

24th February, 2022

Dear Member,

This letter provides you with financial information of the Palm Gardens resort for the year 2021 and the 2022 Budget.

Total room revenue for Palm Gardens Resort in 2021 was €1.023.984 which was higher than budget and a good increase compared to the previous year. The maintenance fees in 2021 accounted for €101.402 which was less than budget due to lower timeshare occupancies in 2021.

Hotel room revenues amounted to €922.582 in 2021 which was positive over the previous year due to less disruption from covid compared to 2020.

Costs are split between hotel and timeshare based on the proportionate share of occupancies namely, 15,97% for timeshare and 84,03% for the hotel in 2021. Total operating costs in 2021 amounted to €572.931 compared to €538.135 in 2020 and a budgeted figure for 2021 of €557.364.

The gross operating profit in 2021 attributable to the timesharing division of Palm Gardens was € 7.551 compared to a budget of € 3.331.

On behalf of members, I would like to congratulate the management team of Palm Gardens who produced another positive result despite the difficult operating climate during 2021.

We expect a continued improvement in 2022 as the covid impact is reduced and there is a gradual return to normality with the budgeted operating profit forecast to be €64.448 before interest, tax and depreciation.

Annual fees for 2022 have been invoiced and mailed to you, showing a weekly fee of €493,42 including VAT. The fee is being increased 0,64% in accordance with inflation in Portugal based on the consumer price index.

Mr. John Gooding has retired and will not be attending the AGM. If you wish, Sergio da Borralha (Unit Manager) can represent you so please send proxy papers to him for your vote at the AGM.

I take this opportunity to wish you and your family an enjoyable holiday at Palm Gardens in 2022.

Yours sincerely,



Peter Booth (President of the Board)

Invitation to the Annual General Meeting (By email and Site)

Notice is hereby given that the Annual General meeting of Palm Gardens Resort shall be held on:

Thursday, 31st March, 2022@ 10:30 a.m.
at
Pestana Alvor Park
Adega, Quinta do Ribeiro,
8500-088 Alvor, Portimão, Portugal
Tel ++ 351 282 400 900

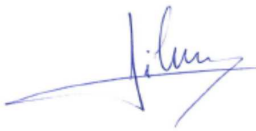
For the purpose of considering the matter set out below in accordance with the Portuguese timeshare law (DL nº 275/ 93 of 5th August, nº 3 of Art. 34):

AGENDA

1. Elect Chairperson for the meeting
2. Approval of Management Accounts for 2021 and 2022 budget
3. Analysis of administration and maintenance programme regarding Timeshare Rights (DRHP)
4. Election of Auditors
5. Any other business

Yours sincerely,

The Management



Enclosures:

2021 Management Accounts and 2022 Budget
Proxy form

2021 Management Accounts & 2022 Budget

Accounts 2021	2020 ACTUAL			2021 BUDGET			2021 ACTUAL			2022 BUDGET		
Description	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Room Revenue	600.149	54.870	545.279	997.774	193.774	804.000	1.023.984	101.402	922.582	1.690.521	250.932	1.439.589
Available Rooms	14.328	748	13.580	15.408	3.253	12.155	15.408	1.536	13.872	26.280	3.802	22.478
Occupied Rooms	6.887	748	6.139	9.251	3.253	5.998	9.621	1.536	8.085	17.652	3.802	13.850
Percentage of Occupancy	48,1%	100,0%	45,2%	60,0%	100,0%	49,3%	62,4%	100,0%	58,3%	67,2%	100,0%	61,6%
Shared Costs %	100%	10,86%	89,1%	100%	35,16%	64,8%	100%	15,97%	84,0%	100%	21,5%	78,5%

