Fees | 362 | 6.0% | 5 | 374 | 6.0% | 5 | 382 | 6.0% | 5 | 390 | 6.0% | 5 | 397 | 6.0% | 6 |
| Repairs & Maintenance | 154 | 2.2% | 2 | 159 | 2.2% | 2 | 162 | 2.2% | 2 | 166 | 2.2% | 2 | 169 | 2.2% | 2 |
| Utilities | 649 | 9.4% | 9 | 670 | 9.4% | 9 | 683 | 9.4% | 10 | 699 | 9.4% | 10 | 711 | 9.4% | 10 |
| Total Undistributed Exp | 2,472 | 35.6% | 35 | 2,537 | 35.4% | 36 | 2,587 | 35.4% | 36 | 2,643 | 35.4% | 37 | 2,692 | 35.4% | 38 |
| Gross Operating Profit | 2,139 | 30.8% | 30 | 2,225 | 31.1% | 31 | 2,270 | 31.1% | 32 | 2,325 | 31.1% | 33 | 2,361 | 31.1% | 33 |





While SEG has not underwritten the asset as converting to a brand, SEG believes there could be further upside to performance through conversion to a stronger brand family.

■ **General:**

- Given the property's central location in Manchester, SEG believes the asset will receive strong interest from the various brand families.

■ **RevPAR Comps:**

- An increase in RevPAR as a branded asset is supported by '19 RevPAR comp data that we have been able to access from the market:
 - Holiday Inn Manchester City Centre – **86.0%** occ / **£99.2** ADR (2019) = **£85.3** RevPAR
 - Holiday Inn Express Manchester City Centre Oxford Road – **84.8%** occ / **£77.7** ADR (2019) = **£65.9** RevPAR
 - Holiday Inn Express Manchester City Arena – **86.3%** occ / **£66.9** ADR (2019) = **£57.7** RevPAR

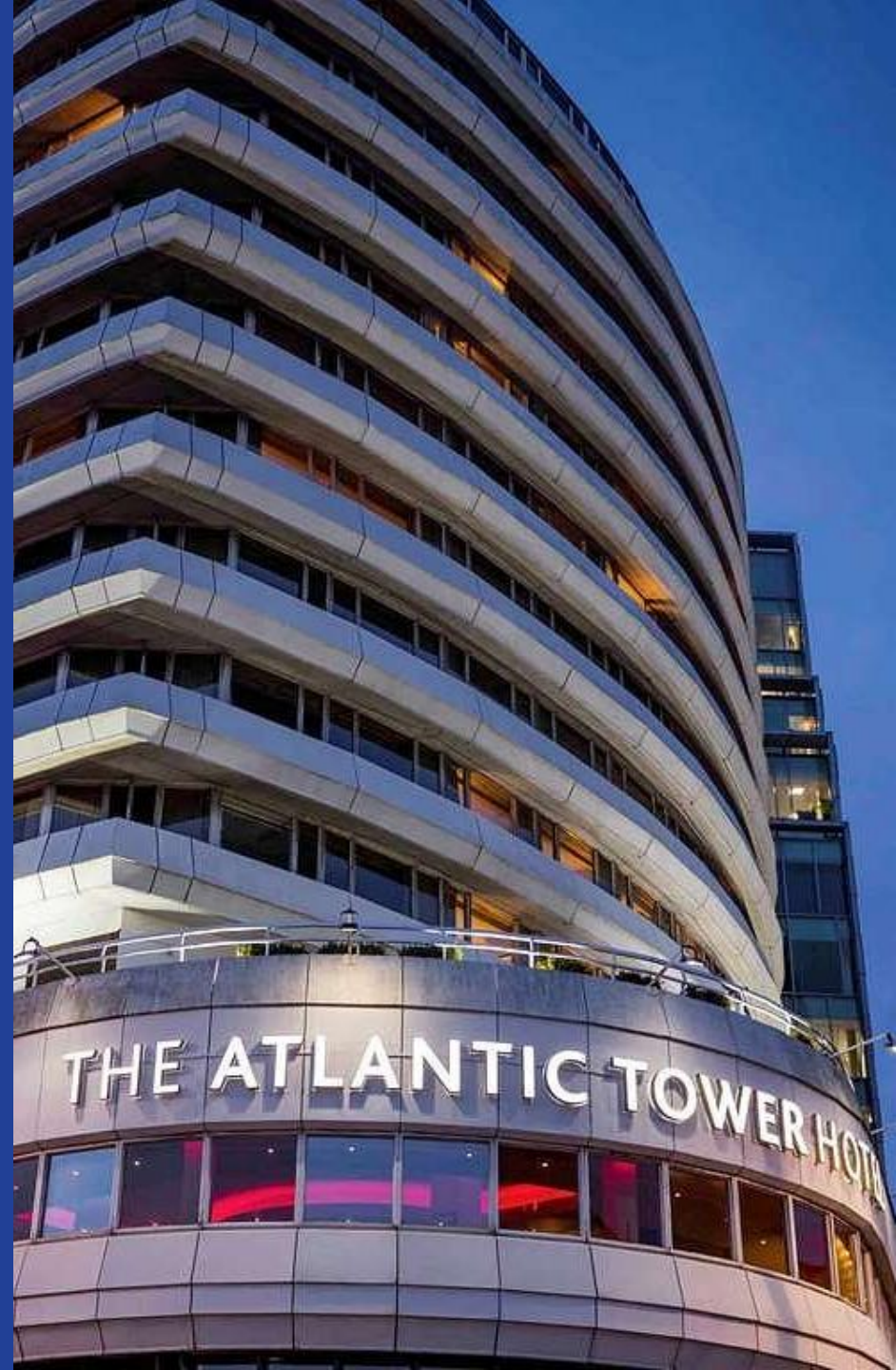
■ **Branding Considerations:**

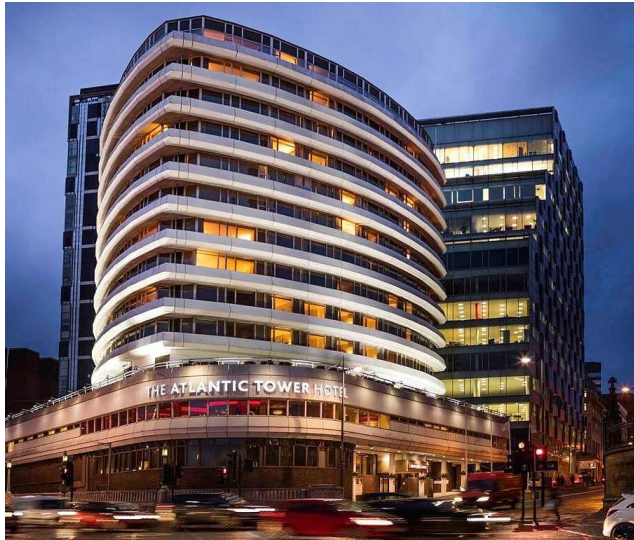
- SHG believes the asset could see RevPAR upside from re-branding to either a Four Points Express by Sheraton or a Spark pending further diligence.
- SEG believes the asset would receive significant attention from both brands, and would need to conduct an ROI analysis to assess the upside taking into account any required conversion spend



8

LIVERPOOL ATLANTIC TOWER ASSET REVIEW





Accommodation

| SQM | Rooms |
|------------|-------|
| Rooms from | 20 |
| Rooms to | 35 |
| | 225 |

Food & Beverage

| Seats |
|------------------|
| Vista Restaurant |
| Vu Bar & Terrace |
| 150 |
| 80 |

Meeting & Events

| SQM | Seats |
|-----------------|------------|
| Largest Room | 116 |
| 8 Meeting Rooms | 329 |
| Total | 445 |

Other

50 Parking Spaces

Description

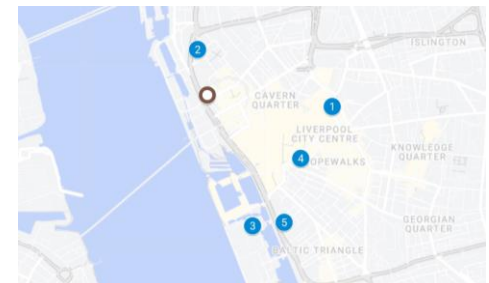
- Prime riverside position in the heart of Liverpool city centre, overlooking the dock front, situated in close proximity to the historic Pier Head and Three Graces.
- Conveniently located within a mile of Liverpool Lime Street Station, offering direct services to London, Manchester, Birmingham and other key UK cities. Also, only 9 miles from Liverpool John Lennon airport.
- It is located a 10-minute walk from the Albert Dock and Liverpool One shopping complex.
- Popular and well-regarded restaurant with views over the Royal Liver Building and River Mersey.
- The hotel was refurbished in 2016 with **£3.6m** being spent on all bedrooms and public areas.

Schulte Business Plan

- SEG would seek to increase the asset's occupancy and ADR above historical peaks by building base occupancy in-line with / just above the set, and yielding out higher volume days at more elevated rates
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **174 days** with **<=70.0%** occupancy, which is **+77 days** than the comp set.
- **Existing Rate Strategy Gap:** SEG notes that the asset only saw a **+1.1%** improvement in RevIndex on days with **>95.0%** occ vs. days with a **>90.0%** occ.

Competitive Set

- 1 Holiday Inn Liverpool - City Centre
- 2 Radisson Blu Hotel, Liverpool
- 3 Leonardo Hotel Liverpool
- 4 Novotel Liverpool Centre
- 5 Hampton by Hilton Liverpool City Centre



4.0 Very good
●●●●○ 3,984 reviews

#56 of 107 hotels in Liverpool



"Great Hotel in Every Aspect" – May 2024



Great hotel in every aspect

I stayed here for a meeting in the hotel.

My room was spacious, immaculately clean and very well maintained. Though having enjoyed the hotels VU bar I didn't spend too much time in the room.

Like my room the VU bar has stunning views, there is also a very funky roof top terrace.

Breakfast in the morning was bountiful and well presented.

"Overnight Stay at Mercure Atlantic Hotel Liverpool England" – May 2024



Overnight stay at Mercure Atlantic hotel Liverpool England 🇬🇧

May look old and dirty in the outside but the interior is elegant and beautiful inside .. friendly staff who are welcoming and supportive assisting with all needs within expectation.. small but cosy rooms with comfortable beds. High speed internet and high pressure showers is added advantage , food is average but appetising, staff were able to cater your needs as required within possibility. Overall value for money .

"Great Hotel. Lovey Staff" – May 2024



Great hotel. Lovey staff

Thank you Mecure for making our birthday weekend special. Kieran and Martin were great on reception made us feel very welcome. Young man on the rooftop bar Sunday day was great too!! Rooms clean, good size, quiet. Good view of the Mersey. Breakfast was good quality but had to wait for hot food to come out too long tbh. But to be fair it was a busy service. We will definitely stay here again!!

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£70.7** and a RevPAR index of **86.9%**

- **General: Schulte is underwriting the asset to surpass historical '22A / '23A RGI levels of 81.9% / 73.5% through a more focused revenue and sales strategy that will see the asset climbing towards index levels closer to ~87.0%+ remaining Mercure branded. Additionally, SEG believes there could be additional upside from re-branding to a stronger brand family.**
 - The asset's RevPAR index has fallen from **81.9%** in '22A to **73.5%** in '23A.
 - RevPAR decline appears to be driven by a less-focused revenue management strategy – which saw occ index drop from **106.5%** to **89.8%** YoY, and ADR index increase from **76.9%** to **81.9%** YoY.
 - The Mercure Liverpool had **77 more days** with **<=70%** occupancy in '23A than the comp set vs. **18 fewer days** in '22A.
 - Additionally, the asset's RevIndex at occupancies **<=70%** was **59.5%** vs. **73.5%** for the overall year.
- **OccIndex: Schulte is underwriting a stabilized MPI of 101.7% in 2025**
 - SEG would seek to increase occ, but would limit occupancy upside towards levels in-line with set in favor of boosting rate.
 - In '23A, the asset ran **174 days** with **<=70.0%** occupancy, which is **+77 days** than the comp set implying significant occupancy upside through a more focused occ strategy on lower volume days.
- **ADRIndex: Schulte is underwriting a stabilised ARI of 85.5% in 2025**
 - SEG believes there is significant rate upside at the asset post-conversion, and SEG would seek to drive ADR upside by:
 - **Increasing rate on lower occupancy days**
 - On days when occupancy was **<=70.0%** - the asset's RevIndex was **59.5%** (vs. **73.5%** for '23A).
 - In our experience, lowering ADR on low occ days more often than not – does not induce higher demand. Further, the ability to yield lower occ days would also be aided through a brand conversion – that would drive more traffic to the hotel on lower volume days.
 - **Yielding out both low / high occupancy days at more elevated rates**
 - SEG notes that the asset only had a **+1.1%** improvement in RevIndex on days with **95.0%** occ vs. days with a **90.0%** occ.
 - On days when occupancy was **>90.0%** - the asset's RevIndex was **84.2%**.
 - On days when occupancy was **>95.0%** - the asset's RevIndex was **85.3%**.
- **Market Growth:**
 - Comp set occupancies increased from **72.1%** in '22A to **77.2%** in '23A. Occupancies have continued to increase YTD 5/24 from **69.3%** YTD 5/23A to **70.7%** YTD 5/24A.
 - Comp set ADRs increased from **£94.4** to **£97.7** from '22A to '23A, though have fallen 5/24 YTD from **£99.1** STLY to **£94.7**, lowering overall RevPAR to **£67.0** YTD 5/24, down by **-£1.6 / 2.4%** YTD.

REVPAR UNDERWRITING

8

| LIVERPOOL ATLANTIC TOWER | | | | | | | | | | | |
|--------------------------|------------|--------|--------|--------|-----------|-----------|--------|--------|--------|--------|--------|
| | Historical | | | | | | | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 76.9% | 74.7% | 76.8% | 69.3% | 66.2% | 60.4% | 82.6% | 84.1% | 84.1% | 84.1% | 84.1% |
| Comp Set | 82.7% | 81.3% | 72.1% | 77.2% | 69.3% | 70.7% | 81.2% | 82.7% | 82.7% | 82.7% | 82.7% |
| Rank | | 6 of 6 | 2 of 6 | 5 of 6 | | 6 of 6 | | | | | |
| Index | 93.0% | 91.9% | 106.5% | 89.8% | 95.5% | 85.4% | 101.7% | 101.7% | 101.7% | 101.7% | 101.7% |
| ADR | | | | | | | | | | | |
| Subject | 69.5 | 68.5 | 72.7 | 80.0 | 84.3 | 81.7 | 85.6 | 87.3 | 89.0 | 90.8 | 92.6 |
| Comp Set | 82.5 | 80.7 | 94.4 | 97.7 | 99.1 | 94.7 | 100.1 | 102.2 | 104.2 | 106.3 | 108.4 |
| Rank | | 6 of 6 | 6 of 6 | 6 of 6 | | 6 of 6 | | | | | |
| Index | 84.3% | 84.8% | 76.9% | 81.9% | 85.1% | 86.3% | 85.5% | 85.5% | 85.5% | 85.5% | 85.5% |
| RevPAR | | | | | | | | | | | |
| Subject | 53.5 | 51.2 | 55.8 | 55.5 | 55.8 | 49.3 | 70.7 | 73.4 | 74.9 | 76.4 | 77.9 |
| Comp Set | 68.2 | 65.6 | 68.1 | 75.4 | 68.6 | 67.0 | 81.3 | 84.5 | 86.2 | 87.9 | 89.7 |
| Rank | | 6 of 6 | 6 of 6 | 6 of 6 | | 6 of 6 | | | | | |
| Index | 78.4% | 78.0% | 81.9% | 73.5% | 81.2% | 73.6% | 86.9% | 86.9% | 86.9% | 86.9% | 86.9% |

Comp Set RevPAR has increased by +7.3 / +10.8% from '22A to '23A, but has decreased by -£1.6 / -2.4% 5/24 YTD

| Comp Set | Keys | Open Date |
|---|------|-----------|
| Liverpool Atlantic Tower | 225 | Jan-73 |
| Holiday Inn Liverpool City Centre | 139 | Jan-72 |
| Radisson Blu Liverpool | 194 | Jan-04 |
| Leonardo Hotel Liverpool | 310 | Apr-08 |
| Novotel Liverpool | 209 | Nov-09 |
| Hampton by Hilton Liverpool City Centre | 151 | Nov-09 |

SEG is projecting continued RevPAR growth over the next few years driven by both occupancy and ADR increases as the Liverpool market returns back towards low 80% occupancies.

SEG believes the asset's RevPAR index will increase from 73.5% in '23A towards ~105.0% as a branded asset.

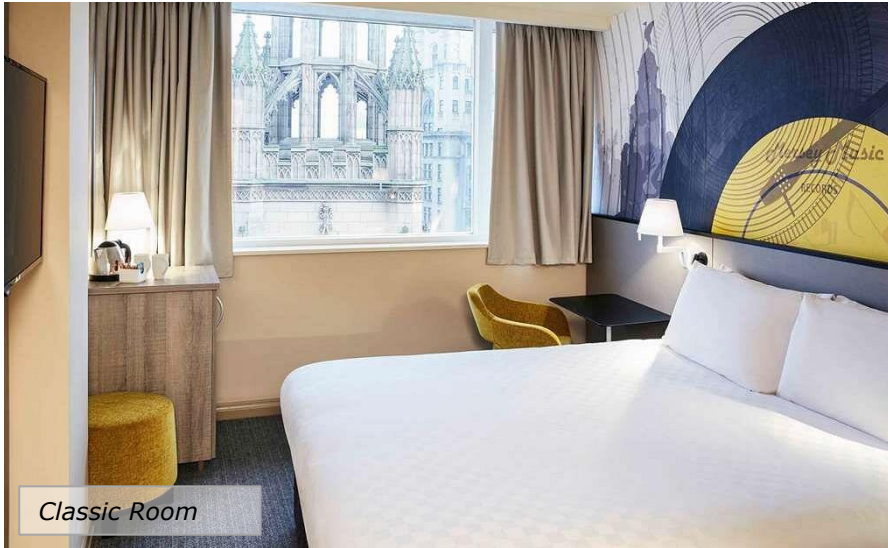
The hotel is located on the edge of the commercial district but benefits from direct views of River Mersey both from various rooms / the Vista restaurant



LIVERPOOL 5-YEAR P&L

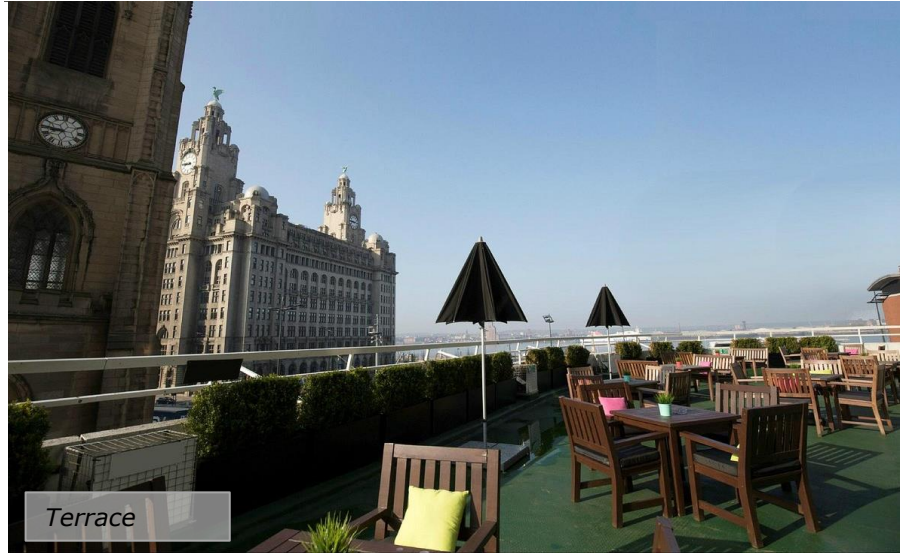
8

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 82.6% | | | 84.1% | | | 84.1% | | | 84.1% | | | 84.1% | | |
| Average Daily Rate (ADR) | 85.6 | | | 87.3 | | | 89.0 | | | 90.8 | | | 92.6 | | |
| RevPAR | 70.7 | | | 73.4 | | | 74.9 | | | 76.4 | | | 77.9 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 5,803 | 78.3% | 86 | 6,029 | 78.3% | 87 | 6,149 | 78.3% | 89 | 6,290 | 78.3% | 91 | 6,398 | 78.3% | 93 |
| F&B Revenue | 1,347 | 18.2% | 20 | 1,400 | 18.2% | 20 | 1,428 | 18.2% | 21 | 1,460 | 18.2% | 21 | 1,485 | 18.2% | 22 |
| Other/Misc Revenue | 261 | 3.5% | 4 | 271 | 3.5% | 4 | 277 | 3.5% | 4 | 283 | 3.5% | 4 | 288 | 3.5% | 4 |
| Total Revenue | 7,412 | 100.0% | 109 | 7,700 | 100.0% | 111 | 7,854 | 100.0% | 114 | 8,033 | 100.0% | 116 | 8,171 | 100.0% | 118 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,938 | 33.4% | 29 | 2,009 | 33.3% | 29 | 2,049 | 33.3% | 30 | 2,096 | 33.3% | 30 | 2,132 | 33.3% | 31 |
| F&B Expense | 929 | 68.9% | 14 | 965 | 68.9% | 14 | 984 | 68.9% | 14 | 1,006 | 68.9% | 15 | 1,024 | 68.9% | 15 |
| Other/Misc Expense | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Departmental Exp | 2,867 | 38.7% | 42 | 2,974 | 38.6% | 43 | 3,033 | 38.6% | 44 | 3,102 | 38.6% | 45 | 3,156 | 38.6% | 46 |
| Total Dept Profit | 4,545 | 61.3% | 67 | 4,726 | 61.4% | 68 | 4,821 | 61.4% | 70 | 4,931 | 61.4% | 71 | 5,015 | 61.4% | 73 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 6.3% | 7 | 480 | 6.2% | 7 | 489 | 6.2% | 7 | 499 | 6.2% | 7 | 509 | 6.2% | 7 |
| Credit Card Commissions | 96 | 1.3% | 1 | 100 | 1.3% | 1 | 102 | 1.3% | 1 | 104 | 1.3% | 2 | 106 | 1.3% | 2 |
| Info & Telecommunications | 208 | 2.8% | 3 | 212 | 2.7% | 3 | 216 | 2.7% | 3 | 220 | 2.7% | 3 | 225 | 2.7% | 3 |
| Sales & Marketing | 534 | 7.2% | 8 | 544 | 7.1% | 8 | 555 | 7.1% | 8 | 566 | 7.1% | 8 | 578 | 7.1% | 8 |
| Franchise Fees | 348 | 6.0% | 5 | 362 | 6.0% | 5 | 369 | 6.0% | 5 | 377 | 6.0% | 5 | 384 | 6.0% | 6 |
| Repairs & Maintenance | 211 | 2.9% | 3 | 220 | 2.9% | 3 | 224 | 2.9% | 3 | 229 | 2.9% | 3 | 233 | 2.9% | 3 |
| Utilities | 626 | 8.4% | 9 | 650 | 8.4% | 9 | 663 | 8.4% | 10 | 678 | 8.4% | 10 | 690 | 8.4% | 10 |
| Total Undistributed Exp | 2,493 | 33.6% | 37 | 2,567 | 33.3% | 37 | 2,618 | 33.3% | 38 | 2,675 | 33.3% | 39 | 2,724 | 33.3% | 39 |
| Gross Operating Profit | 2,052 | 27.7% | 30 | 2,159 | 28.0% | 31 | 2,202 | 28.0% | 32 | 2,256 | 28.1% | 33 | 2,291 | 28.0% | 33 |





Bar Lounge



Terrace



Meetings



Weddings

While SEG has not underwritten the asset as converting to a brand, SEG believes there could be further upside to performance through conversion to a stronger brand family.

