

SCREENPROJECT

SMART BUILD PORTUGAL

Glossary

Portuguese legal, fiscal and market terminology

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Terms

58

Legal, fiscal, market, financial

Languages

PT / EN

With explanatory notes

Purpose

Reference

For non-Portuguese investors

Version

1.0

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CONFIDENTIAL — This glossary explains Portuguese terminology as used in this data room. Definitions are functional rather than exhaustive statements of law, and do not constitute legal advice.

Planning and Licensing

Portuguese term	English	What it means in this data room
RJUE	Legal Framework for Urbanisation and Building	Decree-Law 555/99 as amended. The statute governing urban development and building control in Portugal
Loteamento	Subdivision operation	The division of land into plots for building, with infrastructure, access and building parameters fixed
Alvará de loteamento	Subdivision permit	The municipal permit evidencing an approved subdivision. Where in force, building parameters are already legally established
Comunicação prévia	Prior notification	A notification with statutory effect, rather than a discretionary authorisation. Available where a valid subdivision or Detailed Plan already establishes the parameters. Central to the Fund's acquisition framework
Licença de construção	Building licence	A discretionary municipal authorisation involving substantive appraisal of the proposal. Excluded by the Fund's acquisition criterion
Licença de utilização	Utilisation licence	The licence permitting occupation of a completed building. Required before deed transfer to purchasers
PDM	Municipal Master Plan	The municipal land-use plan establishing permitted uses and densities
Plano de Pormenor	Detailed Plan	A detailed municipal planning instrument establishing building parameters with sufficient precision to permit development by prior notification

Portuguese term	English	What it means in this data room
PIP	Prior information request	A pre-application procedure in which the municipality states whether a proposal would be approved. A favourable decision binds the municipality
ARU / ORU	Urban Rehabilitation Area / Operation	Designated areas in which rehabilitation benefits from simplified procedures and fiscal incentives
REN	National Ecological Reserve	Protected land classification. Development is generally prohibited. An exclusion criterion for the Fund
RAN	National Agricultural Reserve	Protected agricultural land classification. An exclusion criterion for the Fund
TRIU	Urban infrastructure charge	Municipal charge on development, levied per square metre and varying by municipality
ABC	Gross floor area	Área bruta de construção. Total constructed area including residential, retail and basement
Fração	Fraction	An individual autonomous unit within a building, capable of separate ownership and sale

Property Transaction and Title

Portuguese term	English	What it means in this data room
CPCV	Promissory purchase and sale contract	Contrato de promessa de compra e venda. Binds both parties ahead of the deed, typically with a deposit. The principal pre-sales instrument
Escritura	Deed of sale	The notarial deed transferring title. Represents 70% of the sale price in the Fund's milestone structure
Conservatória do Registo Predial	Land Registry	The registry in which title and encumbrances are recorded
Certidão de teor	Land registry certificate	Certificate evidencing registered title, charges and encumbrances
Direito de preferência	Pre-emption right	A statutory or contractual right of first refusal. Must be cleared before acquisition
Usufruto	Usufruct	A right to use and take the fruits of property owned by another
Sinal	Deposit / earnest money	Initial payment on reservation, 2% in the Fund's milestone structure
Reforço	Instalment	Staged payments during construction, 10% each at one third and two thirds of the works

Taxation

Portuguese term	English	What it means in this data room
IMT	Property transfer tax	Levied on acquisition. The general rate of 6.5% applies to land for construction
Imposto do Selo	Stamp duty	0.8% on the acquisition value of real property under item 1.1 of the General Table
IVA	Value added tax	6% on residential construction where the sale price does not exceed €660,982 per fraction; 23% otherwise
IRC	Corporate income tax	General rate 21%. The Fund is exempt under Article 22 of the Tax Benefits Statute
IRS	Personal income tax	Applies at investor level for Portuguese-resident individuals
EBF	Tax Benefits Statute	Estatuto dos Benefícios Fiscais. Article 22 establishes the Fund's corporate tax exemption
IMI	Municipal property tax	Annual tax on property ownership, included in project holding costs
Pacote Fiscal da Habitação 2026	2026 Housing Tax Package	In force since 20 May 2026. Establishes the 6% VAT regime for qualifying residential construction until 31 December 2029