Departmental - Common Expenses	PG	DRHP	Hotel	PG	DRHP	Hotel	PG	DRHP	Hotel	PG	DRHP	Hotel
Department - Rooms	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Room Revenue	600.149	54.870	545.279	997.774	193.774	804.000	1.023.984	101.402	922.582	1.690.521	250.932	1.439.589
Wages & Benefits	-129.749	-14.092	-115.657	-125.149	-44.007	-81.142	-133.625	-21.339	-112.286	-221.413	-47.689	-173.724
Other Expenses	-21.410	-2.325	-19.084	-32.870	-11.559	-21.312	-30.301	-4.839	-25.462	-63.856	-13.754	-50.102
Rooms Department Profit	448.990	38.453	410.537	839.754	138.209	701.546	860.058	75.224	784.834	1.405.252	189.489	1.215.763
Department - Other Profit Center	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Revenue	813	88	725	617	217	400	809	129	680	1.463	315	1.148
Direct Costs	0	0	0	0	0	0	0	0	0	0	0	0
Wages & Benefits	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	-2.244	-244	-2.000	-2.580	-907	-1.673	-3.099	-495	-2.604	-5.730	-1.234	-4.496
O.P.C Department Profit	-1.431	-155	-1.275	-1.963	-690	-1.273	-2.290	-366	-1.925	-4.266	-919	-3.347
Department - Administrative & Geral	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Wages & Benefits	-108.176	-11.749	-96.427	-102.583	-36.072	-66.511	-108.224	-17.283	-90.942	-139.311	-30.006	-109.305
Other Expenses	-30.349	-3.296	-27.053	-20.760	-7.300	-13.460	-17.273	-2.758	-14.514	-32.994	-7.106	-25.887
A & G Expenses	-138.525	-15.045	-123.480	-123.344	-43.372	-79.971	-125.497	-20.041	-105.456	-172.305	-37.112	-135.193
Department - Maintenance	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Utilities (energy)	-97.261	-10.564	-86.697	-73.455	-25.830	-47.626	-61.616	-9.840	-51.777	-134.625	-28.996	-105.628
Wages & Benefits	-48.347	-5.251	-43.096	-45.281	-15.922	-29.358	-45.928	-7.334	-38.594	-61.240	-13.190	-48.049
Other Expenses	-11.888	-1.291	-10.597	-18.949	-6.663	-12.286	-20.152	-3.218	-16.933	-29.389	-6.330	-23.059
Maintenance Expenses	-157.496	-17.106	-140.390	-137.685	-48.415	-89.270	-127.696	-20.392	-107.304	-225.254	-48.517	-176.737
1 - Gross Profit (Loss)	151.538	6.147	145.392	576.763	45.731	531.032	604.575	34.426	570.149	1.003.427	102.941	900.486
Specific Expenses	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel	PPG	DRHP	Hotel
Rooms Comission & Marketing Expenses	-34.587		-34.587	-66.427		-66.427	-88.992		-88.992	-122.184		-122.184
Property Tax & Brand Royalty	-35.302	-3.834	-31.468	-35.302	-12.414	-22.889	-38.359	-6.126	-32.234	-38.359	-8.262	-30.097
Sinking Fund	-2.744	-2.744	0	-9.689	-9.689	0	-5.070	-5.070	0	-12.547	-12.547	0
Auditing	-5.139	-5.139	0	-5.139	-5.139	0	-5.139	-5.139	0	-5.139	-5.139	0
Committee expenses	0	0	0	0	0	0	0	0	0	0	0	0
Provision (bad Debtors)	-5.470	-2.744	-2.726	-13.709	-9.689	-4.020	-9.683	-5.070	-4.613	-19.745	-12.547	-7.198
Trustee fees	-5.470	-5.470	0	-5.470	-5.470	0	-5.470	-5.470	0	0	0	0
2 - Other Costs	-88.711	-19.930	-68.781	-135.735	-42.400	-93.335	-152.713	-26.874	-125.838	-197.973	-38.494	-159.479
1 + 2 = Gross Profit (Loss)	62.827	-13.783	76.610	441.028	3.331	437.697	451.862	7.551	444.311	805.455	64.448	741.007

(Values in euros)

PROXY VOTING FORM

Name of Owners (Please print).....

.....

Apartment Nº.

Nº of weeks owned

I/We the above named member(s) hereby appoint the following:-

.....

to be my/our proxy to vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Resort, 31st March, 2022@ 10:30 a.m. at the Pestana Alvor Park Hotel, Praia do Alvor, 8500-088 Alvor, Portimão

Voting

This section may be left blank in which case your proxy will vote as he/she sees fit.

I wish to vote as follows:

(This section may be left blank in which case your proxy will vote as he/she sees fit.)

Signed.....

Dated.....

If not attending please return your completed proxy voting form to:

Mr. Sergio da Borralha (Unit Manager)

Vale de Centeanes, Praia do Carvoeiro,

8400-525 Lagoa, Algarve,

Portugal

e.mail: palm.gardens@pestana.com