■ **General:**

- Considering the asset's high key count (225) and the Liverpool market demand drivers (lower levels of leisure transient RNs where weaker brand distributions and independent hotels can thrive), SEG believes there will be there will be significant upside with a stronger brand distribution system.

■ **RevPAR Comps:**

- The increase in RevPAR as a brand asset is supported by '19 RevPAR comp data we have been able to access from the market:
 - **CP Liverpool – 86.0% occ / £99.2 ADR (2019) = £85.3 RevPAR**
 - **HI Liverpool – 88.8% occ / £78.9 ADR (2019) = £70.0 RevPAR**
 - **IN Liverpool – 84.5% occ / £84.3 ADR (2019) = £71.3 RevPAR**
 - **SB Liverpool – 85.8% occ / £88.2 ADR (2019) = £75.6 RevPAR**
 - **EX Liverpool – 78.7% occ / £78.6 ADR (2019) = £61.8 RevPAR**

■ **Branding Considerations:**

- SEG believes potential brands for consideration should include Doubletree / Tapestry by Hilton, Crowne Plaza or Voco by IHG, and Renaissance by Marriott.



9

**LONDON
STAINES-UPON-
THAMES
ASSET REVIEW**





Accommodation

| SQM | Rooms |
|------------|-------|
| Rooms from | 14 |
| Rooms to | 14 |
| | 78 |

Food & Beverage

| Seats |
|----------------------|
| Riverside Restaurant |
| Riverside Bar |
| 60 |
| 30 |

Meeting & Events

| SQM | Seats |
|--------------|-------|
| Largest Room | 30 |
| Total | 24 |
| 30 | |

Other

| | |
|---|---|
| - | - |
|---|---|

Description

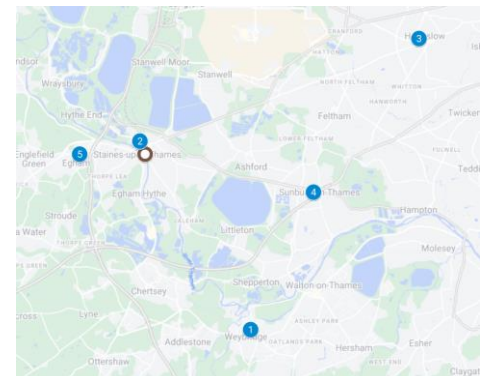
- A 19th-century building with modern extensions, situated on the banks of the River Thames, offering scenic riverside views and a terrace area.
- The hotel features 78 en-suite rooms, a restaurant serving local cuisine, a bar, meeting rooms, and amenities like Wi-Fi and parking.
- Conveniently located near Staines train station (0.6 km), providing easy access to central London (30 km away) and popular attractions like Thorpe Park Resort (4.8 miles) and Legoland (10 km).
- Surrounded by riverside walking paths and in proximity to the town center, making it an ideal base for exploring the local area and nearby tourist destinations.

Schulte Business Plan

- The asset looks tired and in need of a renovation. The property is currently closed and so it may be the case that this is already underway.
- Tripadvisor reviews (see overleaf) confirm this with recent guests complaining about wear-and-tear, stains and markings on the walls.
- As of 2023, the asset ranked **1 out of 5 hotels** in the competitive set in terms of RevPAR.
- **Recommendation:** Schulte's recommendation would be for a renovation to the hotel in order to maintain market positioning achieved in 2022. It is unknown whether this is already taking place.

Competitive Set

- 1 Best Western Ship Hotel
- 2 Travelodge Staines
- 3 Ramada by Wyndham Hounslow - Heathrow
- 4 Premier Inn Sunbury (Kempton Park) hotel
- 5 Travelodge Egham



3.5 Very good
●●●●○ 1,051 reviews

#6 of 6 hotels in Staines



"Needs a LOT of TLC" – September 2022



Needs A LOT of TLC

Has the potential to be a very nice river-side hotel, however the general state of most of the hotel lets it down.

Bar and small beer garden areas over-looking the river are lovely and great for an early evening drink.

The corridors and staircases, however are in serious disrepair. Large horrible stains on the carpets and walls, 'Chemical Cupboards' with markings reminiscent to being crowbarred open and a lot of random supermarket bags full to the brim of rubbish outside doors.

The bouncers/security staff stationed at most stairwell/hallways (including reception) were incredibly lovely and pleasant, however the fact that you need this level of security should be disconcerting for any paying patron (ironically the sign out the front of the building has 'enter at your own risk' scribbled across it...).

Our room was at the very end of all if the hallways, and appeared to be in a small area where some refurbishment had been performed (the carpet was both new and clean!).

Room-wise, despite the look of the corridors, was completely different. Furniture in good condition, usual amenities (hairdryer, iron, two fans, etc) and very clean. Minimal bit of rust on the taps in the bathroom, but that would be nit-picking. Only downside to the room was the very soft and uncomfortable bed, however it was fine for a night's sleep.

Breakfast was a typical 'hotel buffet' set-up. Cereals, bread and hot items (bacon, sausage, beans, tomatoes, mushrooms, hash browns and eggs) available in large quantities and relatively warm. Nothing amazing, but also nothing terrible on the menu.

All in all, IF Mercure invested in the hotel and improved some of the aesthetics, it could definitely be a 4* hotel with the amenities it has to offer.

REVPAR UNDERWRITING

9

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£59.2** and a RevPAR index of **147.8%**.

- **General:** Asset looks in need of renovation from online reviews available. The property is currently shut and so it may be that it is undergoing a renovation already.
 - RevPAR index has increased significantly for the property from **125.4%** in 2018, to **125.1%** in 2019 and **238.5%** in 2023, a difference of **+113.2%** for 2023 vs. 2018.
 - The increase in RevIndex is largely down an increase in OccIndex, which is **+49.2%** in 2023 vs. 2028, whilst ADRIndex is **+32.5%** for the same time period.
 - We can see from the STR reports that the competitive set changed from 2019 to today, with the Best Western The Ship Hotel being added, and Stanwell Heathrow (upper midscale) being swapped out for Ramada Hounslow Heathrow East (midscale).
 - 2023 performance saw an enormous spike, which may have been partly due to the Ramada Hounslow Heathrow East being shut for this period.
- **OccIndex: Schulte is underwriting a stabilized MPI of 112.0% in 2025**
 - We forecast maintaining 2022 achieved occupancy levels going forward. The property is located on the river and within the town centre.
 - Close to key demand drivers such as Thorpe Park (3miles) and Heathrow airport (12miles) with easy connections to Central London, Twickenham and Windsor.
 - We believe that this should support maintaining a strong occupancy going forward.
- **ADR Index: Schulte is underwriting a stabilised ARI of 132.0% in 2025**
 - We forecast ADRIndex to also return to 2019/2022 achieved levels once all of the hotels in the set are reporting.
 - We have not factored any renovation into this, and the projections will need to be reviewed if this is the case.

| LONDON STAINES-UPON-THAMES | | | | | | | | | | | |
|----------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 66.9% | 66.6% | 77.2% | 84.4% | 84.0% | 0.0% | 73.0% | 77.5% | 77.5% | 77.5% | 77.5% |
| Comp Set | 73.2% | 69.7% | 69.3% | 60.0% | 59.5% | 59.6% | 65.2% | 69.2% | 69.2% | 69.2% | 69.2% |
| Rank | - | 3 of 5 | 3 of 6 | 1 of 5 | - | 0.0% | | | | | |
| Index | 91.5% | 95.5% | 111.5% | 140.7% | 141.3% | - | 112.0% | 112.0% | 112.0% | 112.0% | 112.0% |
| ADR | | | | | | | | | | | |
| Subject | 78.5 | 68.1 | 79.3 | 101.2 | 101.2 | - | 81.1 | 82.7 | 84.4 | 86.1 | 87.8 |
| Comp Set | 57.3 | 52.0 | 60.7 | 59.7 | 58.5 | 58.7 | 61.4 | 62.7 | 63.9 | 65.2 | 66.5 |
| Rank | - | 1 of 5 | 1 of 6 | 1 of 5 | - | - | | | | | |
| Index | 137.1% | 131.0% | 130.6% | 169.5% | 173.0% | - | 132.0% | 132.0% | 132.0% | 132.0% | 132.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 52.5 | 45.3 | 61.2 | 85.5 | 85.0 | - | 59.2 | 64.1 | 65.4 | 66.7 | 68.0 |
| Comp Set | 41.9 | 36.2 | 42.1 | 35.8 | 34.8 | 35.0 | 40.0 | 43.3 | 44.2 | 45.1 | 46.0 |
| Rank | - | 1 of 5 | 1 of 6 | 1 of 5 | - | - | | | | | |
| Index | 125.4% | 125.1% | 145.5% | 238.5% | 244.4% | - | 147.8% | 147.8% | 147.8% | 147.8% | 147.8% |

| Comp Set | Keys | Open Date |
|----------------------------------|------|-----------|
| London Staines-Upon-Thames | 88 | - |
| Best Western The Ship Hotel | 76 | - |
| Travelodge Staines Hotel | 65 | Jan-02 |
| Ramada Hounslow Heathrow East | 96 | Sep-08 |
| Premier Inn Sunbury Kempton Park | 109 | Jul-10 |
| Travelodge Egham | 80 | Feb-15 |

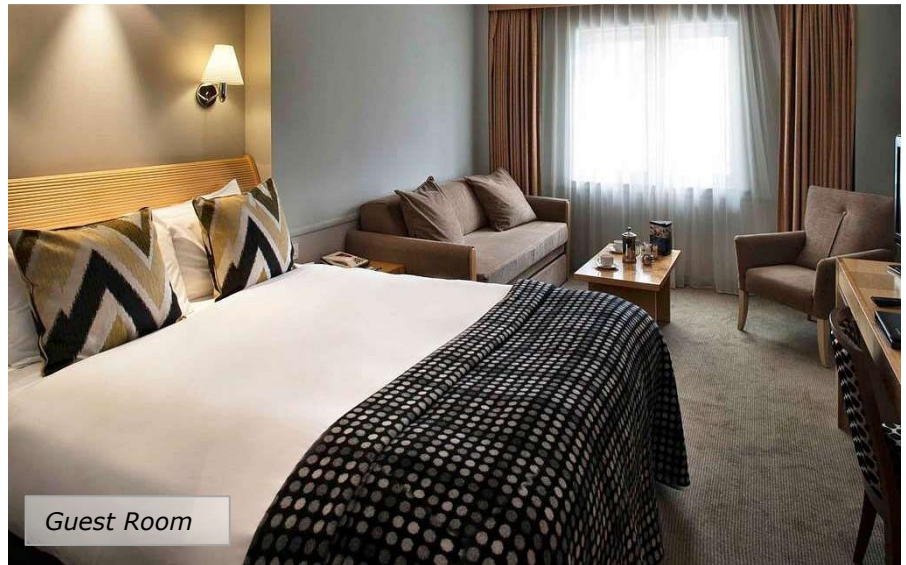
Occ in the market showed a decrease of -9pts from '22 to '23, and ADR also decreased -2%, meaning an overall RevPAR decline of -15%. On a YTD May 2024 basis, RevPAR is flat.

Moving forward we forecast that the competitive set will recover to '22 performance levels, and ADR growth for this year will be flat, with an inflationary growth going forward of 2.5% in 2025 and 2.0% p.a. thereafter.

LONDON STAINES 5-YEAR P&L

9

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 73.0% | | | 77.5% | | | 77.5% | | | 77.5% | | | 77.5% | | |
| Average Daily Rate (ADR) | 81.1 | | | 82.7 | | | 84.4 | | | 86.1 | | | 87.8 | | |
| RevPAR | 59.2 | | | 64.1 | | | 65.4 | | | 66.7 | | | 68.0 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 1,901 | 43.8% | 81 | 2,058 | 43.8% | 83 | 2,099 | 43.8% | 84 | 2,147 | 43.8% | 86 | 2,184 | 43.8% | 88 |
| F&B Revenue | 1,925 | 44.3% | 82 | 2,084 | 44.3% | 84 | 2,126 | 44.3% | 85 | 2,174 | 44.3% | 87 | 2,212 | 44.3% | 89 |
| Other/Misc Revenue | 518 | 11.9% | 22 | 561 | 11.9% | 23 | 572 | 11.9% | 23 | 585 | 11.9% | 23 | 595 | 11.9% | 24 |
| Total Revenue | 4,345 | 100.0% | 185 | 4,703 | 100.0% | 189 | 4,798 | 100.0% | 193 | 4,907 | 100.0% | 197 | 4,991 | 100.0% | 201 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 734 | 38.6% | 31 | 784 | 38.1% | 32 | 799 | 38.1% | 32 | 817 | 38.0% | 33 | 832 | 38.1% | 33 |
| F&B Expense | 965 | 50.1% | 41 | 1,044 | 50.1% | 42 | 1,065 | 50.1% | 43 | 1,090 | 50.1% | 44 | 1,108 | 50.1% | 45 |
| Other/Misc Expense | 181 | 35.0% | 8 | 196 | 35.0% | 8 | 200 | 35.0% | 8 | 205 | 35.0% | 8 | 208 | 35.0% | 8 |
| Total Departmental Exp | 1,880 | 43.3% | 80 | 2,025 | 43.0% | 81 | 2,065 | 43.0% | 83 | 2,111 | 43.0% | 85 | 2,149 | 43.0% | 86 |
| Total Dept Profit | 2,465 | 56.7% | 105 | 2,679 | 57.0% | 108 | 2,732 | 57.0% | 110 | 2,795 | 57.0% | 112 | 2,843 | 57.0% | 114 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 178 | 4.1% | 8 | 182 | 3.9% | 7 | 185 | 3.9% | 7 | 189 | 3.9% | 8 | 193 | 3.9% | 8 |
| Credit Card Commissions | 56 | 1.3% | 2 | 61 | 1.3% | 2 | 62 | 1.3% | 3 | 64 | 1.3% | 3 | 65 | 1.3% | 3 |
| Info & Telecommunications | 99 | 2.3% | 4 | 101 | 2.2% | 4 | 103 | 2.2% | 4 | 105 | 2.1% | 4 | 107 | 2.2% | 4 |
| Sales & Marketing | 111 | 2.6% | 5 | 113 | 2.4% | 5 | 116 | 2.4% | 5 | 118 | 2.4% | 5 | 120 | 2.4% | 5 |
| Franchise Fees | 191 | 10.1% | 8 | 207 | 10.1% | 8 | 211 | 10.1% | 8 | 216 | 10.1% | 9 | 220 | 10.1% | 9 |
| Repairs & Maintenance | 88 | 2.0% | 4 | 95 | 2.0% | 4 | 97 | 2.0% | 4 | 99 | 2.0% | 4 | 101 | 2.0% | 4 |
| Utilities | 288 | 6.6% | 12 | 312 | 6.6% | 13 | 318 | 6.6% | 13 | 326 | 6.6% | 13 | 331 | 6.6% | 13 |
| Total Undistributed Exp | 1,013 | 23.3% | 43 | 1,072 | 22.8% | 43 | 1,093 | 22.8% | 44 | 1,117 | 22.8% | 45 | 1,137 | 22.8% | 46 |
| Gross Operating Profit | 1,452 | 33.4% | 62 | 1,607 | 34.2% | 65 | 1,639 | 34.2% | 66 | 1,678 | 34.2% | 67 | 1,705 | 34.2% | 69 |





Bar Area



Outdoor Area



Weddings



Public Space

10

**DAVENTRY
COURT
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 14 | 155 |
| Rooms to | - | |

| Food & Beverage | Seats |
|-----------------|-------|
| Fuel | 100 |
| Fuel Bar | 60 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 483 | 360 |
| 14 Meeting Rooms | 446 | |
| Total | 929 | |

| Other |
|--|
| Indoor Pool |
| Leisure Club – Sauna / Steam £10 per adult |
| Fitness |

Description

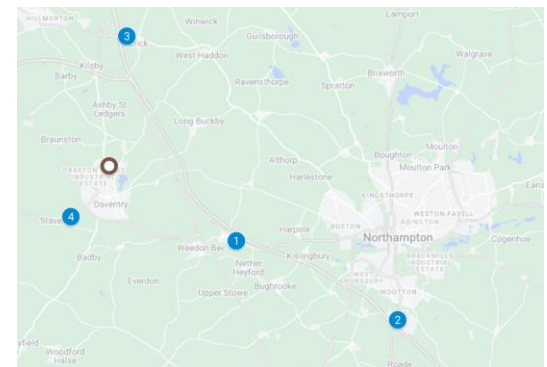
- Located in the Saxon market town of Daventry, Northamptonshire. It features 155 rooms, 15 purpose-built meeting rooms that can accommodate up to 700 people, an on-site restaurant and bar, fitness center, and outdoor garden areas.
- The hotel is conveniently situated between the towns of Rugby (12.8 miles away) and Northampton (22.5 km away), providing easy access to nearby attractions like Silverstone racetrack and Althorp House, the childhood home of Princess Diana.
- Dining options include the FUEL restaurant which offers international cuisine, as well as a bar and the ability to get room service.

Schulte Business Plan

- Hotel presents well with rooms that look basic but efficient. Common areas look slightly outdated, but this doesn't seem to be presenting a problem in terms of online reviews, and ADR has increased significantly from 2022.
- Tripadvisor reviews (see overleaf) confirm this with guests complimenting location, cleanliness and service, and the hotel ranking 1 of 4 hotels in Daventry.
- As of 2023, the asset ranked **3 out of 4 hotels** in the comp set in terms of RevPAR.
- **Recommendation:** Schulte recommends retaining branding.
- SEG would seek to implement a group-focused revenue / sales strategy that would boost occ on lower-volume days and increase rates during peak / compression periods.

Competitive Set

- 1 Holiday Inn Northampton West M1, Jct 16
- 2 Hilton Northampton
- 3 Holiday Inn Rugby-Northampton M1, JCT.18
- 4 Staverton Park Hotel & Golf Club



3.5 Very good
●●●●○ 741 reviews

#1 of 4 hotels in Daventry



"Great for Meetings" – May 2024



Great for meetings

We regularly use the Mercure Daventry for large customer meetings, events etc.

Staff are super friendly and helpful (Aleksandne worth special mention!), has everything you need including large projection screens and good room acoustics.

Hotel decor is slightly dated but all in excellent order, clean and obviously maintained well.

Evening meals and breakfasts all really good and the bar is well stocked and I never seem to fail to strike up a friendly conversation with a fellow business traveller also using the hotel.

"Meeting Room" – May 2024



Meeting room

My colleague and I used a meeting room to complete some interviews and Aleksandre was absolutely fantastic. She was extremely attentive and couldn't have been more helpful, talking us through all of the arrangements, and solving any issues quickly and effectively. Thank you very much Alekdandre.