Fund Structure and Regulation

Portuguese term	English	What it means in this data room
FIIF	Closed-end real estate investment fund	Fundo de Investimento Imobiliário Fechado. The Fund's vehicle type
OII	Real estate collective investment undertaking	Organismo de Investimento Imobiliário. The regulatory category
SGOIC	Collective investment management company	Sociedade Gestora de Organismos de Investimento Coletivo. LYNX's regulatory status
CMVM	Securities Market Commission	Comissão do Mercado de Valores Mobiliários. The regulator of the Fund and the management company
Unidade de participação	Participation unit	The Fund's equity instrument, denominated at €10,000

Portuguese term	English	What it means in this data room
Banco depositário	Depository bank	Holds Fund assets in segregated custody and reports independently to the CMVM
INTERBOLSA	Central securities depository	The Portuguese CSD at which participation units are registered
VLGF	Net asset value	Valor líquido global do fundo. Used as a basis for certain fees and stamp duty
Regulamento de Gestão	Fund Management Regulations	The Fund's constitutional document, subject to CMVM approval
Assembleia de Participantes	General Meeting of Unit Holders	The forum in which unit holders exercise participation rights
Lei 153/2015	Law 153/2015	Governs the registration and activity of property appraisers. The Fund's valuations must be performed by appraisers registered under it
Lei 83/2017	Law 83/2017	The anti-money-laundering statute governing subscriber verification

Financial and Market Terms

Term	English / expansion	What it means in this data room
GDV	Gross development value	Total expected sale value of a project before costs
MOIC	Multiple on invested capital	Total distributed divided by total capital invested, ignoring timing
IRR / TIR	Internal rate of return	Money-weighted annualised return; sensitive to the timing of cash flows
LTC	Loan to cost	Percentage of construction cost financed by debt. Modelled at 100%, an untested assumption
Cash sweep	Cash sweep amortisation	Net monthly sales receipts applied first to reduce outstanding debt, the remainder to equity
Curva-S	S-curve	The distribution of construction cost over the works period: slow at the start, intensive in the middle, tapering at the end
Curva-J	J-curve	The shape of cumulative equity cash flow: negative during deployment, turning positive as sales complete
Peak equity	Peak equity	The maximum capital actually at risk at any point, as distinct from the sum of all investments made
Payback	Equity payback	Months until invested equity is fully recovered through distributions

Term	English / expansion	What it means in this data room
Waterfall	Distribution waterfall	The order in which distributions are allocated between classes, each tier satisfied before the next
Class A	Class A units	Limited Partner equity, €46.25 million, first in the order of capital return
Class B	Class B units	General Partner co-investment, €3.75 million, subordinated to Class A
Class B	Class B units	General Partner performance participation. No subscribed capital; receives 50% above the preferred return
Preferred return	Preferred return	16.5% paid to Class A and Class B pro rata to capital invested, before any performance participation
Euribor	Euro Interbank Offered Rate	The reference rate for the Fund's financing, modelled at 2.796% (6-month, September 2026)
TAN	Nominal annual rate	Taxa anual nominal. Euribor plus spread, modelled at 5.796%
APFIPP	Portuguese fund industry association	Publishes the real estate index used as the Portuguese benchmark in Section 6
INE	Statistics Portugal	Instituto Nacional de Estatística. Source for housing, price and construction cost data
APPII	Portuguese developers association	Source for construction pace and housing deficit data

Important Notice

This glossary explains terminology as used in this data room. Definitions are functional and are not exhaustive statements of Portuguese law. They do not constitute legal or tax advice. Investors requiring authoritative interpretation should consult Portuguese counsel.

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