"Great Experience" – May 2024



Great experience.

Fantastic experience. Great service to the detail. Aleksandra the conference supervisor was absolutely brilliant with her charm and helpful attitude and helped make our weekend a success.

The whole reception staff were readily available and extremely helpful.

REVPAR UNDERWRITING

10

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£55.7** and a RevPAR index of **95.7%**

- **General:** Hotel presents well with rooms that look basic but efficient. Common areas look slightly outdated, but this doesn't seem to be presenting a problem in terms of online reviews, and RevIndex has been increasing.
 - RevPAR index has increased from **77.6% in 2018**, to **79.3% in 2019**, to **95.0% in 2023**, a difference in index of **+17.4%** for 2023 vs. 2018.
 - The increase in RevIndex is largely down to an increase in ADRIndex of **+10.7%** from 2018 to 2023, and OccIndex which increased **+7.6%** for the same period.
 - The competitive set did see a change from 2019 to current, with the Hellidon Lakes, an independent property with 110 keys being removed.
 - In terms of RevPAR, the asset is currently underperforming both the Hilton Northampton and the Holiday Inn Northampton, which is most likely a product of location.
 - Hilton Northampton – **62.0% occ / £96 ADR (2023) = £59 RevPAR.**
 - Holiday Inn Northampton - **66.0% occ / £121 ADR (2022)= £80 RevPAR.**
- **OccIndex: Schulte is underwriting a stabilized MPI of 106.3% in 2025**
 - We forecast that the 2024 YTD OccI of 106.3% will carry forward as occupancy growth in the market has now stabilised.
 - Midweek at the property outperforms weekend in terms of occupancy and ADR and so we believe that the ability to drive weekend leisure business at this location may be constrained.
- **ADR Index: Schulte is underwriting a stabilised ARI of 90.0% in 2025**
 - It is unclear whether the property has recently been renovated, as ADR growth in 2023 was at 15% and for 2024 YTD it is at 4%, outperforming the comp set which is at flat.
 - We forecast that this growth is carried forward into the year and ADRI stabilises at 90%.

| DAVENTRY COURT | | | | | | | | | | | |
|------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 69.3% | 68.2% | 70.8% | 71.6% | 66.9% | 65.0% | 71.8% | 71.8% | 71.8% | 71.8% | 71.8% |
| Comp Set | 69.3% | 70.0% | 62.8% | 66.6% | 60.2% | 61.1% | 67.6% | 67.6% | 67.6% | 67.6% | 67.6% |
| Rank | - | 4 of 5 | 2 of 4 | 2 of 4 | | 2 of 5 | | | | | |
| Index | 100.0% | 97.4% | 112.7% | 107.6% | 111.2% | 106.3% | 106.3% | 106.3% | 106.3% | 106.3% | 106.3% |
| ADR | | | | | | | | | | | |
| Subject | 54.6 | 57.9 | 63.9 | 73.4 | 68.5 | 71.3 | 77.5 | 79.1 | 80.7 | 82.3 | 83.9 |
| Comp Set | 70.4 | 71.2 | 80.2 | 83.2 | 78.9 | 79.1 | 86.1 | 87.9 | 89.6 | 91.4 | 93.2 |
| Rank | - | 5 of 5 | 4 of 4 | 4 of 4 | | 5 of 5 | | | | | |
| Index | 77.6% | 81.4% | 79.8% | 88.3% | 86.9% | 90.1% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 37.9 | 39.5 | 45.2 | 52.6 | 45.9 | 46.3 | 55.7 | 56.8 | 57.9 | 59.1 | 60.3 |
| Comp Set | 48.8 | 49.8 | 50.3 | 55.4 | 47.5 | 48.3 | 58.2 | 59.4 | 60.6 | 61.8 | 63.0 |
| Rank | - | 5 of 5 | 3 of 4 | 3 of 4 | | 4 of 5 | | | | | |
| Index | 77.6% | 79.3% | 89.9% | 95.0% | 96.6% | 95.8% | 95.7% | 95.7% | 95.7% | 95.7% | 95.7% |

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Daventry Court | 155 | Jan-90 |
| Holiday Inn Northampton West M1 Junction 16 | 66 | Jan-88 |
| Hilton Northampton | 144 | Jan-91 |
| Holiday Inn Rugby Northampton M1 Junction 18 | 95 | Jan-71 |
| Staverton Park Hotel & Golf Club | 247 | - |

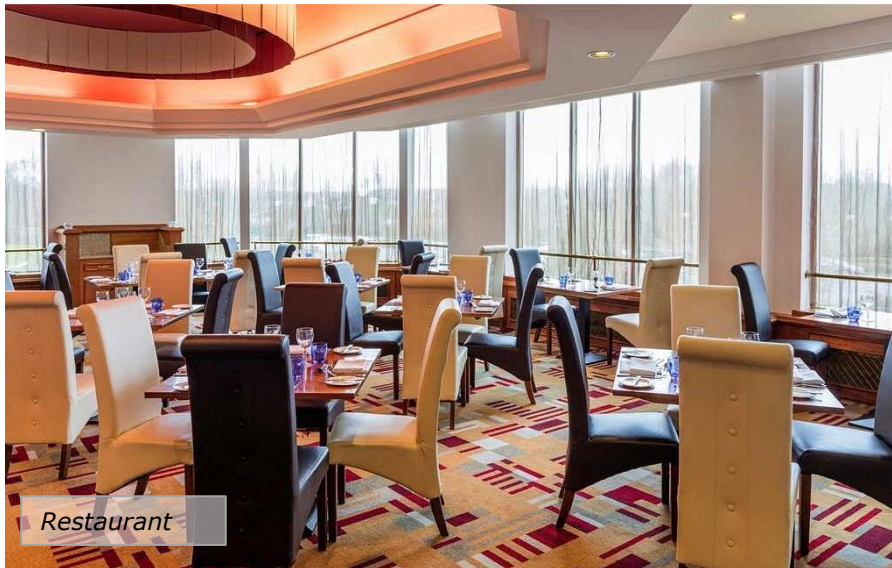
Occ in the market showed an increase of 4pts from '22 to '23, and ADR also increased 4%, meaning an overall RevPAR growth of 10%. On a YTD May '24 basis, occ continues to grow 1pts and ADR is flat meaning that YTD vs. STLY is up 2%.

Moving forward we forecast that this year will end with occ up 1% in the comp set and then stabilise, and ADR will end +1%, with an inflationary growth going forward of 2.5% for 2025 and 2.0% p.a. thereafter.

DAVENTRY COURT 5-YEAR P&L

10

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 71.8% | | | 71.8% | | | 71.8% | | | 71.8% | | | 71.8% | | |
| Average Daily Rate (ADR) | 77.5 | | | 79.1 | | | 80.7 | | | 82.3 | | | 83.9 | | |
| RevPAR | 55.7 | | | 56.8 | | | 57.9 | | | 59.1 | | | 60.3 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 3,150 | 64.2% | 78 | 3,213 | 64.2% | 79 | 3,278 | 64.2% | 81 | 3,352 | 64.2% | 82 | 3,410 | 64.2% | 84 |
| F&B Revenue | 1,624 | 33.1% | 40 | 1,657 | 33.1% | 41 | 1,690 | 33.1% | 42 | 1,728 | 33.1% | 42 | 1,758 | 33.1% | 43 |
| Spa Revenue | 104 | 2.1% | 3 | 106 | 2.1% | 3 | 108 | 2.1% | 3 | 111 | 2.1% | 3 | 112 | 2.1% | 3 |
| Other/Misc Revenue | 29 | 0.6% | 1 | 30 | 0.6% | 1 | 30 | 0.6% | 1 | 31 | 0.6% | 1 | 31 | 0.6% | 1 |
| Total Revenue | 4,908 | 100.0% | 121 | 5,006 | 100.0% | 123 | 5,106 | 100.0% | 126 | 5,222 | 100.0% | 128 | 5,312 | 100.0% | 131 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,194 | 37.9% | 29 | 1,217 | 37.9% | 30 | 1,242 | 37.9% | 31 | 1,269 | 37.9% | 31 | 1,292 | 37.9% | 32 |
| F&B Expense | 1,219 | 75.0% | 30 | 1,243 | 75.0% | 31 | 1,268 | 75.0% | 31 | 1,297 | 75.0% | 32 | 1,319 | 75.0% | 32 |
| Spa Expense | 62 | 60.0% | 2 | 64 | 60.0% | 2 | 65 | 60.0% | 2 | 66 | 60.0% | 2 | 67 | 60.0% | 2 |
| Other/Misc Expense | 10 | 35.0% | 0 | 10 | 35.0% | 0 | 11 | 35.0% | 0 | 11 | 35.0% | 0 | 11 | 35.0% | 0 |
| Total Departmental Exp | 2,485 | 50.6% | 61 | 2,535 | 50.6% | 62 | 2,585 | 50.6% | 64 | 2,644 | 50.6% | 65 | 2,690 | 50.6% | 66 |
| Total Dept Profit | 2,423 | 49.4% | 60 | 2,471 | 49.4% | 61 | 2,520 | 49.4% | 62 | 2,579 | 49.4% | 63 | 2,622 | 49.4% | 65 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 343 | 7.0% | 8 | 350 | 7.0% | 9 | 357 | 7.0% | 9 | 364 | 7.0% | 9 | 372 | 7.0% | 9 |
| Credit Card Commissions | 64 | 1.3% | 2 | 65 | 1.3% | 2 | 66 | 1.3% | 2 | 68 | 1.3% | 2 | 69 | 1.3% | 2 |
| Info & Telecommunications | 159 | 3.2% | 4 | 162 | 3.2% | 4 | 165 | 3.2% | 4 | 169 | 3.2% | 4 | 172 | 3.2% | 4 |
| Sales & Marketing | 313 | 6.4% | 8 | 320 | 6.4% | 8 | 326 | 6.4% | 8 | 333 | 6.4% | 8 | 339 | 6.4% | 8 |
| Franchise Fees | 254 | 8.1% | 6 | 259 | 8.1% | 6 | 264 | 8.1% | 7 | 270 | 8.1% | 7 | 275 | 8.1% | 7 |
| Repairs & Maintenance | 187 | 3.8% | 5 | 190 | 3.8% | 5 | 194 | 3.8% | 5 | 199 | 3.8% | 5 | 202 | 3.8% | 5 |
| Utilities | 437 | 8.9% | 11 | 446 | 8.9% | 11 | 455 | 8.9% | 11 | 465 | 8.9% | 11 | 473 | 8.9% | 12 |
| Total Undistributed Exp | 1,758 | 35.8% | 43 | 1,793 | 35.8% | 44 | 1,829 | 35.8% | 45 | 1,868 | 35.8% | 46 | 1,902 | 35.8% | 47 |
| Gross Operating Profit | 665 | 13.6% | 16 | 678 | 13.6% | 17 | 692 | 13.6% | 17 | 711 | 13.6% | 17 | 720 | 13.6% | 18 |





11

HAYDOCK ASSET REVIEW





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 17 | |
| Rooms to | 26 | 135 |

| Food & Beverage | Seats |
|-------------------------------|-------|
| Beechers Restaurant | 100 |
| Haydock Lounge & Conservatory | 100 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 288 | 180 |
| 6 Meeting Rooms | 438 | |
| Total | 726 | |

| Other |
|-------------|
| Indoor Pool |
| Fitness |

Description

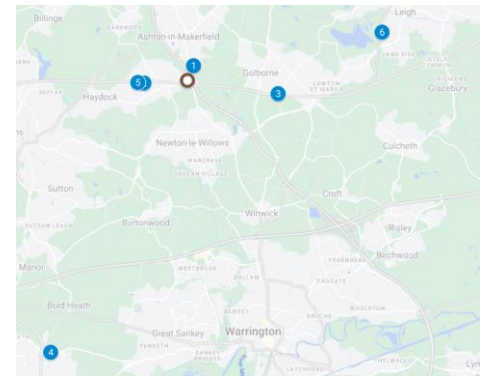
- The Mercure Haydock Hotel is a 4-star hotel set in a traditional Georgian mansion-style building surrounded by landscaped gardens. It features 135 rooms and is located in Haydock, midway between Liverpool and Manchester.
- The hotel offers a range of amenities including 13 meeting rooms for up to 180 guests, wedding facilities for 180 guests, an indoor pool, fitness center, restaurant serving British/European cuisine and bar/lounge areas.
- It is situated just 1.5 km from the famous Haydock Park racecourse, a major tourist attraction in the area.
- Other nearby points of interest include Wigan railway station about 11 km away, and the cities of Liverpool and Manchester which are equidistant from the hotel at around 32 km.

Schulte Business Plan

- SEG would seek to increase the asset's occupancy and ADR back to historical peaks achieved in '22A.
- An analysis of '23A daily STR data indicates gaps in the current strategy that SEG would seek to exploit on day 1 post-takeover.
- **Existing Occ / ADR Strategy Gap:** The asset ran **164 days** with **<=70.0%** occupancy in '23A vs. only 127 days in '22A, while its ADR only went up by **~£1.0**, implying revenue / sales strategies employed were unsuccessful.
- The asset's RevIndex at occupancies **<=70%** was **72.9%** vs. **93.5%** for the overall year, and vs. **83.3%** index at occupancies **<=70%** in '22A.

Competitive Set

- 1 Holiday Inn Haydock M6, JCT.23
- 2 Travelodge Haydock St. Helens
- 3 Premier Inn Haydock Park/M6 J23 hotel
- 4 Everglades Hotel
- 5 ibis Styles Haydock
- 6 Holiday Inn Express - Leigh Sports Village



4.0 **Very good**  1,238 reviews

#1 of 3 hotels in Haydock

Location  4.4
Cleanliness  4.1
Service  4.2
Value  4.2

"Emily and Sara" – May 2024



Emily and Sara

Emily and Sara at reception have been amazing tonight. Coming back from a busy day at work and being looked after giving me a complimentary upgrade. Would fully recommend this hotel to business and leisure travellers. Been coming here 9 years and can't fault the service !!

"Hamlet Ball Visit" – May 2024



Hamlet ball visit

The staff serving the food Ellie and Sofia were great, served quickly and efficiently and always with a smile, even brought seconds of the apple crumble which was lovely, thank you very much, the food was very nice and hot and served well considering the amount of people at the function

"Great Place to Stay" – May 2024



Great place to stay

Great hotel, Megan and Clair were fantastic and could not do enough for me and my lads who I was here with, absolutely brilliant, would highly recommend the Mercure at haydock, the room was perfect what I wanted, and luckily we got the sun, can't beat a sunny day in haydock

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£56.9** and a RevPAR index of **99.6%**, following the institution of a more focused revenue management and sales strategy.

■ General: Schulte is underwriting the asset to remain as Mercure

- Index has fallen by **-5.4%** YoY from **98.9%** in '22A to **93.5%** in '23A.
- The decline in performance from '23A to '22A appears to be a function of revenue management strategies and less so on branding (as evidenced by the **98.9%** RevIndex in '22A, and branded comp data we have been able to source:
 - Holiday Inn Haydock – **73%** occ / **£62.2** ADR (2019) = **£45.4** RevPAR – which is lower vs. Haydock (though the HI # is a '19#)
- **Revenue Management / Sales Induced Decline:**
 - The asset's RevIndex at occupancies **<=70%** was **72.9%** vs. **93.5%** for the overall year, and vs. **83.3%** index at occupancies **<=70%** in '22A (loss of **-10.4%** of RevIndex on days with occupancies **<=70%** YoY).
 - Further, the asset ran **164 days** with **<=70.0%** occupancy in '23A vs. only **127 days** in '22A, while its ADR only went up by **~£1.0**, implying revenue / sales strategies employed were unsuccessful.

■ OccIndex: Schulte is underwriting a stabilized MPI of **101.7%** in 2025

- Schulte believes the asset should be generating occupancies either in-line with or better than the set.
- The hotel has a high product quality relative to other assets in the set (set in a Georgian mansion-style building built around a central courtyard).
- Additionally, the asset has **13 meeting rooms**, with the ability to accommodate up to **180 guests** comfortably, and a leisure club with an indoor heated pool, sauna, and steam room, further differentiating the hotel from other assets in the set.
- SEG believes that it will be able to return the asset to '22A MPI levels through employing diligent revenue and sales practices.

■ ADR Index: Schulte is underwriting a stabilised ARI of **97.9%** in 2025

- Similar to OccIndex, SEG believes the asset should be running an ARI premium vs. the comp set.
- The asset is set in a Georgian mansion style building surrounded by a central courtyard with landscaped gardens, has large-scale meeting facilities, and a leisure club with amenities that provide a competitive advantage vs. the comp set.
- SEG believes the asset should be driving ARI premiums in excess of historical levels achieved in '22A of **97.9%** vs. the set given the strong product quality relative to the set.

■ Market Growth:

- Comp set occ increased from **72.8%** in '22A to **78.2%** in '23A. Occupancies have fallen YTD 5/24 at **74.0%** vs. STLY at **75.1%**.
- Comp set ADRs increased from **£63.4** to **£70.0** from '22A to '23A, and have continued to increase 5/24 YTD at **£68.8** vs. **£65.6 STLY**.

REVPAR UNDERWRITING

11

The Mercure Haydock's RevIndex fell from 98.9% in '22A to 93.5% in '23A, despite having a great location, and a high product quality vs. the rest of the comp set.

| HAYDOCK | | | | | | | | | | | |
|------------------|------------|--------|--------|--------|-----------|-----------|--------|--------|--------|--------|--------|
| | Historical | | | | | | | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 73.1% | 70.2% | 74.2% | 69.9% | 67.5% | 67.2% | 79.5% | 79.5% | 79.5% | 79.5% | 79.5% |
| Comp Set | 71.1% | 69.4% | 72.8% | 78.2% | 75.1% | 74.0% | 78.2% | 78.2% | 78.2% | 78.2% | 78.2% |
| Rank | | 5 of 8 | 4 of 7 | 6 of 7 | | 5 of 7 | | | | | |
| Index | 102.8% | 101.2% | 101.8% | 89.4% | 89.9% | 90.9% | 101.7% | 101.7% | 101.7% | 101.7% | 101.7% |
| ADR | | | | | | | | | | | |
| Subject | 52.7 | 54.8 | 61.6 | 73.2 | 72.9 | 72.9 | 71.6 | 73.0 | 74.5 | 76.0 | 77.5 |
| Comp Set | 50.4 | 51.2 | 63.4 | 70.0 | 65.6 | 68.8 | 73.2 | 74.6 | 76.1 | 77.6 | 79.2 |
| Rank | | 3 of 8 | 5 of 7 | 3 of 7 | | 3 of 7 | | | | | |
| Index | 104.4% | 107.0% | 97.2% | 104.6% | 111.1% | 105.9% | 97.9% | 97.9% | 97.9% | 97.9% | 97.9% |
| RevPAR | | | | | | | | | | | |
| Subject | 38.5 | 38.5 | 45.7 | 51.1 | 49.2 | 49.0 | 56.9 | 58.1 | 59.2 | 60.4 | 61.6 |
| Comp Set | 35.9 | 35.5 | 46.2 | 54.7 | 49.2 | 50.9 | 57.2 | 58.3 | 59.5 | 60.7 | 61.9 |
| Rank | | 3 of 8 | 4 of 7 | 4 of 7 | | 4 of 7 | | | | | |
| Index | 107.4% | 108.3% | 98.9% | 93.5% | 99.8% | 96.3% | 99.6% | 99.6% | 99.6% | 99.6% | 99.6% |

| Comp Set | Keys | Open Date |
|--|------|-----------|
| Haydock | 135 | May-90 |
| Holiday Inn Haydock M6 Junction 23 | 138 | Jan-72 |
| Closed - Wigan Oak Hotel | - | - |
| Travelodge Haydock St Helens | 61 | Jan-89 |
| Everglades Park Hotel | 65 | Jun-70 |
| Premier Inn Haydock | 60 | Jan-00 |
| ibis Styles Haydock | 102 | Feb-08 |
| Holiday Inn Express Leigh Sports Village | 135 | Oct-08 |

SEG believes the asset should be performing at RevIndex levels in excess of historical indexes given the solid location, product quality, meeting facilities, F&B offerings, and amenity base (through the hotel's leisure club)

Georgian Style Mansion with Courtyard and Landscaped Gardens



HAYDOCK 5-YEAR P&L

11

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 79.5% | | | 79.5% | | | 79.5% | | | 79.5% | | | 79.5% | | |
| Average Daily Rate (ADR) | 71.6 | | | 73.0 | | | 74.5 | | | 76.0 | | | 77.5 | | |
| RevPAR | 56.9 | | | 58.1 | | | 59.2 | | | 60.4 | | | 61.6 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 2,805 | 51.5% | 72 | 2,862 | 51.5% | 73 | 2,919 | 51.5% | 75 | 2,985 | 51.5% | 76 | 3,037 | 51.5% | 78 |
| F&B Revenue | 2,373 | 43.6% | 61 | 2,420 | 43.6% | 62 | 2,468 | 43.6% | 63 | 2,525 | 43.6% | 64 | 2,568 | 43.6% | 66 |
| Spa Revenue | 202 | 3.7% | 5 | 206 | 3.7% | 5 | 210 | 3.7% | 5 | 215 | 3.7% | 5 | 218 | 3.7% | 6 |
| Other/Misc Revenue | 66 | 1.2% | 2 | 67 | 1.2% | 2 | 69 | 1.2% | 2 | 70 | 1.2% | 2 | 71 | 1.2% | 2 |
| Total Revenue | 5,446 | 100.0% | 139 | 5,555 | 100.0% | 142 | 5,666 | 100.0% | 145 | 5,795 | 100.0% | 148 | 5,895 | 100.0% | 150 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,145 | 40.8% | 29 | 1,168 | 40.8% | 30 | 1,192 | 40.8% | 30 | 1,218 | 40.8% | 31 | 1,240 | 40.8% | 32 |
| F&B Expense | 1,501 | 63.2% | 38 | 1,531 | 63.2% | 39 | 1,561 | 63.2% | 40 | 1,597 | 63.2% | 41 | 1,624 | 63.2% | 41 |
| Spa Expense | 121 | 60.0% | 3 | 123 | 60.0% | 3 | 126 | 60.0% | 3 | 129 | 60.0% | 3 | 131 | 60.0% | 3 |
| Other/Misc Expense | 23 | 35.0% | 1 | 24 | 35.0% | 1 | 24 | 35.0% | 1 | 25 | 35.0% | 1 | 25 | 35.0% | 1 |
| Total Departmental Exp | 2,790 | 51.2% | 71 | 2,846 | 51.2% | 73 | 2,903 | 51.2% | 74 | 2,968 | 51.2% | 76 | 3,020 | 51.2% | 77 |
| Total Dept Profit | 2,656 | 48.8% | 68 | 2,709 | 48.8% | 69 | 2,763 | 48.8% | 71 | 2,826 | 48.8% | 72 | 2,875 | 48.8% | 73 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 343 | 6.3% | 9 | 350 | 6.3% | 9 | 357 | 6.3% | 9 | 364 | 6.3% | 9 | 372 | 6.3% | 9 |
| Credit Card Commissions | 71 | 1.3% | 2 | 72 | 1.3% | 2 | 74 | 1.3% | 2 | 75 | 1.3% | 2 | 77 | 1.3% | 2 |
| Info & Telecommunications | 138 | 2.5% | 4 | 141 | 2.5% | 4 | 144 | 2.5% | 4 | 147 | 2.5% | 4 | 150 | 2.5% | 4 |
| Sales & Marketing | 312 | 5.7% | 8 | 318 | 5.7% | 8 | 324 | 5.7% | 8 | 331 | 5.7% | 8 | 337 | 5.7% | 9 |
| Franchise Fees | 263 | 9.4% | 7 | 268 | 9.4% | 7 | 274 | 9.4% | 7 | 280 | 9.4% | 7 | 285 | 9.4% | 7 |
| Repairs & Maintenance | 201 | 3.7% | 5 | 205 | 3.7% | 5 | 209 | 3.7% | 5 | 214 | 3.7% | 5 | 217 | 3.7% | 6 |
| Utilities | 422 | 7.7% | 11 | 430 | 7.7% | 11 | 439 | 7.7% | 11 | 449 | 7.7% | 11 | 456 | 7.7% | 12 |
| Total Undistributed Exp | 1,750 | 32.1% | 45 | 1,785 | 32.1% | 46 | 1,821 | 32.1% | 46 | 1,860 | 32.1% | 47 | 1,894 | 32.1% | 48 |
| Gross Operating Profit | 906 | 16.6% | 23 | 924 | 16.6% | 24 | 942 | 16.6% | 24 | 967 | 16.7% | 25 | 981 | 16.6% | 25 |





Bar Lounge



Bar Area



Meetings



Weddings

12

**SHEFFIELD ST.
PAUL'S HOTEL &
SPA**

ASSET REVIEW





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 28 | |
| Rooms to | 35 | 169 |

| Food & Beverage | Seats |
|-----------------|-------|
| The Yard | 90 |
| Champagne Bar | 14 |

| Meeting & Events | SQM | Seats |
|------------------|------------|-------|
| Largest Room | 450 | 300 |
| 10 Meeting Rooms | 197 | |
| Total | 647 | |

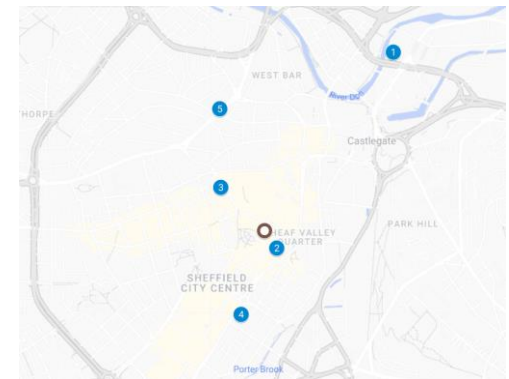
| Other | |
|-------------|---------------------------|
| Spa | Starting at £25 per visit |
| Indoor Pool | 8 treatment rooms |
| Fitness | |

Description

- The Mercure Sheffield St Paul's Hotel & Spa is a 4-star luxury hotel located in the heart of Sheffield, just minutes away from the railway station, Crucible and Lyceum Theatres, and positioned directly opposite the iconic Sheffield Town Hall and the adjoining Peace Gardens.
- Central location right next to the Winter Gardens and Millennium Gardens makes it convenient for visitors to explore Sheffield's top cultural attractions on foot.
- Superb road accessibility due to proximity of J34 of the M1 motorway, connecting London and Leeds.
- The hotel offers 169 rooms, an indoor heated swimming pool, a fitness center with a spa, sauna and steam room, and 11 meeting spaces.
- The Yard restaurant provides impressive views of the landmark Sheffield Winter Garden.
- **Schulte Business Plan**
- Hotel images look to be reasonable, however online reviews state that hotel is tired and issues with air-conditioning. With new supply coming into the market directly across from the hotel, it may be that some defensive capex will be needed.
- Tripadvisor reviews (see overleaf) rate the hotel 27 out of 45 hotels in Sheffield.
- As of 2023, the asset ranked **1 out of 6 hotels** in the comp set in terms of RevPAR.
- **Recommendation:** Schulte recommends a light renovation for the property in order to maintain market share with new supply entering.

Competitive Set

- 1 Crowne Plaza Royal Victoria Sheffield
- 2 Novotel Sheffield Centre
- 3 Leopold Hotel Sheffield
- 4 Leonardo Hotel Sheffield
- 5 Hampton by Hilton Sheffield



4.0 Very good
 3,732 reviews

#27 of 45 hotels in Sheffield



"Convenient and Pleasant Hotel" – May 2024



Convenient & pleasant hotel

We normally stay at Mercure Kenwood or holiday inn because often travelling with our dog. On this occasion it was just us so we opted for the city centre St Paul's which isn't dog friendly. It's close to convenient parking, & next to city hall. Loads of restaurants & bars within easy walking distance. Decent hotel bar. Excellent spa treatment & decent pool for swimming. Not enough lockers available, The small conical paper cups for water are pretty useless after a treatment. They don't hold much water & start to collapse after one drink. Other spas usually have a sturdy cup & hand it to client once treatment finished. It's a minor thing but means more small cups used than necessary.

"Very Nice Gym and Spa Treatments – May 2024



Very nice gym and spa treatments

Been a member at Mercure hotel gym for over 6 months upgraded my membership to spa club membership .

All the staff from reception desk to

Gym staff especially Joe the personal trainer are great very friendly and very helpful

And all the staff in the spa treatments a credit to Craig the manager and a credit to Jose spa operations manager

All the staff Are a real credit to the leisure fraternity

Highly recommended by Naz khan and Waleed who has also recently joined on my recommendation

"Nice Hotel but Spa Proved a Minor Issue" – May 2024



Nice hotel but spa proved a minor issue

Nice hotel in an excellent location with friendly staff.

However, I'd booked a two-night spa wellness package which should have included complimentary treatments and was told by the (polite) spa receptionist they were full all weekend and that I should've booked in advance which seems to be rather back to front.

Lovely breakfast, although evening meals were a limited buffet given they don't seem to have many people using the restaurant at night.

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£90.9** and a RevPAR index of **128.1%**.

■ **General:** Hotel images look to be reasonable, however online reviews state that hotel is tired and issues with air-conditioning.

- RevPAR Index has fallen from **159.7%** in 2018, to **147.7%** in 2019, to **123.6%** in 2023, a difference in index of **-36.0%** for 2023 vs. 2018.
- This decline in RevIndex is largely ADR driven, with ADRI falling **-25.2%** between for 2023 vs. 2018.
- RevIndex performance increased **+2.6%** YTD May'24 with occupancy **+7.6pts**, and ADR **-6.0%**. In terms of positioning within the set, the property is performing 1 out of 6 in RevPAR.
- The competitive set did see a change from 2019 to 2022 reporting with Leonardo Hotel Sheffield being rebranded from Jury's Inn previously.

■ **OccIndex: Schulte is underwriting a stabilized MPI of 105.0% in 2026**

- Sheffield has seen a fair amount of new supply recently with the Best Western Plus The Quays opening in 2022 with 96 keys, and the DoubleTree by Hilton Hotel Sheffield Park opening in 2023 with 131 keys. These assets however are not considered to be within the competitive radius for the subject hotel.
- In terms of new supply, the Radisson Blu Hotel is due to open in July 2024, with 154 keys and located directly opposite the subject hotel.
- This hotel will be positioned slightly differently, as it is in the upper upscale category, vs. the Mercure in Upper Midscale, however it's proximity does make it a threat.
- Considering the asset location, in the heart of Sheffield City Centre and with easy access to major transport links, including Sheffield railway station and regular services to Sheffield Airport, we see that the property should be able to maintain high occupancy levels, and on a YTD May'24 basis it has been performing very strongly.

■ **ADRIndex: Schulte is underwriting a stabilised ARI of 122.0% in 2026**

- The property has shown a stable ADRI of c. 120% for 2022 and 2023, however the property currently loses share in terms of weekend ADR, (123% vs. 118% on the weekend).
- We have assumed that the property can maintain ADRI at levels achieved in 2022/23, with a slight upside due to pushing the leisure weekend rates, however there may be some defensive capex needed in order to justify these ADR uplifts.
- The hotel has an excellent location and facilities to drive leisure rates and we see opportunity to push rates up post-renovation.

REVPAR UNDERWRITING

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■ Market Growth:

- Comp set occupancies increased from **75.9%** in '22A to **79.6%** in '23A. Occupancies have remained flat YTD 5/24.
- Comp set ADRs increased from **£101** to **£102** from '22A to '23A, though have fallen 5/24 YTD from **£83** STLY to **£82**, lowering overall RevPAR to **£63** YTD 5/24, down by **-£1 / -1.0%** YTD.

| SHEFFIELD ST PAUL'S HOTEL & SPA | | | | | | | | | | | |
|---------------------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 83.6% | 81.3% | 79.4% | 82.3% | 81.8% | 87.3% | 82.8% | 83.6% | 83.6% | 83.6% | 83.6% |
| Comp Set | 75.8% | 77.9% | 75.9% | 79.6% | 76.4% | 76.2% | 79.6% | 79.6% | 79.6% | 79.6% | 79.6% |
| Rank | - | 4 of 7 | 2 of 6 | 2 of 6 | - | 1 of 6 | | | | | |
| Index | 110.2% | 104.4% | 104.6% | 103.4% | 107.0% | 114.6% | 104.0% | 105.0% | 105.0% | 105.0% | 105.0% |
| ADR | | | | | | | | | | | |
| Subject | 92.1 | 90.6 | 100.8 | 102.0 | 102.9 | 97.2 | 104.9 | 108.8 | 110.9 | 113.2 | 115.4 |
| Comp Set | 63.6 | 64.0 | 84.1 | 85.3 | 82.7 | 82.0 | 87.4 | 89.2 | 90.9 | 92.8 | 94.6 |
| Rank | - | 1 of 7 | 1 of 6 | 1 of 6 | - | 1 of 6 | | | | | |
| Index | 144.8% | 141.5% | 119.9% | 119.6% | 124.5% | 118.5% | 120.0% | 122.0% | 122.0% | 122.0% | 122.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 77.0 | 73.7 | 80.0 | 84.0 | 84.2 | 84.9 | 86.9 | 90.9 | 92.8 | 94.6 | 96.5 |
| Comp Set | 48.2 | 49.9 | 63.8 | 67.9 | 63.2 | 62.5 | 69.6 | 71.0 | 72.4 | 73.9 | 75.3 |
| Rank | - | 1 of 7 | 1 of 6 | 1 of 6 | - | 1 of 6 | | | | | |
| Index | 159.7% | 147.7% | 125.4% | 123.6% | 133.2% | 135.8% | 124.8% | 128.1% | 128.1% | 128.1% | 128.1% |

Comp Set RevPAR has increased by +£4 / +6% from '22A to '23A, but has decreased by -£1 / -1% 5/24 YTD

| Comp Set | Keys | Open Date |
|---------------------------------------|------|-----------|
| Sheffield St Paul's Hotel & Spa | 169 | Nov-05 |
| Crowne Plaza Royal Victoria Sheffield | 105 | Jun-1862 |
| Novotel Sheffield Centre | 144 | Jun-91 |
| Leopold Hotel Sheffield | 89 | Jun-07 |
| Leonardo Hotel Sheffield | 259 | Jan-09 |
| Hampton by Hilton Sheffield | 142 | Mar-14 |

Occ in the market showed an increase of 4pts from '22 to '23, and ADR also increased 1%, meaning an overall RevPAR growth of 6%. On a YTD May '24 basis, occupancy has decreased minimally and ADR is has also shown a slight reduction meaning that YTD vs. STLY is down -1%.

Moving forward we forecast that this year will end with occ flat in the comp set, and ADR will end -1%, with an inflationary growth going forward of 2.5% for 2025 and 2.0% p.a. thereafter.

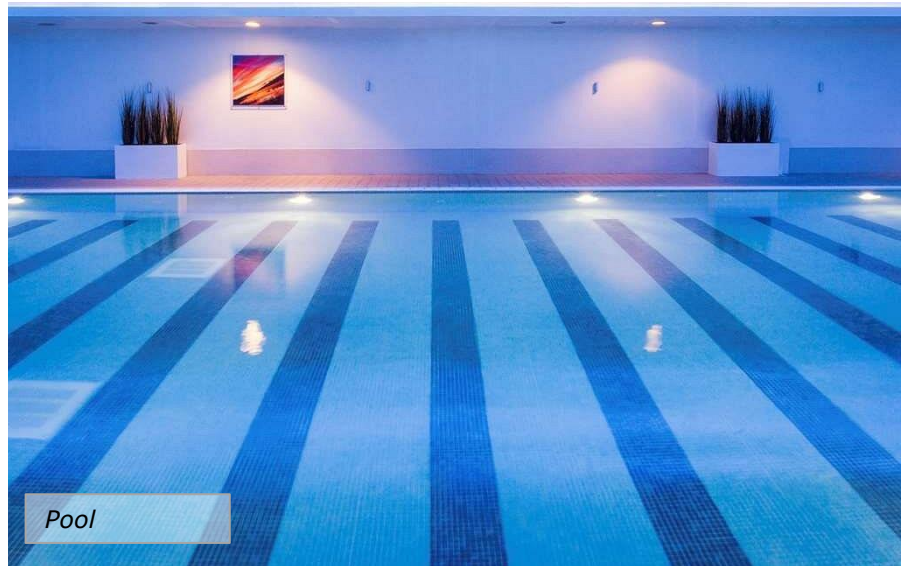


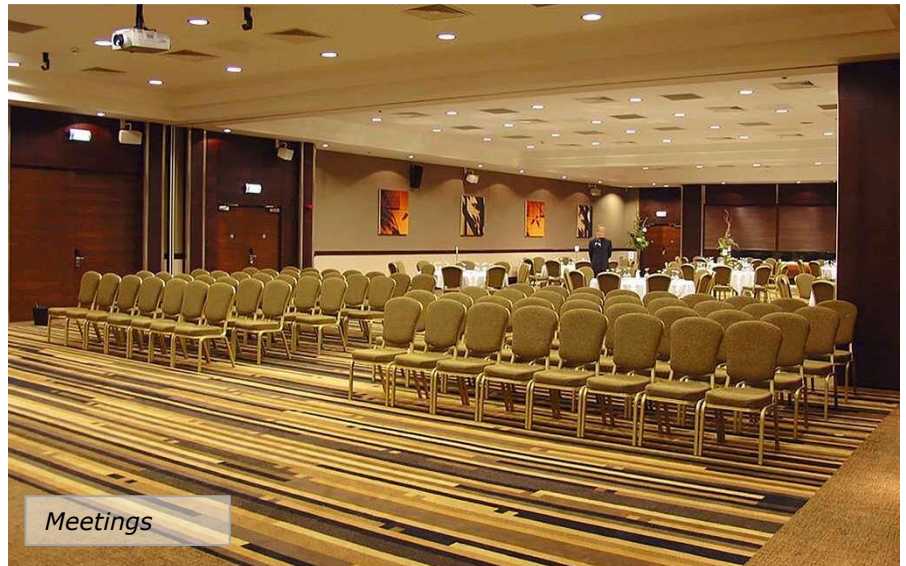
Hotel has views onto Sheffield Winter Gardens

SHEFFIELD 5-YEAR P&L

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| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 82.8% | | | 83.6% | | | 83.6% | | | 83.6% | | | 83.6% | | |
| Average Daily Rate (ADR) | 104.9 | | | 108.8 | | | 110.9 | | | 113.2 | | | 115.4 | | |
| RevPAR | 86.9 | | | 90.9 | | | 92.8 | | | 94.6 | | | 96.5 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 5,358 | 64.1% | 105 | 5,610 | 64.5% | 109 | 5,722 | 64.5% | 111 | 5,852 | 64.5% | 113 | 5,953 | 64.5% | 115 |
| F&B Revenue | 2,199 | 26.3% | 43 | 2,265 | 26.0% | 44 | 2,310 | 26.0% | 45 | 2,363 | 26.0% | 46 | 2,403 | 26.0% | 47 |
| Spa Revenue | 760 | 9.1% | 15 | 783 | 9.0% | 15 | 798 | 9.0% | 15 | 817 | 9.0% | 16 | 831 | 9.0% | 16 |
| Other/Misc Revenue | 44 | 0.5% | 1 | 46 | 0.5% | 1 | 47 | 0.5% | 1 | 48 | 0.5% | 1 | 48 | 0.5% | 1 |
| Total Revenue | 8,362 | 100.0% | 164 | 8,703 | 100.0% | 169 | 8,877 | 100.0% | 172 | 9,079 | 100.0% | 176 | 9,236 | 100.0% | 179 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,572 | 29.3% | 31 | 1,623 | 28.9% | 31 | 1,655 | 28.9% | 32 | 1,693 | 28.9% | 33 | 1,722 | 28.9% | 33 |
| F&B Expense | 1,378 | 62.6% | 27 | 1,419 | 62.6% | 28 | 1,447 | 62.6% | 28 | 1,480 | 62.6% | 29 | 1,506 | 62.6% | 29 |
| Spa Expense | 456 | 60.0% | 9 | 470 | 60.0% | 9 | 479 | 60.0% | 9 | 490 | 60.0% | 9 | 498 | 60.0% | 10 |
| Other/Misc Expense | 16 | 35.0% | 0 | 16 | 35.0% | 0 | 16 | 35.0% | 0 | 17 | 35.0% | 0 | 17 | 35.0% | 0 |
| Total Departmental Exp | 3,421 | 40.9% | 67 | 3,527 | 40.5% | 68 | 3,598 | 40.5% | 70 | 3,679 | 40.5% | 71 | 3,743 | 40.5% | 73 |
| Total Dept Profit | 4,940 | 59.1% | 97 | 5,176 | 59.5% | 100 | 5,279 | 59.5% | 102 | 5,400 | 59.5% | 104 | 5,492 | 59.5% | 106 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 5.6% | 9 | 480 | 5.5% | 9 | 489 | 5.5% | 9 | 499 | 5.5% | 10 | 509 | 5.5% | 10 |
| Credit Card Commissions | 109 | 1.3% | 2 | 113 | 1.3% | 2 | 115 | 1.3% | 2 | 118 | 1.3% | 2 | 120 | 1.3% | 2 |
| Info & Telecommunications | 156 | 1.9% | 3 | 159 | 1.8% | 3 | 162 | 1.8% | 3 | 165 | 1.8% | 3 | 169 | 1.8% | 3 |
| Sales & Marketing | 534 | 6.4% | 10 | 544 | 6.3% | 11 | 555 | 6.3% | 11 | 566 | 6.2% | 11 | 578 | 6.3% | 11 |
| Franchise Fees | 409 | 7.6% | 8 | 427 | 7.6% | 8 | 436 | 7.6% | 8 | 446 | 7.6% | 9 | 453 | 7.6% | 9 |
| Repairs & Maintenance | 195 | 2.3% | 4 | 200 | 2.3% | 4 | 204 | 2.3% | 4 | 209 | 2.3% | 4 | 213 | 2.3% | 4 |
| Utilities | 550 | 6.6% | 11 | 566 | 6.5% | 11 | 578 | 6.5% | 11 | 591 | 6.5% | 11 | 601 | 6.5% | 12 |
| Total Undistributed Exp | 2,422 | 29.0% | 47 | 2,490 | 28.6% | 48 | 2,540 | 28.6% | 49 | 2,594 | 28.6% | 50 | 2,642 | 28.6% | 51 |
| Gross Operating Profit | 2,518 | 30.1% | 49 | 2,686 | 30.9% | 52 | 2,739 | 30.9% | 53 | 2,806 | 30.9% | 54 | 2,850 | 30.9% | 55 |





13

**WARWICKSHIRE
WALTON HALL
HOTEL & SPA
ASSET REVIEW**





| Accommodation | SQM | Rooms |
|---------------|-----|-------|
| Rooms from | 14 | 186 |

| Food & Beverage | Seats |
|------------------------|-------|
| Oranges and Lemons | 120 |
| Brasserie | |
| Oranges and Lemons Bar | 30 |

| Meeting & Events | SQM | Seats |
|------------------|--------------|-------|
| Largest Room | 262 | 170 |
| 20 Meeting Rooms | 842 | |
| Total | 1,104 | |

| Other | |
|-------------|---------------------------|
| Spa | 8 treatment rooms |
| Indoor Pool | Starting at £25 per visit |
| Fitness | |

Description

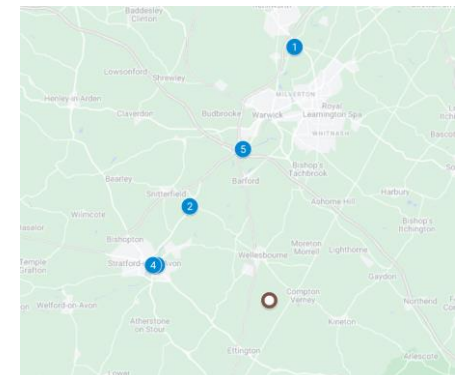
- Set in a 16th-century Grade II listed building surrounded by 65 acres of picturesque Warwickshire countryside. It features 22 fully-equipped function rooms, an orangery restaurant, leisure facilities like a gym, swimming pool, and sauna.
- Walton Hall is conveniently located just 10 minutes from the M40 motorway and within easy reach of notable tourist attractions like the historic towns of Warwick (16 km) and Stratford-upon-Avon, birthplace of William Shakespeare.
- Guests can enjoy walking trails through the estate's sprawling grounds with a lake, as well as access to the hotel's spa facilities during their stay.

Schulte Business Plan

- Property reviews on the whole are good and compliment the stunning location, however do point to the hotel being slightly run down and in need of renovation.
- Tripadvisor reviews (see overleaf) have guests complimenting the building, the location and the facilities, however pointing to the need for renovation.
- As of 2023, the asset ranked **6 out of 6 hotels** in the comp set in terms of RevPAR.
- **Recommendation:** Schulte is underwriting the asset to stabilise at a slight premium to 2019 performance, due to SEG detailed revenue management and sales and marketing.
- The property has 1,104 sqm of meetings and events space and so a detailed group sales strategy is needed, as a focussed marketing strategy for leisure-driven stays.
- **Existing Occ Strategy Gap:** In '23A, the asset ran **274 days** with **<=70.0%** occupancy, which is **+96 days** more than the comp set.

Competitive Set

- 1 Chesford Grange Hotel
- 2 Stratford Manor
- 3 Macdonald Alveston Manor Hotel
- 4 Swan's Nest Hotel
- 5 Delta Hotels Warwick



3.5 Very good
4,146 reviews

#1 of 1 hotels in Walton



"Best Hotel I've Stayed In" – May 2024



Best Hotel I've Stayed in

Amazing hotel. Cannot recommend it enough. Beautiful room. Great view. Super comfortable. Close to Warwick Castle, British Motor Museum and Stratford upon Avon. Employees were top notch. One woman saw I had a sprained ankle and carried my luggage up three flights of stairs. I wish I had gotten her name.

"Breakfast Better Than Other Recent Reviews" – May 2024



Breakfast better than other recent reviews

We enjoyed another stay in this hotel. The accessible room is very spacious and has hand rails in the bathroom but we could not use the shower chair as it was stuck at the lowest setting, too low to safely use, so my husband had to struggle to stand for a quick shower. We also had an issue with the bathroom plumbing.

The room was nice and quiet though and temperature ok. Presumably it gets cold in the winter as there were two portable radiators in the room.

Contrary to other reviews, we thought the breakfast was good. All the hot food and fruit was kept topped up, even towards the end of the breakfast sitting, and the staff helped a couple who were late for breakfast but getting them a plate of food each. I assume the hotel had worked on their breakfast procedures following recent reviews.

We were given complimentary vouchers for one the swimming pool since the charge was introduced after we booked. We had a two night stay but could only use the vouchers once it seemed. There is an accessible toilet but it was not possible to fit through the doors to the family changing room. The steam room and sauna are up some stairs.

"Beautiful Area" – May 2024



Beautiful area.

I stayed at the hotel for a single night for a business trip and enjoyed my time at the hotel. The area is beautiful and quiet. The dinner service was fantastic. The breakfast was a bit lacking however. The staff were very friendly and helpful.

REVPAR UNDERWRITING

13

Schulte is underwriting the asset to stabilize in Year 2 (2026) at a RevPAR of **£56.3** and a RevPAR index of **81.9%**

- **General:** Property reviews on the whole are good and compliment the stunning location, however do point to the hotel being slightly run down and in need of renovation.
 - RevPAR index has fallen from **75.7%** in 2018 to **72.6%** in 2023, a decrease of **-3.0%**.
 - This decline in RevIndex is largely driven by OccIndex which has fallen **-10.2%**, whereas ADR Index has increased **6.4%**.
 - RevPAR decline appears to be a driven by a less-focused revenue management strategy, with performance YTD May'24 also deteriorating in terms of OccIndex (**-35.5%**) and ADRIndex showing a small decline.
 - The Mercure Walton Hall had **96 more days** with **<=70%** occupancy in '23A than the comp set vs. **5 more days** in '22A.
 - In terms of the competitive landscape, we have the following data from 2019 performance which frames the hotel performance:
 - Crowne Plaza Stratford upon Avon (259 keys)– **78.1%** occ / **£85.2** ADR (2019) = **£66.5** RevPAR
 - Holiday Inn Leamington Spa Warwick (91 keys) – **82.0%** occ / **£69.4** ADR (2019) = **£56.9** RevPAR
 - **OccIndex: Schulte is underwriting a stabilized MPI of 92.0% in 2026**
 - In terms of occupancy the property currently sits 6 out of 6. We believe that the property should be able to return to it's OccI achieved in 2019, however would like to understand the factors behind the large drops in occupancy for 2023 and YTD '24.
- **ADR Index: Schulte is underwriting a stabilised ARI of 89.0% in 2026**
 - There is currently not a large rate difference between weekends and midweek, and we believe that the hotel should be able to drive better leisure ADRs, and maintain ADRIndex positioning as at 2022.

| WARWICKSHIRE WALTON HALL HOTEL & SPA | | | | | | | | | | | |
|--------------------------------------|------------|--------|--------|--------|-----------|-----------|-----------|-------|-------|-------|-------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 65.7% | 62.6% | 60.1% | 54.8% | 55.6% | 36.1% | 58.9% | 63.8% | 63.8% | 63.8% | 63.8% |
| Comp Set | 70.7% | 68.6% | 60.0% | 66.3% | 58.9% | 61.3% | 69.3% | 69.3% | 69.3% | 69.3% | 69.3% |
| Rank | - | 6 of 6 | 3 of 6 | 6 of 6 | - | 6 of 6 | | | | | |
| Index | 92.9% | 91.3% | 100.2% | 82.7% | 94.3% | 58.8% | 85.0% | 92.0% | 92.0% | 92.0% | 92.0% |
| ADR | | | | | | | | | | | |
| Subject | 65.6 | 66.7 | 77.3 | 80.1 | 76.3 | 77.0 | 86.5 | 88.2 | 90.0 | 91.8 | 93.6 |
| Comp Set | 80.6 | 78.8 | 87.0 | 91.2 | 83.4 | 87.1 | 97.2 | 99.1 | 101.1 | 103.2 | 105.2 |
| Rank | - | 6 of 6 | 5 of 6 | 5 of 6 | - | 5 of 6 | | | | | |
| Index | 81.4% | 84.6% | 88.9% | 87.8% | 91.4% | 88.4% | 89.0% | 89.0% | 89.0% | 89.0% | 89.0% |
| RevPAR | | | | | | | | | | | |
| Subject | 43.1 | 41.8 | 46.5 | 43.9 | 42.4 | 27.8 | 51.0 | 56.3 | 57.4 | 58.5 | 59.7 |
| Comp Set | 56.9 | 54.1 | 52.2 | 60.5 | 49.2 | 53.4 | 67.4 | 68.7 | 70.1 | 71.5 | 72.9 |
| Rank | - | 6 of 6 | 4 of 6 | 6 of 6 | - | 6 of 6 | | | | | |
| Index | 75.7% | 77.2% | 89.1% | 72.6% | 86.2% | 52.0% | 75.7% | 81.9% | 81.9% | 81.9% | 81.9% |

| Warwickshire Walton Hall Hotel & Spa | 197 | Jan-83 |
|--------------------------------------|-----|--------|
| Chesford Grange Hotel | 205 | - |
| Stratford Manor Hotel | 104 | - |
| Macdonald Alveston Manor | 113 | - |
| The Swan's Nest | 72 | - |
| Delta Hotels by Marriott Warwick | 180 | Jan-81 |

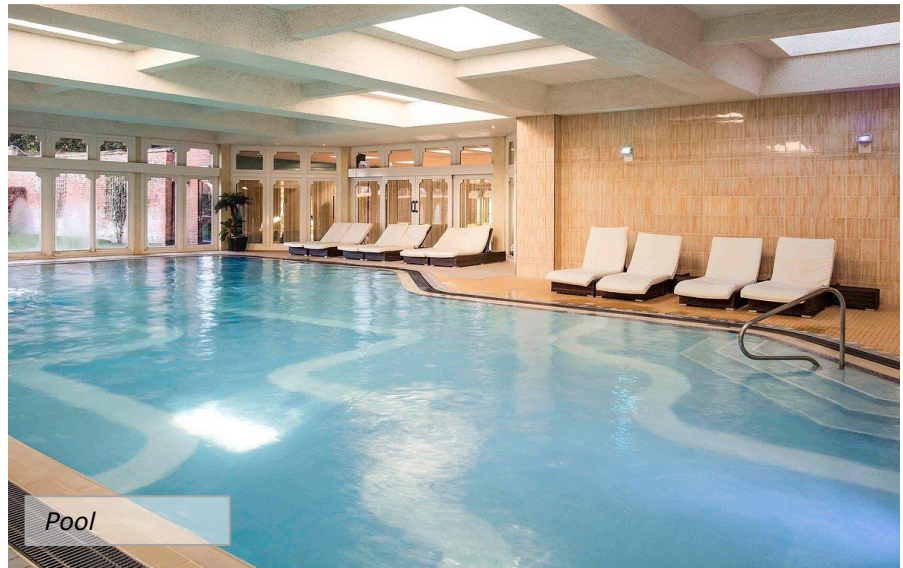
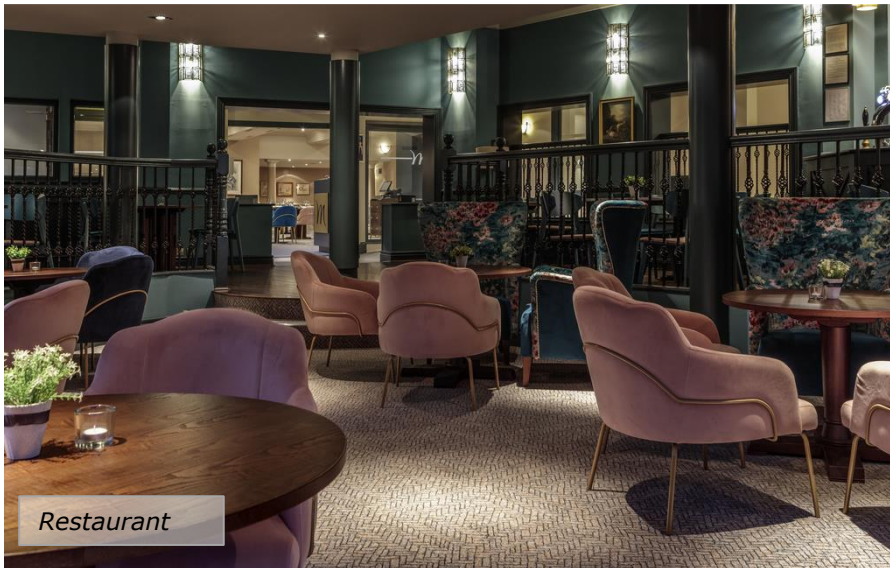
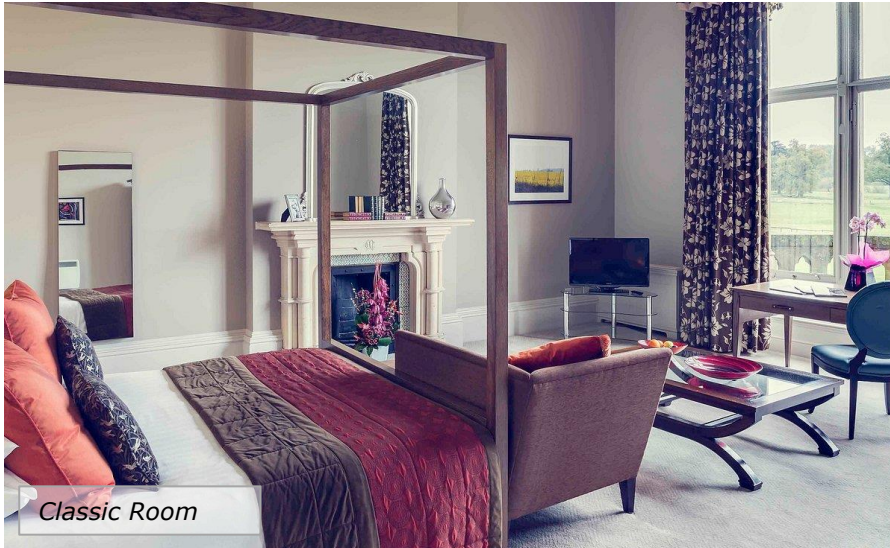
Occ in the market showed an increase of 6pts from '22 to '23, and ADR also increased 5%, meaning an overall RevPAR growth of 16%. On a YTD May '24 basis, occupancy continues to grow 2pts and ADR at 4%, meaning that YTD vs. STLY is up 9%.

We forecast that this year will end with occ up 3% in the comp set and then stabilise, and ADR will end +5%, with an inflationary growth going forward of 2.5% in 2025 and 2% p.a. thereafter.

WARWICKSHIRE 5-YEAR P&L

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| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 58.9% | | | 63.8% | | | 63.8% | | | 63.8% | | | 63.8% | | |
| Average Daily Rate (ADR) | 86.5 | | | 88.2 | | | 90.0 | | | 91.8 | | | 93.6 | | |
| RevPAR | 51.0 | | | 56.3 | | | 57.4 | | | 58.5 | | | 59.7 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 3,664 | 46.1% | 87 | 4,045 | 46.1% | 88 | 4,126 | 46.1% | 90 | 4,220 | 46.1% | 92 | 4,293 | 46.1% | 94 |
| F&B Revenue | 3,473 | 43.7% | 82 | 3,834 | 43.7% | 84 | 3,911 | 43.7% | 85 | 4,000 | 43.7% | 87 | 4,069 | 43.7% | 89 |
| Spa Revenue | 383 | 4.8% | 9 | 423 | 4.8% | 9 | 431 | 4.8% | 9 | 441 | 4.8% | 10 | 449 | 4.8% | 10 |
| Other/Misc Revenue | 422 | 5.3% | 10 | 466 | 5.3% | 10 | 475 | 5.3% | 10 | 486 | 5.3% | 11 | 495 | 5.3% | 11 |
| Total Revenue | 7,942 | 100.0% | 188 | 8,768 | 100.0% | 191 | 8,943 | 100.0% | 195 | 9,147 | 100.0% | 199 | 9,305 | 100.0% | 203 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 1,306 | 35.6% | 31 | 1,421 | 35.1% | 31 | 1,450 | 35.1% | 32 | 1,482 | 35.1% | 32 | 1,508 | 35.1% | 33 |
| F&B Expense | 2,076 | 59.8% | 49 | 2,292 | 59.8% | 50 | 2,338 | 59.8% | 51 | 2,391 | 59.8% | 52 | 2,433 | 59.8% | 53 |
| Spa Expense | 230 | 60.0% | 5 | 254 | 60.0% | 6 | 259 | 60.0% | 6 | 265 | 60.0% | 6 | 269 | 60.0% | 6 |
| Other/Misc Expense | 148 | 35.0% | 3 | 163 | 35.0% | 4 | 166 | 35.0% | 4 | 170 | 35.0% | 4 | 173 | 35.0% | 4 |
| Total Departmental Exp | 3,760 | 47.3% | 89 | 4,130 | 47.1% | 90 | 4,213 | 47.1% | 92 | 4,308 | 47.1% | 94 | 4,383 | 47.1% | 96 |
| Total Dept Profit | 4,182 | 52.7% | 99 | 4,638 | 52.9% | 101 | 4,731 | 52.9% | 103 | 4,839 | 52.9% | 105 | 4,922 | 52.9% | 107 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 470 | 5.9% | 11 | 480 | 5.5% | 10 | 489 | 5.5% | 11 | 499 | 5.5% | 11 | 509 | 5.5% | 11 |
| Credit Card Commissions | 103 | 1.3% | 2 | 114 | 1.3% | 2 | 116 | 1.3% | 3 | 119 | 1.3% | 3 | 121 | 1.3% | 3 |
| Info & Telecommunications | 182 | 2.3% | 4 | 185 | 2.1% | 4 | 189 | 2.1% | 4 | 193 | 2.1% | 4 | 197 | 2.1% | 4 |
| Sales & Marketing | 524 | 6.6% | 12 | 535 | 6.1% | 12 | 546 | 6.1% | 12 | 557 | 6.1% | 12 | 568 | 6.1% | 12 |
| Franchise Fees | 359 | 9.8% | 8 | 396 | 9.8% | 9 | 404 | 9.8% | 9 | 413 | 9.8% | 9 | 420 | 9.8% | 9 |
| Repairs & Maintenance | 328 | 4.1% | 8 | 362 | 4.1% | 8 | 369 | 4.1% | 8 | 378 | 4.1% | 8 | 384 | 4.1% | 8 |
| Utilities | 391 | 4.9% | 9 | 431 | 4.9% | 9 | 440 | 4.9% | 10 | 450 | 4.9% | 10 | 458 | 4.9% | 10 |
| Total Undistributed Exp | 2,357 | 29.7% | 56 | 2,503 | 28.5% | 55 | 2,553 | 28.5% | 56 | 2,608 | 28.5% | 57 | 2,656 | 28.5% | 58 |
| Gross Operating Profit | 1,825 | 23.0% | 43 | 2,135 | 24.3% | 47 | 2,177 | 24.3% | 47 | 2,231 | 24.4% | 49 | 2,265 | 24.3% | 49 |





14

**WINCHESTER
WESSEX
ASSET REVIEW**





| <u>Accommodation</u> | <u>SQM</u> | <u>Rooms</u> |
|-----------------------------|--------------|--------------|
| Rooms from | 10 | 94 |
| Rooms to | 20 | |
| <u>Food & Beverage</u> | <u>Seats</u> | |
| Wessex Restaurant | 60 | |
| King's Lounge | 25 | |
| <u>Meeting & Events</u> | <u>SQM</u> | <u>Seats</u> |
| Largest Room | 218 | 200 |
| 4 Meeting Rooms | 205 | |
| Total | 423 | |
| <u>Other</u> | | |

Description

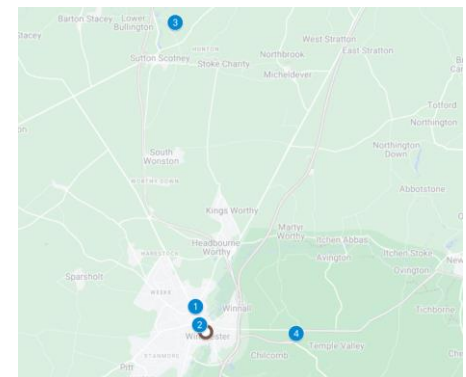
- Situated in a prime location right next to Winchester Cathedral and within walking distance of the city center's shops and restaurants.
- Offers 94 guest rooms with amenities like flat-screen TVs, tea/coffee makers, free WiFi, and some rooms with cathedral views.
- Hotel facilities include an on-site restaurant (Wessex Restaurant), bar, meeting rooms for events/weddings, limited parking, and pet-friendly policies.
- Hotel's central location makes it an ideal base for exploring Winchester's top sights like the cathedral as well as surrounding areas of interest like the steam railway, zoo, and New Forest National Park.

Schulte Business Plan

- SEG would seek to increase the asset's occupancy and ADR back towards historical peaks achieved in '18A.
- Index has fallen by **-5.0%** YoY from **105.6%** in '22A to **100.6%** in '23A.
- The Mercure Winchester has the best location in the comp set – overlooking the historic Winchester Cathedral and should be generating an occupancy and ADR premium vs. the set given the location.
- Give the strong location, SHG would seek to adjust the current revenue and sales strategy to attain and surpass historical indexes by focusing on both boosting occupancies and yielding ADRs.

Competitive Set

- 1 The Winchester Hotel & Spa
- 2 Winchester Royal Hotel
- 3 Norton Park Hotel, Spa & Manor House
- 4 Holiday Inn Winchester



3.5 Very good
 2,329 reviews

#9 of 9 hotels in Winchester



"Great Stay" – May 2024



great stay

very friendly staff, the room was clean and clean every day, food is nice but as working in the area for our forth week a chef's special on the menu would be nice as eaten every thing on the menu over again etc .out standing bar staff Elea and Asmita great personality and service was spot on thanks see you all again next week

"Five Star Location But..." – May 2024



Five star location but

The sign outside states it is a five star hotel - it certainly isn't; three star at best. There are several threadbare carpets and the strange lift/floor arrangements with a multiplicity of short staircases make it definitely a wheelchair unfriendly hotel. (There was a sign saying that there was ramp for wheelchairs at the rear of the building but it was locked when I attempted to use it.)

Nevertheless the hotel's location must be one of the best in the city - 100 metres from the cathedral.

There is a nice bar area but, as far as we could see, no restaurant.

"Overall, My Time at the Mercury Hotel was Nothing Short of Wonderful" – May 2024



Overall, my time at the Mercury Hotel was nothing short of wonderful, and I would highly recommend it to anyone looking

After my recent stay at the Mercury Hotel, I can confidently say it exceeded my expectations. From the warm welcome at check-in to the immaculately clean room, every aspect of the experience was exceptional. The hotel's attention to detail and commitment to guest satisfaction truly stood out. The amenities provided added an extra layer of comfort and convenience to my stay. The staff were attentive, friendly, and always willing to assist with any request, especially Arthur, from the bar.

Schulte is underwriting the asset to stabilize in Year 1 (2025) at a RevPAR of **£78.8** and a RevPAR index of **110.3%**, following the institution of a more focused revenue management and sales strategy.

■ **General: Schulte is underwriting the asset to remain as a Mercure**

- Index has fallen by **-5.0%** YoY from **105.6%** in '22A to **100.6%** in '23A.
- The decline in performance from '23A to '22A appears to be a function of:
 - **Revenue management / sales strategies** - and less so on branding (as evidenced by the **105.6%** RevIndex in '22A, and given that three of the other four assets in the set are non-branded).
- **Revenue Management Induced Decline:**
 - The asset's RevIndex in '23A fell at all occupancy levels, with days **<=70.0%** / between **71 – 80%** / **81 – 90%** / **90%+** generating a lower RevIndex index of **-3.9%** / **-3.0%** / **-7.8%** / **-3.8%**, and with the asset's RevPAR / RevIndex continuing to fall YTD.
- It's unlikely that the sudden drop is all related to a needed renovation – given the other assets in the set don't appear to have been renovated recently, and SEG believes the recent lower indexes are due to a lack of revenue / sales focus.
 - **Of note, the Mercure Winchester has the best location in the comp set – overlooking the historic Winchester Cathedral, and should be generating an occupancy and ADR premium vs. the set given the location.**
- The decision to retain the brand is supported by '19 RevPAR comp data we have been able to access from the market – which shows minimal upside with a brand change:
 - HI Winchester – **67.3%** occ / **£82.7** ADR (2019) = **£55.6** RevPAR which is lower vs. the asset's '23A RevPAR.

■ **OccIndex: Schulte is underwriting a stabilized MPI of 107.7% in 2025**

- SEG believes that asset should be operating at occupancy levels closer in-line with '21A / '22A.
- While the asset has not received a renovation recently – neither has the comp set, and so the continued drop in index from '22A to YTD 5/24 is likely due to poor revenue management / sales practices, and SEG believes that it can restore the property back towards historical levels through a diligent approach to managing the hotel's revenue and sales strategies.

■ **ADRIndex: Schulte is underwriting a stabilised ARI of 102.4% in 2025**

- Similar to OccIndex, Schulte believes the asset should be generating ARI levels in-line with or slightly better than '22A levels, and is underwriting an increase in ARI under SEG management.
- The asset's low key count should present opportunities to yield higher ADRs - given the strong location with views overlooking the Winchester Cathedral.

■ **Market Growth:**

- Comp set occ increased from **63.3%** in '22A to **65.9%** in '23A. Occupancies have continued to increase YTD 5/24 from **58.3%** YTD to **61.3%** STLY.
- Comp set ADRs increased from **£86.2** to **£92.3** from '22A to '23A, and have continued to increase 5/24 YTD at **£85.7** vs. **£78.9 STLY**.

REVPAR UNDERWRITING

14

The Mercure Winchester Wessex Hotel's RevIndex fell from 105.6% in '22A to 100.6% in '23A, despite having the best location in the comp set, and overlooking the historic Winchester Cathedral.

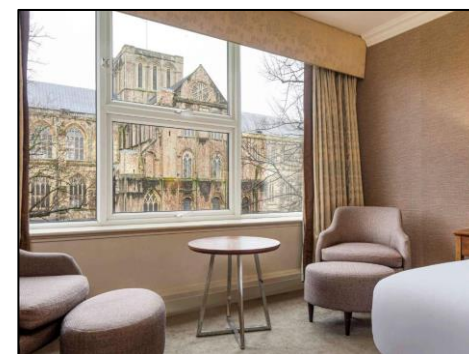
| WINCHESTER WESSEX | | | | | | | | | | | |
|-------------------|------------|--------|--------|--------|-----------|-----------|-----------|--------|--------|--------|--------|
| | Historical | | | | | | Pro Forma | | | | |
| | 2018A | 2019A | 2022A | 2023A | YTD May23 | YTD May24 | 2025P | 2026P | 2027P | 2028P | 2029P |
| Occupancy | | | | | | | | | | | |
| Subject | 79.8% | 76.7% | 70.1% | 70.4% | 63.5% | 54.3% | 77.5% | 79.7% | 79.7% | 79.7% | 79.7% |
| Comp Set | 74.4% | 71.8% | 63.3% | 65.9% | 58.3% | 61.3% | 72.0% | 74.0% | 74.0% | 74.0% | 74.0% |
| Rank | | 3 of 5 | 2 of 5 | 2 of 5 | | 4 of 5 | | | | | |
| Index | 107.3% | 106.9% | 110.6% | 106.8% | 108.9% | 88.5% | 107.7% | 107.7% | 107.7% | 107.7% | 107.7% |
| ADR | | | | | | | | | | | |
| Subject | 81.4 | 80.5 | 82.3 | 87.0 | 75.2 | 77.9 | 101.7 | 103.7 | 105.8 | 107.9 | 110.1 |
| Comp Set | 79.7 | 80.8 | 86.2 | 92.3 | 78.9 | 85.7 | 99.4 | 101.3 | 103.4 | 105.4 | 107.6 |
| Rank | | 2 of 5 | 4 of 5 | 3 of 5 | | 4 of 5 | | | | | |
| Index | 102.2% | 99.7% | 95.4% | 94.2% | 95.2% | 91.0% | 102.4% | 102.4% | 102.4% | 102.4% | 102.4% |
| RevPAR | | | | | | | | | | | |
| Subject | 65.0 | 61.8 | 57.6 | 61.2 | 47.7 | 42.3 | 78.8 | 82.7 | 84.3 | 86.0 | 87.7 |
| Comp Set | 59.3 | 58.0 | 54.6 | 60.8 | 46.0 | 52.6 | 71.5 | 75.0 | 76.5 | 78.0 | 79.5 |
| Rank | | 2 of 5 | 3 of 5 | 3 of 5 | | 5 of 5 | | | | | |
| Index | 109.7% | 106.6% | 105.6% | 100.6% | 103.7% | 80.6% | 110.3% | 110.3% | 110.3% | 110.3% | 110.3% |

| Comp Set | Keys | Open Date |
|--------------------------------------|-----------|-----------|
| Winchester Wessex | 94 | - |
| Winchester Hotel & Spa | 96 | May-80 |
| Winchester Royal Hotel | 81 | - |
| Norton Park Hotel, Spa & Manor House | 164 | - |
| Holiday Inn Winchester | 98 | Feb-10 |

Excluding a renovation, SEG believes the asset's index should be performing in-line with '22A index levels. Assuming a soft-goods renovation, SEG believes the asset should be able to surpass '23A levels, just above a 110.0% index vs. the set.

SEG notes the Mercure has the best location in the set, and while the Winchester Royal Hotel is also located across from the cathedral, the other two assets in the set – The Norton Park Hotel, and the Holiday Inn Winchester are much further away (18 minute and a six minute drive away) from the Mercure. Additionally, the Holiday Inn is located near a cemetery.

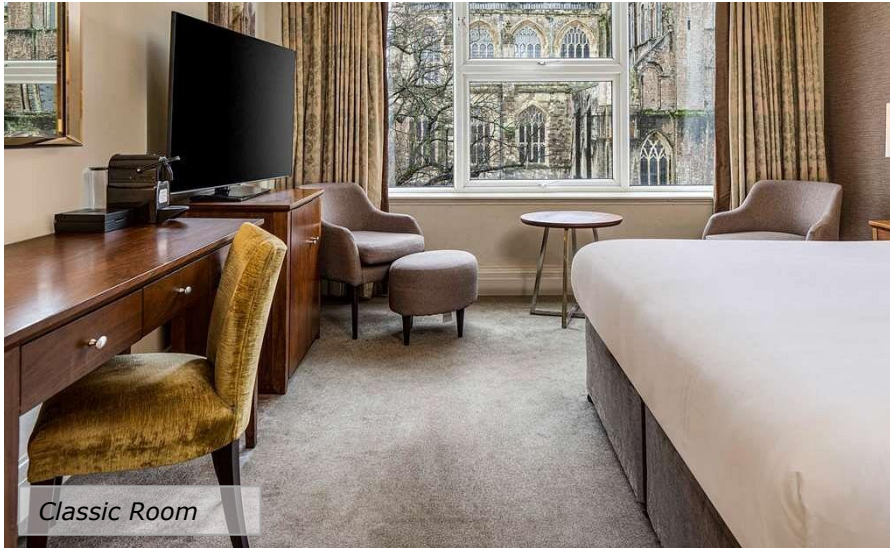
The view of the cathedral from the room at the Mercure Winchester



WINCHESTER 5-YEAR P&L

14

| | 2025P | | | 2026P | | | 2027P | | | 2028P | | | 2029P | | |
|--------------------------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|--------------|---------------|------------|
| | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR | £ | % | POR |
| Occupancy | 77.5% | | | 79.7% | | | 79.7% | | | 79.7% | | | 79.7% | | |
| Average Daily Rate (ADR) | 101.7 | | | 103.7 | | | 105.8 | | | 107.9 | | | 110.1 | | |
| RevPAR | 78.8 | | | 82.7 | | | 84.3 | | | 86.0 | | | 87.7 | | |
| Revenue | | | | | | | | | | | | | | | |
| Rooms Revenue | 2,705 | 77.7% | 102 | 2,836 | 77.7% | 104 | 2,893 | 77.7% | 106 | 2,959 | 77.7% | 108 | 3,010 | 77.7% | 110 |
| F&B Revenue | 594 | 17.1% | 22 | 623 | 17.1% | 23 | 635 | 17.1% | 23 | 650 | 17.1% | 24 | 661 | 17.1% | 24 |
| Other/Misc Revenue | 182 | 5.2% | 7 | 191 | 5.2% | 7 | 194 | 5.2% | 7 | 199 | 5.2% | 7 | 202 | 5.2% | 7 |
| Total Revenue | 3,481 | 100.0% | 131 | 3,650 | 100.0% | 133 | 3,723 | 100.0% | 136 | 3,807 | 100.0% | 139 | 3,873 | 100.0% | 142 |
| Departmental Expenses | | | | | | | | | | | | | | | |
| Rooms Expense | 854 | 31.6% | 32 | 891 | 31.4% | 33 | 909 | 31.4% | 33 | 929 | 31.4% | 34 | 945 | 31.4% | 35 |
| F&B Expense | 509 | 85.7% | 19 | 534 | 85.7% | 20 | 544 | 85.7% | 20 | 557 | 85.7% | 20 | 566 | 85.7% | 21 |
| Other/Misc Expense | 64 | 35.0% | 2 | 67 | 35.0% | 2 | 68 | 35.0% | 2 | 70 | 35.0% | 3 | 71 | 35.0% | 3 |
| Total Departmental Exp | 1,427 | 41.0% | 54 | 1,491 | 40.9% | 55 | 1,521 | 40.9% | 56 | 1,555 | 40.9% | 57 | 1,582 | 40.9% | 58 |
| Total Dept Profit | 2,054 | 59.0% | 77 | 2,159 | 59.1% | 79 | 2,202 | 59.1% | 81 | 2,252 | 59.1% | 82 | 2,291 | 59.1% | 84 |
| Undistributed Expenses | | | | | | | | | | | | | | | |
| Administrative & General | 178 | 5.1% | 7 | 182 | 5.0% | 7 | 185 | 5.0% | 7 | 189 | 5.0% | 7 | 193 | 5.0% | 7 |
| Credit Card Commissions | 45 | 1.3% | 2 | 47 | 1.3% | 2 | 48 | 1.3% | 2 | 49 | 1.3% | 2 | 50 | 1.3% | 2 |
| Info & Telecommunications | 106 | 3.0% | 4 | 108 | 3.0% | 4 | 110 | 3.0% | 4 | 112 | 3.0% | 4 | 115 | 3.0% | 4 |
| Sales & Marketing | 114 | 3.3% | 4 | 117 | 3.2% | 4 | 119 | 3.2% | 4 | 121 | 3.2% | 4 | 124 | 3.2% | 5 |
| Franchise Fees | 162 | 6.0% | 6 | 170 | 6.0% | 6 | 174 | 6.0% | 6 | 178 | 6.0% | 6 | 181 | 6.0% | 7 |
| Repairs & Maintenance | 109 | 3.1% | 4 | 114 | 3.1% | 4 | 117 | 3.1% | 4 | 119 | 3.1% | 4 | 121 | 3.1% | 4 |
| Utilities | 245 | 7.0% | 9 | 257 | 7.0% | 9 | 262 | 7.0% | 10 | 268 | 7.0% | 10 | 273 | 7.0% | 10 |
| Total Undistributed Exp | 961 | 27.6% | 36 | 996 | 27.3% | 36 | 1,016 | 27.3% | 37 | 1,038 | 27.3% | 38 | 1,057 | 27.3% | 39 |
| Gross Operating Profit | 1,094 | 31.4% | 41 | 1,163 | 31.9% | 43 | 1,186 | 31.9% | 43 | 1,214 | 31.9% | 44 | 1,234 | 31.9% | 45 |





**SCHULTE
AROUNDTOWN**

**MONTHLY
REPORTING SLIDES**



SCHULTE'S REPORTING CAPABILITIES

Aroundtown would benefit from SHG's significant suite of reporting capabilities.

Accounting (Individual Hotel and Portfolio Reporting)

- ✓ Detailed YTD P&L
- ✓ Detailed TTM P&L
- ✓ REIT focused P&Ls
- ✓ Balance Sheet
- ✓ Railroad Balance Sheet
- ✓ REIT focused Balance Sheet and Consolidations
- ✓ Group Pace
- ✓ Trial Balance
- ✓ Management Fee Calculation
- ✓ Bank Reconciliation
- ✓ AP Check Register
- ✓ AP Open Item
- ✓ AR Report
- ✓ FF&E Report
- ✓ Summary of reimbursable expenses billed by manager
- ✓ General Ledger Details
- ✓ Utility Bills and Utility Summary
- ✓ Insurance Summary
- ✓ Tax Summary
- ✓ Form of Certificate for Hotel Operators – if required
- ✓ Cash Flow
- ✓ Performance Tracker

REIT Focused Accounting

- ✓ P&Ls
- ✓ Balance Sheet and Consolidation

Sales

- ✓ Hotel Pace Report

Revenue Management

- ✓ Supply Changes
- ✓ Forecast Variance Drivers
- ✓ Top Corporate Account (CNR) workbook

Schulte Design + Construction

- ✓ Weekly Project Tracker
- ✓ Rooms Displacement Forecast
- ✓ Construction Draw Forecast

Audit/Risk

- ✓ Incident Report Tracker
- ✓ Claims Tracker

Human Resources

- ✓ ADP Online Dashboards
- ✓ Turnover Report
- ✓ Retention Report

Operations

- ✓ MPR
- ✓ Monthly Report
- ✓ Monthly Forecast variance report
- ✓ Mid-month and month-end GSS report
- ✓ Monthly Red Zone Report
- ✓ QA Summary report
- ✓ Monthly alignment report

Purchasing

- ✓ Detailed Bracket Report
- ✓ Impact Report

SCHULTE'S REPORTING CAPABILITIES (CON'T)

- ✓ Schulte views its reporting capabilities as a core competency and differentiator. Schulte's Analytics team is dedicated to providing timely and accurate reports and analyses to both internal and external stakeholders
- ✓ Schulte has a data driven culture in data presentation and analysis to ownership. Schulte is an owner itself, and as such, knows what metrics and reports drive the most asset value change, in addition to ensuring quality management of operations
- ✓ Schulte constantly works with ownership groups to create ad hoc analyses and collaborates to create the correct analysis and presentation. We are partners in ensuring that ownership sees data the way they want to in order to aid in decision making
- ✓ Core systems used across the company include:
 - **ProfitSword:** our business intelligence system. Ownership has access to our ProfitSword accounts and so can track all assets on a daily basis
 - **Microsoft Dynamics:** our accounting system, which pulls historical data from ProfitSword
 - **Microsoft PowerBI:** a business intelligence tool used for in-depth analysis of ProfitSword data
 - **ADP:** our payroll system, which also provides online dashboards and reporting tools
- ✓ Schulte has a robust corporate accounting department with experience working with a variety of institutional ownership groups, including public REITs, non-traded REITs, hedge funds, and private equity funds
- ✓ The majority of the property-level accounting takes place at Schulte's corporate office, allowing the properties to benefit from reduced accounting labor. The cost of Schulte's corporate accounting team is not passed through to the properties, but is included within Schulte's flat Corporate Overhead Fee
- ✓ Each ownership group has specific accounting and reporting requirements and we have the ability to customize our reporting package to fit each ownership group. Schulte's typical accounting reporting package includes the items on the following page, but this can be modified based on the needs of our capital partner
- ✓ The following pages include examples of our monthly asset management reports, which are fully customizable

In addition to the below typical accounting reports, SHG's asset management team produces robust asset management reporting packages, which are fully customizable for our capital partners needs. The following pages include samples of these reports.

SCHULTE SAMPLE – ASSET PERFORMANCE OVERVIEW

SHG Select Sample Reporting Slide – Asset Performance Overview

shg

| Performance Snapshot | | | | | | | |
|----------------------------------|----------------------|------------|----------|------------|------------|-----------|--------------|
| | Performance Snapshot | | | | | | |
| | Month | | | YTD | | | TTM |
| | 2024 A | 2024 B | Δ | 2024 A | 2024 B | Δ | 2024 A |
| Occupancy | 70.0% | 69.7% | 0.3% | 58.0% | 57.1% | 0.9% | 57.3% |
| Average Daily Rate (ADR) | 112.0 | 111.5 | 0.5 | 107.5 | 107.0 | 0.5 | 109.7 |
| RevPAR | 78.4 | 77.7 | 0.7 | 62.4 | 61.1 | 1.3 | 62.9 |
| Days Available | 30 | 30 | - | 121 | 121 | - | 366 |
| Keys | 90 | 90 | - | 90 | 90 | - | 90 |
| Available Rooms | 2,700 | 2,700 | - | 10,890 | 10,890 | - | 32,940 |
| Occupied Rooms | 1,890 | 1,882 | 8 | 6,316 | 6,213 | 103 | 18,891 |
| Revenue | | | | | | | |
| Rooms Revenue | 212 | 210 | 2 | 679 | 665 | 14 | 2,073 |
| Food & Beverage Revenue | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other/Misc Revenue | 9 | 7 | 2 | 25 | 23 | 2 | 45 |
| Total Revenue | 221 | 217 | 3 | 704 | 688 | 16 | 2,118 |
| Total Rooms CPOR | 32.9 | 33.7 | (0.8) | 34.0 | 34.8 | (0.8) | 39.0 |
| F&B Expense % | 0.0% | 0.0% | - | 0.0% | 0.0% | - | 0.0% |
| Other / Misc. Expense % | 7.2% | 11.4% | (4.1%) | 11.0% | 12.0% | (1.0%) | 29.0% |
| Total Departmental Profit | 158 | 153 | 5 | 490 | 469 | 21 | 1,368 |
| Departmental Profit Margin | 71.5% | 70.4% | 1.1% | 69.6% | 68.2% | 1.4% | 64.6% |
| A&G CPAR | 9.2 | 9.4 | (0.3) | 7.4 | 8.5 | (1.1) | 8.7 |
| S&M CPAR | 3.1 | 3.2 | (0.1) | 3.4 | 3.5 | (0.1) | 3.6 |
| Franchise Fees % | 6.6% | 9.0% | (2.4%) | 7.4% | 9.4% | (2.0%) | 9.7% |
| R&M CPAR | 3.3 | 4.2 | (0.9) | 3.9 | 4.0 | (0.1) | 4.0 |
| Utilities CPAR | 3.8 | 4.2 | (0.4) | 4.3 | 4.8 | (0.4) | 4.7 |
| Gross Operating Profit | 75 | 72 | 3 | 175 | 163 | 12 | 414 |
| GOP Margin | 34.0% | 33.3% | 0.6% | 24.9% | 23.7% | 1.2% | 19.6% |
| Base Mgmt Fee | 7 | 7 | 0 | 21 | 21 | 0 | 64 |
| Insurance | 1 | 3 | (2) | 11 | 13 | (2) | 40 |
| Property & Other Taxes | 17 | 18 | (1) | 49 | 66 | (17) | 187 |
| Rent | 0 | 2 | (1) | 2 | 3 | (1) | 4 |
| Other | 0 | 0 | (0) | 0 | 1 | (1) | 3 |
| FF&EReserve | 6 | 9 | (3) | 21 | 28 | (6) | 85 |
| Net Operating Income | 35 | 34 | 1 | 40 | 32 | 8 | 32 |
| NOI Margin | 15.9% | 15.7% | 0.2% | 5.7% | 4.6% | 1.0% | 1.5% |

| Market Share | | | | | | | | |
|------------------|--------|--------|------------|--------|--------|------------|--------|--------|
| | Month | | | YTD | | | T3 | |
| | 2024A | 2023A | '24 v. '23 | 2024A | 2023A | '24 v. '23 | 2024A | 2023A |
| | \$ | \$ | Δ | \$ | \$ | Δ | \$ | Δ |
| Occupancy | | | | | | | | |
| Subject | 70.0% | 67.0% | 3.0% | 58.0% | 55.6% | 2.4% | 59.0% | 58.8% |
| Comp Set | 56.9% | 55.6% | 1.4% | 51.0% | 52.1% | (1.1%) | 53.9% | 55.1% |
| Index | 123.0% | 120.5% | 2.5% | 113.7% | 106.7% | 7.0% | 109.5% | 106.6% |
| ADR | | | | | | | | |
| Subject | 112.0 | 109.7 | 2.3 | 107.5 | 105.4 | 2.1 | 107.7 | 105.2 |
| Comp Set | 125.4 | 123.6 | 1.8 | 112.2 | 115.4 | (3.2) | 113.4 | 117.3 |
| Index | 89.3% | 88.8% | 0.6% | 95.8% | 91.3% | 4.5% | 95.0% | 89.6% |
| RevPAR | | | | | | | | |
| Subject | 78.4 | 73.5 | 4.9 | 62.4 | 58.6 | 3.8 | 63.5 | 61.8 |
| Comp Set | 71.3 | 68.7 | 2.7 | 57.2 | 60.2 | (2.9) | 61.0 | 64.7 |
| Index | 109.9% | 107.0% | 2.9% | 108.9% | 97.4% | 11.5% | 104.1% | 95.0% |

Commentary

- Southwest London demand was up +1.2% with ADR up +0.3%. YTD RGI up 11.5% YOY Ranked 2 of 7 in RevPAR for March
- Garnered added LNR for UPS for seasonal rooms
- CNR continues to see increasing production month over month from 3M, Self Esteem Brands, Diasorin, Anderson Corp., Waterous, and IBM
- RN and ADR were in-line with budget
- Focus remains on training, preventative maintenance, and focusing on running to standard.
- Open positions in March: GM, AGM, Chief Engineer
- Rebuild of room 431 and 433 in progress

Labor Expense Overview

| | 2024 A (Month) | | | 2024 B (Month) | | | Δ vs. 2024 B | | |
|-----------------------------------|----------------|---------------|-------------|----------------|---------------|-------------|--------------|----------|------------|
| | Amt. | % Total | POR | Amt. | % Total | POR | Amt. | % Total | POR |
| Rooms Payroll | | | | | | | | | |
| Managerial Salaries/Wages | 0 | 1.2% | 0.2 | 3 | 10.7% | 1.8 | (3) | (9.5%) | (1.6) |
| Contract Labor | - | - | - | - | - | - | - | - | - |
| All Hourly | 28 | 98.8% | 19.8 | 29 | 89.3% | 15.4 | (1) | 9.5% | 4.4 |
| Total Room Salaries/Wages | 28 | 100.0% | 20.1 | 33 | 100.0% | 17.3 | (4) | - | 2.8 |
| | | | | | | | | | |
| | 2024 A (Month) | | | 2024 B (Month) | | | Δ vs. 2024 B | | |
| | Amt. | % Total | POR | Amt. | % Total | POR | Amt. | % Total | POR |
| Undistributed Departments | | | | | | | | | |
| Administrative & General | 13 | 57.6% | 9.3 | 12 | 56.5% | 6.2 | 1 | 1.1% | 3.0 |
| Sales & Marketing | 6 | 26.7% | 4.3 | 6 | 27.6% | 3.1 | 0 | (0.9%) | 1.3 |
| Engineering | 4 | 15.7% | 2.5 | 3 | 15.9% | 1.8 | 0 | (0.2%) | 0.8 |
| distributed Salaries/Wages | 23 | 100.0% | 16.1 | 21 | 100.0% | 11.1 | 2 | - | 5.1 |

GSS Scores

| | Trailing 6 Month Scores | | | Month Score |
|-------------|-------------------------|--------|--------|-------------|
| | Feb-24 | Mar-24 | Apr-24 | Apr-24 |
| Guest Love | 50.7 | 46.6 | 47.2 | 52.3 |
| # Responses | 219 | 219 | 214 | 44 |

SCHULTE SAMPLE – MONTHLY P&L

SHG Select Sample Reporting Slide – Monthly P&L

shg

| | 2024 A | | | 2024 B | | | Δ vs. 2024 B | | 2023 A | | | Δ vs. 2023 A | | 2024 AF (4/1) | | | Δ vs. 2024 AF | | |
|----------------------------|--------|---------|--------|--------|--------|--------|--------------|----------|--------|--------|--------|--------------|----------|---------------|--------|--------|---------------|----------|----------|
| | \$ | % | POR | \$ | % | POR | \$ | % | \$ | % | POR | \$ | % | \$ | % | POR | \$ | % | Rec % |
| Occupancy | 51.9% | | | 69.7% | | | (17.8%) | | 67.0% | | | (15.1%) | | 61.3% | | | (9.4%) | | 84.7% |
| Average Daily Rate (ADR) | 107.7 | | | 111.5 | | | (3.8) | | 109.7 | | | (2.0) | | 107.6 | | | 0.1 | | 100.1% |
| RevPAR | 55.9 | | | 77.7 | | | (21.8) | | 73.5 | | | (17.6) | | 65.9 | | | (10.0) | | 84.8% |
| | | | | | | | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | | | | | | | |
| Rooms | 151 | 99.0% | 107.7 | 210 | 96.6% | 111.5 | (59) | (28.1%) | 198 | 96.2% | 109.7 | (47) | (23.9%) | 178 | 98.8% | 107.6 | (27) | (15.2%) | 84.8% |
| Food & Beverage | - | - | - | - | - | - | 0 | | - | - | - | 0 | | - | - | - | 0 | | - |
| Other/Misc | 2 | 1.0% | 1.1 | 7 | 3.4% | 3.9 | (6) | (78.8%) | 8 | 3.8% | 4.3 | (6) | (80.0%) | 2 | 1.2% | 1.3 | (1) | (24.7%) | 75.3% |
| Total Revenue | 152 | 100.0% | 108.8 | 217 | 100.0% | 115.5 | (65) | (29.8%) | 206 | 100.0% | 114.0 | (54) | (26.0%) | 180 | 100.0% | 108.9 | (28) | (15.3%) | 84.7% |
| | | | | | | | | | | | | | | | | | | | |
| Departmental Expenses | | | | | | | | | | | | | | | | | | | |
| Rooms | 62 | 41.2% | 44.4 | 64 | 30.3% | 33.7 | (1) | (2.1%) | 54 | 27.4% | 30.0 | 8 | 14.4% | 58 | 32.7% | 35.2 | 4 | 6.8% | 106.8% |
| Food & Beverage | - | - | - | - | - | - | 0 | | - | - | - | 0 | | - | - | - | 0 | | - |
| Other/Misc | 1 | 41.5% | 0.5 | 1 | 11.4% | 0.4 | (0) | (72.6%) | 2 | 20.6% | 0.9 | (1) | (59.7%) | 1 | 64.6% | 0.8 | (1) | (51.6%) | 48.4% |
| Total Departmental Exp | 63 | 41.2% | 44.8 | 64 | 29.6% | 34.2 | (2) | (2.4%) | 56 | 27.1% | 30.9 | 7 | 12.3% | 60 | 33.1% | 36.0 | 3 | 5.5% | 105.5% |
| | | | | | | | | | | | | | | | | | | | |
| Departmental Profit | | | | | | | | | | | | | | | | | | | |
| Rooms | 89 | 58.8% | 63.3 | 146 | 69.7% | 77.8 | (58) | (39.4%) | 144 | 72.6% | 79.7 | (55) | (38.4%) | 120 | 67.3% | 72.5 | (31) | (26.0%) | 74.0% |
| Food & Beverage | - | - | - | - | - | - | 0 | | - | - | - | 0 | | - | - | - | 0 | | - |
| Other/Misc | 1 | 58.5% | 0.7 | 7 | 88.6% | 3.5 | (6) | (86.0%) | 6 | 79.4% | 3.4 | (5) | (85.3%) | 1 | 35.4% | 0.4 | 0 | 24.2% | 124.2% |
| Total Dept Profit | 90 | 58.8% | 64.0 | 153 | 70.4% | 81.3 | (63) | (41.4%) | 150 | 72.9% | 83.1 | (61) | (40.3%) | 121 | 66.9% | 72.9 | (31) | (25.6%) | 74.4% |
| | | | | | | | | | | | | | | | | | | | |
| Undistributed Expenses | | | | | | | | | | | | | | | | | | | |
| Administrative and General | 25 | 16.3% | 17.7 | 26 | 11.7% | 13.6 | (1) | (2.7%) | 26 | 12.5% | 14.2 | (1) | (3.7%) | 23 | 12.8% | 13.9 | 2 | 7.6% | 107.6% |
| IT | 6 | 4.0% | 4.3 | 5 | 2.1% | 2.4 | 2 | 34.6% | 5 | 2.2% | 2.5 | 2 | 34.2% | 5 | 2.5% | 2.7 | 2 | 34.6% | 134.6% |
| Sales & Marketing | 11 | 7.2% | 7.8 | 9 | 4.0% | 4.6 | 2 | 26.6% | 6 | 3.0% | 3.4 | 5 | 79.7% | 8 | 4.3% | 4.6 | 3 | 43.5% | 143.5% |
| Franchise Fees | 14 | 9.3% | 10.0 | 19 | 9.0% | 10.1 | (5) | (26.2%) | 18 | 9.1% | 9.9 | (4) | (22.1%) | 16 | 9.1% | 9.8 | (2) | (13.8%) | 86.2% |
| Repairs & Maintenance | 9 | 5.9% | 6.4 | 11 | 5.3% | 6.1 | (2) | (21.6%) | 5 | 2.4% | 2.7 | 4 | 83.1% | 11 | 5.9% | 6.4 | (2) | (15.2%) | 84.8% |
| Utilities | 13 | 8.6% | 9.4 | 11 | 5.2% | 6.0 | 2 | 15.9% | 11 | 5.2% | 6.0 | 2 | 22.2% | 10 | 5.6% | 6.0 | 3 | 31.8% | 131.8% |
| Total Undistributed Exp | 78 | 51.2% | 55.7 | 81 | 37.0% | 42.8 | (2) | (3.1%) | 70 | 34.0% | 38.7 | 8 | 11.4% | 72 | 40.0% | 43.6 | 6 | 8.3% | 108.3% |
| | | | | | | | | | | | | | | | | | | | |
| Gross Operating Profit | 12 | 7.6% | 8.3 | 72 | 33.3% | 38.5 | (61) | (84.0%) | 80 | 38.9% | 44.4 | (69) | (85.5%) | 49 | 26.9% | 29.3 | (37) | (76.0%) | 24.0% |
| | | | | | | | | | | | | | | | | | | | |
| Total Management Fees | 5 | 3.0% | 3.3 | 7 | 3.0% | 3.5 | (2) | (29.8%) | 6 | 3.0% | 3.4 | (2) | (26.0%) | 5 | 3.0% | 3.3 | (1) | (15.3%) | 84.7% |
| | | | | | | | | | | | | | | | | | | | |
| Fixed Expenses | | | | | | | | | | | | | | | | | | | |
| Insurance | 1 | 0.7% | 0.8 | 3 | 1.6% | 1.8 | (2) | (69.2%) | 0 | 0.0% | 0.0 | 1 | n.m | 3 | 1.9% | 2.1 | (2) | (69.2%) | 30.8% |
| Property & Other Taxes | 23 | 14.9% | 16.2 | 18 | 8.1% | 9.4 | 5 | 28.3% | 17 | 8.4% | 9.6 | 5 | 31.1% | 18 | 9.8% | 10.7 | 5 | 28.3% | 128.3% |
| Rent | 0 | 0.3% | 0.3 | 2 | 0.8% | 0.9 | (1) | (74.1%) | 1 | 0.7% | 0.8 | (1) | (66.6%) | 2 | 1.0% | 1.1 | (1) | (74.1%) | 25.9% |
| Other | 1 | 0.4% | 0.4 | 0 | 0.1% | 0.1 | 0 | 154.6% | 0 | 0.2% | 0.2 | 0 | 58.5% | 0 | 0.1% | 0.1 | 0 | 154.6% | 254.6% |
| Total Fixed Expenses | 25 | 16.2% | \$17.7 | 23 | 10.6% | \$12.3 | 2 | 7.3% | 19 | 9.3% | \$10.6 | 6 | 29.7% | 23 | 12.8% | \$13.9 | 2 | 7.3% | 107.3% |
| | | | | | | | | | | | | | | | | | | | |
| EBITDA | (18) | (11.6%) | (12.6) | 43 | 19.7% | 22.8 | (61) | (141.3%) | 55 | 26.6% | 30.4 | (73) | (132.2%) | 20 | 11.1% | 12.1 | (38) | (188.2%) | (88.2%) |
| | | | | | | | | | | | | | | | | | | | |
| Reserve for Replacement | 6 | 4.0% | 4.4 | 9 | 4.0% | 4.6 | (3) | (29.8%) | 8 | 4.0% | 4.6 | (2) | (26.0%) | 7 | 4.0% | 4.4 | (1) | (15.3%) | 84.7% |
| | | | | | | | | | | | | | | | | | | | |
| NOI | (24) | (15.6%) | (17.0) | 34 | 15.7% | 18.2 | (58) | (169.6%) | 47 | 22.6% | 25.8 | (70) | (151.0%) | 13 | 7.1% | 7.8 | (37) | (285.2%) | (185.2%) |

SCHULTE SAMPLE – YTD P&L

SHG Select Sample Reporting Slide – YTD P&L

shg

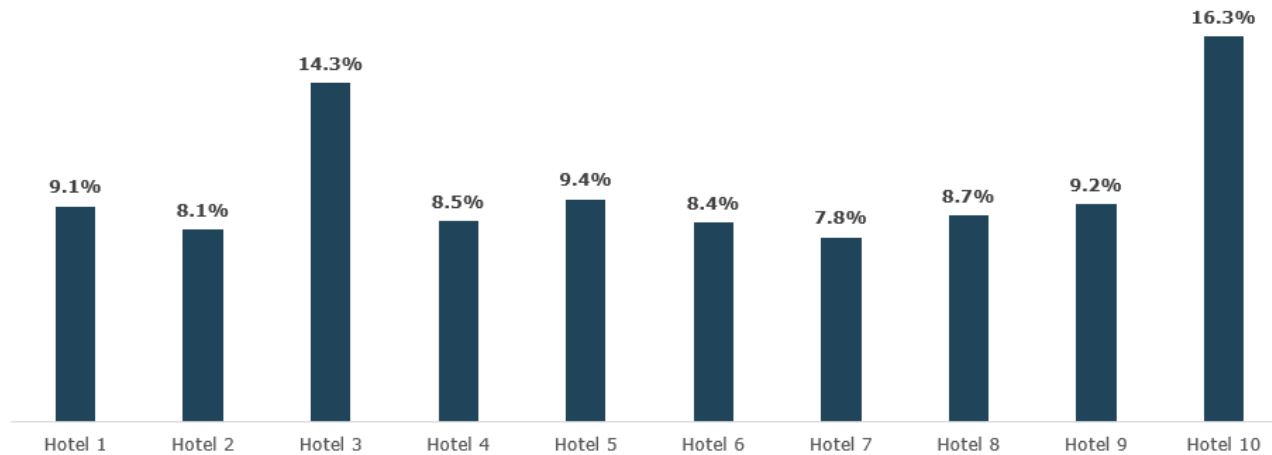
| | 2024 A | | | 2024 B | | | Δ vs. 2024 B | | 2023 A | | | Δ vs. 2023 A | | 2024 AF (4/1) | | | Δ vs. 2024 AF | | |
|----------------------------|--------|---------|--------|--------|--------|--------|--------------|----------|--------|--------|--------|--------------|----------|---------------|---------|--------|---------------|---------|--------|
| | \$ | % | POR | \$ | % | POR | \$ | % | \$ | % | POR | \$ | % | \$ | % | POR | \$ | % | Rec % |
| Occupancy | 47.3% | | | 57.1% | | | (9.8%) | | 55.6% | | | (8.3%) | | 49.6% | | | (2.3%) | | 95.3% |
| Average Daily Rate (ADR) | 101.5 | | | 107.0 | | | (5.5) | | 105.4 | | | (3.8) | | 101.7 | | | (0.2) | | 99.8% |
| RevPAR | 48.0 | | | 61.1 | | | (13.1) | | 58.6 | | | (10.6) | | 50.5 | | | (2.5) | | 95.1% |
| Revenue | | | | | | | | | | | | | | | | | | | |
| Rooms | 523 | 98.4% | 101.5 | 665 | 96.6% | 107.0 | (142) | (21.4%) | 633 | 98.0% | 105.4 | (110) | (17.4%) | 550 | 98.4% | 101.7 | (27) | (4.9%) | 95.1% |
| Food & Beverage | - | - | - | - | - | - | 0 | | - | - | - | 0 | | - | - | - | 0 | | |
| Other/Misc | 9 | 1.6% | 1.7 | 23 | 3.4% | 3.7 | (15) | (63.2%) | 13 | 2.0% | 2.2 | (4) | (34.2%) | 9 | 1.6% | 1.6 | (0) | (3.9%) | 96.1% |
| Total Revenue | 531 | 100.0% | 103.2 | 688 | 100.0% | 110.8 | (157) | (22.8%) | 646 | 100.0% | 107.5 | (115) | (17.7%) | 558 | 100.0% | 103.4 | (27) | (4.9%) | 95.1% |
| Departmental Expenses | | | | | | | | | | | | | | | | | | | |
| Rooms | 226 | 43.3% | 43.9 | 216 | 32.5% | 34.8 | 10 | 4.6% | 205 | 32.4% | 34.1 | 21 | 10.3% | 215 | 39.2% | 39.9 | 11 | 5.1% | 105.1% |
| Food & Beverage | - | - | - | - | - | - | 0 | | 0 | - | 0.0 | (0) | (100.0%) | - | - | - | 0 | | |
| Other/Misc | 3 | 40.9% | 0.7 | 3 | 12.0% | 0.4 | 1 | 25.6% | 4 | 32.4% | 0.7 | (1) | (16.8%) | 4 | 41.5% | 0.7 | (0) | (5.2%) | 94.8% |
| Total Departmental Exp | 230 | 43.2% | 44.6 | 219 | 31.8% | 35.2 | 11 | 4.9% | 209 | 32.4% | 34.8 | 20 | 9.8% | 219 | 39.2% | 40.5 | 11 | 4.9% | 104.9% |
| Departmental Profit | | | | | | | | | | | | | | | | | | | |
| Rooms | 297 | 56.7% | 57.6 | 449 | 67.5% | 72.2 | (152) | (33.9%) | 428 | 67.6% | 71.2 | (131) | (30.7%) | 334 | 60.8% | 61.9 | (38) | (11.3%) | 88.7% |
| Food & Beverage | - | - | - | - | - | - | 0 | | (0) | - | (0.0) | 0 | (100.0%) | - | - | - | 0 | | |
| Other/Misc | 5 | 59.1% | 1.0 | 20 | 88.0% | 3.3 | (15) | (75.3%) | 9 | 67.6% | 1.5 | (4) | (42.5%) | 5 | 58.5% | 1.0 | (0) | (2.9%) | 97.1% |
| Total Dept Profit | 302 | 56.8% | 58.6 | 469 | 68.2% | 75.5 | (168) | (35.7%) | 437 | 67.6% | 72.7 | (135) | (30.9%) | 339 | 60.8% | 62.8 | (38) | (11.2%) | 88.8% |
| Undistributed Expenses | | | | | | | | | | | | | | | | | | | |
| Administrative and General | 80 | 15.1% | 15.6 | 93 | 13.4% | 14.9 | (12) | (13.0%) | 92 | 14.3% | 15.4 | (12) | (12.9%) | 80 | 14.3% | 14.8 | 0 | 0.6% | 100.6% |
| IT | 27 | 5.1% | 5.3 | 18 | 2.7% | 3.0 | 9 | 47.3% | 18 | 2.7% | 2.9 | 9 | 53.8% | 26 | 4.6% | 4.8 | 1 | 4.8% | 104.8% |
| Sales & Marketing | 40 | 7.5% | 7.7 | 38 | 5.5% | 6.1 | 2 | 4.1% | 28 | 4.4% | 4.7 | 11 | 39.9% | 36 | 6.5% | 6.7 | 3 | 8.9% | 108.9% |
| Franchise Fees | 50 | 9.6% | 9.8 | 62 | 9.4% | 10.0 | (12) | (19.4%) | 59 | 9.4% | 9.9 | (9) | (15.5%) | 53 | 9.6% | 9.7 | (2) | (4.5%) | 95.5% |
| Repairs & Maintenance | 42 | 7.9% | 8.2 | 43 | 6.3% | 6.9 | (1) | (2.0%) | 32 | 5.0% | 5.4 | 10 | 31.2% | 46 | 8.3% | 8.6 | (4) | (9.2%) | 90.8% |
| Utilities | 47 | 8.9% | 9.2 | 52 | 7.6% | 8.4 | (5) | (9.1%) | 47 | 7.3% | 7.8 | 0 | 0.8% | 42 | 7.5% | 7.8 | 5 | 12.7% | 112.7% |
| Total Undistributed Exp | 287 | 54.0% | 55.7 | 306 | 44.5% | 49.3 | (19) | (6.3%) | 277 | 42.9% | 46.1 | 10 | 3.6% | 283 | 50.7% | 52.4 | 4 | 1.3% | 101.3% |
| Gross Operating Profit | 15 | 2.8% | 2.9 | 163 | 23.7% | 26.2 | (148) | (91.0%) | 160 | 24.7% | 26.6 | (145) | (90.8%) | 56 | 10.1% | 10.4 | (42) | (73.9%) | 26.1% |
| Total Management Fees | 16 | 3.0% | 3.1 | 21 | 3.0% | 3.3 | (5) | (22.8%) | 19 | 3.0% | 3.2 | (3) | (17.7%) | 17 | 3.0% | 3.1 | (1) | (4.9%) | 95.1% |
| Fixed Expenses | | | | | | | | | | | | | | | | | | | |
| Insurance | 11 | 2.0% | 2.1 | 13 | 1.9% | 2.1 | (2) | (18.3%) | 8 | 1.2% | 1.3 | 3 | 38.0% | 13 | 2.4% | 2.4 | (2) | (18.2%) | 81.8% |
| Property & Other Taxes | 49 | 9.2% | 9.5 | 66 | 9.6% | 10.6 | (17) | (25.8%) | 69 | 10.7% | 11.5 | (20) | (29.0%) | 66 | 11.8% | 12.2 | (17) | (25.8%) | 74.2% |
| Rent | 2 | 0.3% | 0.3 | 3 | 0.4% | 0.4 | (1) | (36.0%) | 3 | 0.5% | 0.5 | (1) | (46.3%) | 3 | 0.5% | 0.5 | (1) | (42.4%) | 57.6% |
| Other | 1 | 0.3% | 0.3 | 1 | 0.1% | 0.1 | 1 | 57.7% | 1 | 0.1% | 0.2 | 1 | 56.3% | 1 | 0.2% | 0.2 | 0 | 25.0% | 125.0% |
| Total Fixed Expenses | 63 | 11.8% | \$12.2 | 83 | 12.0% | \$13.3 | (20) | (24.0%) | 81 | 12.5% | \$13.5 | (18) | (22.2%) | 83 | 14.9% | \$15.4 | (20) | (24.5%) | 75.5% |
| EBITDA | (64) | (12.1%) | (12.5) | 59 | 8.6% | 9.6 | (124) | (207.9%) | 60 | 9.2% | 9.9 | (124) | (207.7%) | (44) | (7.8%) | (8.1) | (20) | 46.5% | 46.5% |
| Reserve for Replacement | 21 | 4.0% | 4.1 | 28 | 4.0% | 4.4 | (6) | (22.8%) | 26 | 4.0% | 4.3 | (5) | (17.7%) | 22 | 4.0% | 4.1 | (1) | (4.9%) | 95.1% |
| NOI | (85) | (16.1%) | (16.6) | 32 | 4.6% | 5.1 | (117) | (367.4%) | 34 | 5.2% | 5.6 | (119) | (353.5%) | (66) | (11.8%) | (12.2) | (19) | 29.2% | 29.2% |

SCHULTE SAMPLE – PORTFOLIO NOI BY HOTEL

SHG Select Sample Reporting Slide – 2021A Portfolio % NOI by Hotel

shg

2021A Portfolio % NOI by Hotel

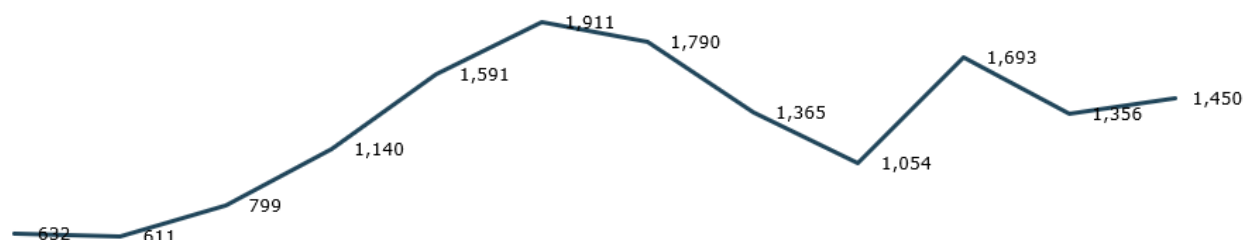


SCHULTE SAMPLE – NOI BY MONTH

SHG Select Sample Reporting Slide – 2021A NOI by Month

shg

2021A NOI by Month



| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | |
|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Total |
| Hotel 1 | 89 | 58 | 41 | 17 | 68 | 221 | 190 | 239 | 201 | 310 | 150 | 17 | 1,601 |
| Hotel 2 | 15 | 17 | 69 | 132 | 120 | 145 | 74 | 89 | 79 | 122 | 132 | 58 | 1,053 |
| Hotel 3 | 170 | 68 | 186 | 226 | 302 | 292 | 295 | 119 | 69 | 140 | 279 | 307 | 2,454 |
| Hotel 4 | 43 | 12 | 66 | 66 | 120 | 119 | 91 | 50 | 28 | 94 | 101 | 252 | 1,041 |
| Hotel 5 | 50 | 89 | 38 | 7 | 125 | 180 | 269 | 193 | 142 | 271 | 172 | 140 | 1,675 |
| Hotel 6 | 33 | 76 | 13 | 94 | 157 | 196 | 193 | 5 | 5 | 86 | 71 | 248 | 1,176 |
| Hotel 7 | 30 | 31 | 23 | 94 | 117 | 139 | 200 | 51 | 61 | 155 | 94 | 73 | 1,068 |
| Hotel 8 | 12 | 31 | 15 | 46 | 130 | 221 | 233 | 160 | 130 | 122 | 17 | 33 | 1,150 |
| Hotel 9 | 15 | 50 | 71 | 145 | 127 | 145 | 149 | 147 | 109 | 129 | 79 | 58 | 1,223 |
| Hotel 10 | 177 | 180 | 276 | 314 | 323 | 252 | 97 | 312 | 229 | 264 | 262 | 266 | 2,952 |
| NOI | 632 | 611 | 799 | 1,140 | 1,591 | 1,911 | 1,790 | 1,365 | 1,054 | 1,693 | 1,356 | 1,450 | 15,391 |

SCHULTE SAMPLE – REVPAR PERFORMANCE

SHG Select Sample Reporting Slide – Rollup – RevPAR Performance

shg

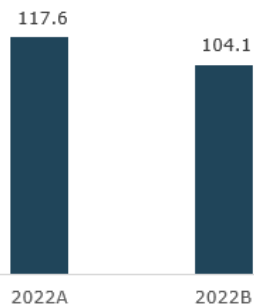
Rollup 1 – RevPAR Performance

| | 2022A | | | 2022B | | | Δ vs. 2022B | | | % Δ vs. 2022B | | |
|----------|-------|-------|--------|-------|-------|--------|-------------|--------|--------|---------------|-------|--------|
| | Occ | ADR | RevPAR | Occ | ADR | RevPAR | Occ | ADR | RevPAR | Occ | ADR | RevPAR |
| Hotel 1 | 41.0% | 129.6 | 53.1 | 46.7% | 108.9 | 50.9 | 5.7% | 20.7 | 2.3 | -12.2% | 19.0% | 4.5% |
| Hotel 2 | 51.2% | 123.5 | 63.2 | 47.5% | 108.8 | 51.7 | 3.7% | 14.7 | 11.6 | 7.8% | 13.5% | 22.4% |
| Hotel 3 | 75.4% | 106.0 | 79.9 | 76.5% | 100.1 | 76.6 | -1.1% | 5.9 | 3.3 | -1.4% | 5.9% | 4.4% |
| Hotel 4 | 64.8% | 101.5 | 65.8 | 42.1% | 93.0 | 39.2 | 22.7% | 8.5 | 26.6 | 53.9% | 9.1% | 68.0% |
| Hotel 5 | 57.8% | 102.9 | 59.5 | 50.8% | 91.0 | 46.2 | 7.0% | 11.9 | 13.2 | 13.8% | 13.1% | 28.7% |
| Hotel 6 | 48.1% | 116.4 | 56.0 | 60.0% | 128.5 | 77.1 | -11.9% | (12.1) | (21.1) | -19.8% | -9.4% | -27.4% |
| Hotel 7 | 36.3% | 106.4 | 38.6 | 49.3% | 86.0 | 42.4 | -13.0% | 20.4 | (3.8) | -26.4% | 23.7% | -8.9% |
| Hotel 8 | 31.2% | 138.3 | 43.1 | 45.6% | 119.4 | 54.4 | -14.4% | 18.9 | (11.3) | -31.6% | 15.8% | -20.7% |
| Hotel 9 | 73.3% | 121.4 | 89.0 | 71.9% | 109.0 | 78.4 | 1.4% | 12.4 | 10.6 | 1.9% | 11.4% | 13.5% |
| Hotel 10 | 57.3% | 116.7 | 66.9 | 63.5% | 99.9 | 63.4 | -6.2% | 16.8 | 3.4 | -9.8% | 16.8% | 5.4% |
| Total | 53.7% | 117.6 | 63.2 | 55.5% | 104.1 | 57.8 | -1.8% | 13.5 | 5.4 | -3.2% | 13.0% | 9.3% |

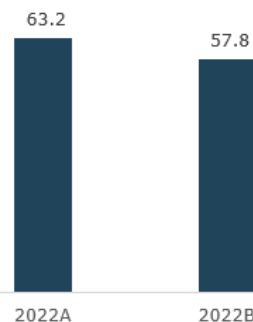
Occ – 2022A vs. 2022B



ADR – 2022A vs. 2022B



RevPAR – 2022A vs. 2022B



SCHULTE EUROPEAN GROUP

REBRANDING &
BRAND SEARCH
EXPERIENCE



UK BRAND CONVERSION EXPERIENCE

Schulte Hospitality Group has managed over **100 takeovers** and new openings in the past **5 years**. The team has been involved in more than **40 brand conversions**, and has experience in coordinating with brands, design and construction consultants, and public relations agencies to successfully execute these conversions.

Schulte European Team has managed the re-branding of **eight hotels** in the past **three years**. The entire portfolio consists of conversions from hard brands, soft brands and privately owned hotels, into the Graduate and Marine & Lawn independent brands.

UK Brand Conversion Experience

Graduate
CAMBRIDGE

THE
RANDOLPH HOTEL
by GRADUATE HOTELS


RUSACKS
ST ANDREWS
EST. 1867


SLIEVE
DONARD
EST. 1890


MARINE
NORTH BERWICK
EST. 1876


MARINE
TROON
EST. 1894

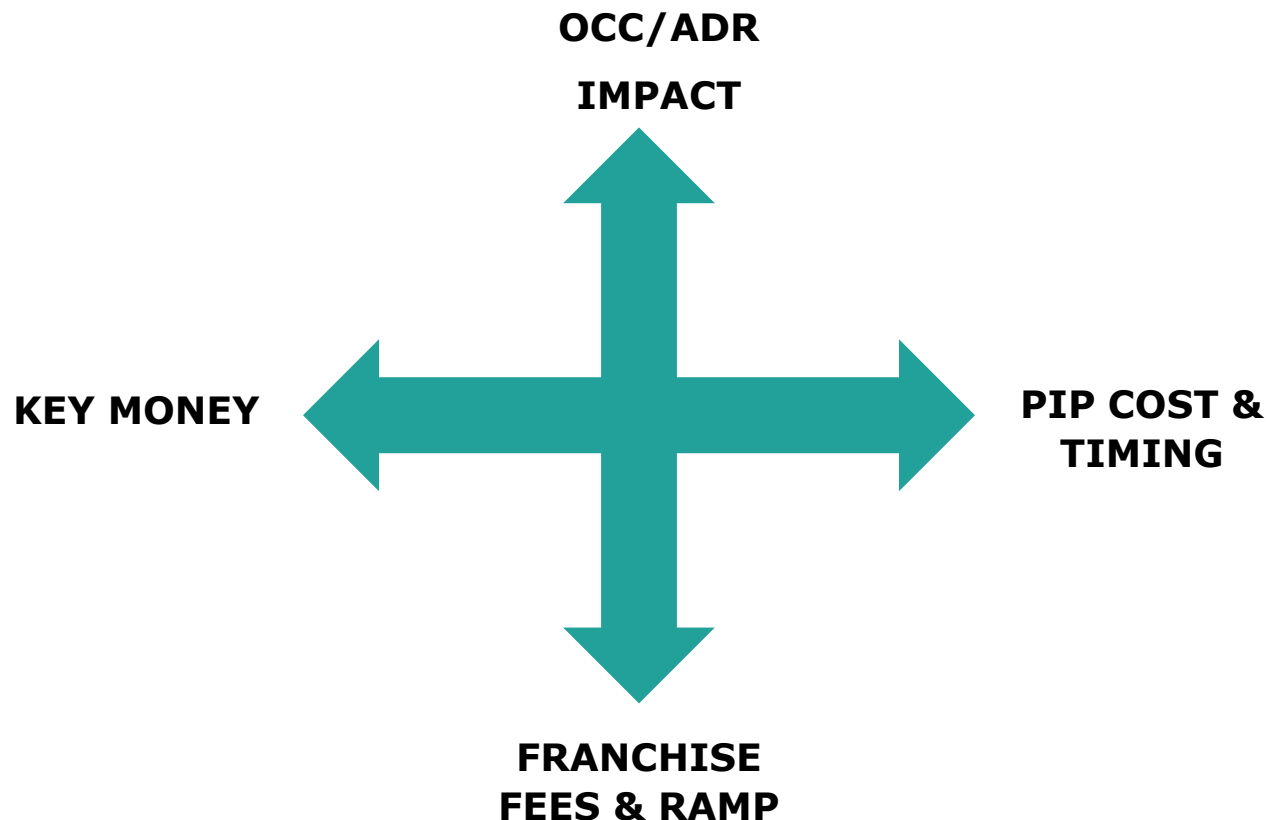

DORNOCH
STATION
EST. 1904

THE **Adelphi** ★★★★★
PORTRUSH

SHG BRAND TERM EVALUATION MATRIX

Schulte evaluates brand term sheets based on the trade-offs between the following:

- **Upfront vs Long Term-Cost:** We evaluate the cost/benefit implications between potential key money and the cost of the PIP, including how much of the PIP must be done sooner versus later.
- **Revenue vs Cost Impact:** We evaluate impact of the brand on occupancy and ADR index stabilization based on brand distribution and saturation versus the franchise fees of each brand, including any ramp in fees.



SHG BRANDING APPROACH: CASE STUDIES

Below are a few relevant case studies where Schulte has run competitive branding processes and a more detailed case study of a pending brand conversion is on the following slide.

Hotel Tampa Riverwalk (Future Curio Collection, Previously Sheraton Tampa Riverwalk)

- ✓ Schulte took over management of the Sheraton Tampa Riverwalk in 10/2022, and immediately deflagged the property converting it to the Hotel Tampa Riverwalk at acquisition, with a longer-term business plan of converting to a Curio branded asset post renovation.
- ✓ Schulte led the launch process of the independent branded Hotel Tampa Riverwalk taking a cost-effective approach as an interim solution between brands.
- ✓ This process included running the interim rebranding strategy, creating a vanity website, creating signage, collateral and OS&E, as well as standing up IT and systems solutions in a short timeframe.
- ✓ Schulte ran a competitive brand process, leveraging its relationships with the brands to improve the economics of the deal, and ultimately a deal was executed to become a Curio post renovation.



Hotel Washington D.C. (Previously W Washington D.C.)

- ✓ Schulte acquired the W Washington D.C. in 7/2021 and immediately upon acquisition removed the flag and converted to the unbranded Hotel Washington D.C.
- ✓ Ran selection process of Brand, completed negotiations with different brands, and completed analyses for decision to go independent
- ✓ Worked with branding agencies
- ✓ Relaunched the hotel as an independent brand with updated vision and concept
- ✓ Rebranded the rooftop bar and launched as the city's iconic destination for drinks and events
- ✓ Identified growth opportunities for F&B outlets through programming
- ✓ Re-conceptualized F&B and spa spaces based on market demand



The Starling Atlanta Midtown, Curio Collection by Hilton (Previously W Midtown Atlanta)

- ✓ Schulte acquired the W Midtown Atlanta in 7/2021 and first operated the property as an independent hotel before conversion to affiliate Curio Collection and then final launch as Curio Collection
- ✓ Ran selection process of Brand
- ✓ Negotiated key money + fee ramp, as well as a very limited PIP
- ✓ Worked with branding agencies to develop hotel's name, story, logo, and collateral package for hotel (e.g. key cards, card sleeves, room collateral including do-not-disturb signs), as well as website and premarketing campaigns before conversion and re-opening
- ✓ Reconcepted F&B spaces and activated the lobby



SHG BRANDING CASE STUDY: HILTON NASHVILLE AIRPORT

Schulte alongside its partners acquired the 1981 vintage 382-key Hilton Nashville Airport in mid-2021 and is currently **in process of negotiating the conversion and rebranding of the property to a full-service Marriott**. At acquisition, Schulte had a longer-term business plan of evaluating and running a full rebranding process of the property, **leveraging its brand relationships to maximize value** to the partnership in each stage of the lifecycle of the investment, given the unique submarket dynamics.

- At time of acquisition, Schulte was aware of a new full-service Hilton Nashville Terminal planned to deliver in 2024, as well as the full-service **Marriott (~<1mi) down branding to a Sonesta** in early 2021. Schulte leveraged the knowledge of the new supply in planning and its Hilton relationships and **negotiated a fee ramp at acquisition** (3% Y1, 4% Y2, 5% Y3+)
- As the Hilton Nashville Terminal project nears completion and our fee ramp burns off, Schulte is running a brand process with both Hilton and Marriott, understanding Hilton's willingness to terminate and extracting value from Marriott to convert to a full-service Marriott. As part of this process, Schulte has led the following:

Rebranding / Conversion Process:

- **Pro forma underwriting / brand comparisons / ROI analysis:** Schulte led all brand comparison and ROI analyses of multiple brands, ultimately determining with our partners that full-serv Marriott is best case for the property both operationally in the hold period and at exit, all else equal.
- **Brand Term Sheet Negotiations:** Schulte is leading all brand negotiations, with both Hilton and Marriott. To date, Schulte has successfully negotiated the below terms from Marriott:
 - **Key Money:** \$5m key money, 50% at conversion and 50% after final PIP completion
 - **Fee Ramp:** 4% Y1, 5%, 6% Y3+
 - **Other Terms:** Included a 3 yr. AOP of the submarket and 20-year term
- **PIP Negotiations:** Schulte has led all aspects of PIP negotiations with Marriott and has successfully limited the scope of the conversion PIP
 - **PIP Scope:** Limited the PIP scope to critical Marriott brand mandated items, with the total cost of conversion **coming in significantly below the key money secured**.
 - **Conversion Timing:** Schulte negotiated a two Phase PIP, with Phase I being critical brand requirements and Phase II being the longer lead time brand specific items – **limiting disruption and securing no down time or 'white label' period between brands at conversion**
- **Schulte Design & Construction Services:** Schulte's design and construction team is leading all PIP planning and construction - *Allowing us to make quick and informed decisions around PIP negotiations / timing and overall impact to the negotiations.*
- **Lender Negotiations:** Schulte has led discussions with the lender in relation to the potential conversion, illustrating the business plan and *ultimately the value add to their collateral.*
- **Capital Planning:** A key component of every conversion, Schulte has led the analysis around the capital planning aspect of the conversion – *minimizing additional capital outlay for conversion.*





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