

St Francis Links Hotel by Mantis

Rental Pool Returns and Benefits

1 & 2 Bedroom Suites



	1 Bedroom Suite		2 Bedroom Suite	
Purchase Price Incl. VAT	R1 575 000		R2 950 000	
Returns	R Value	%	R Value	%
30 Nights Usage Right	R62 500	4%	R125 000	4%
Additional cost borne on Owners behalf (levies, utilities, insurances, asset replacement and general maintenance)	R27 732	2%	R55 464	2%
Estimated Rates and Taxes	-R9 072	-1%	-R16 992	-1%
Total return	R81 160	5%	R163 472	6%

Usage rights

- The 30 nights usage per annum is on a bed and breakfast basis and is transferable to friends and family.
- There are no blackout periods but use is subject to availability.
- There is no restriction on the number of days an owner may use although additional usage after 30 nights can be purchased at 50% of the published seasonal rate.
- Potentially transferable at other similar schemes developed by Mantis

Income & Expenses

- The Operator manages the apartments and owners earn an income from this.
- All operating costs of the hotel operations are for the account of the hotel operator.
 - Operator fee equates to 7% of revenues generated plus 6% of Gross Operating Profit
- For the first 3 years of operation, the hotel operator will pay all levies.
- Expected cash dividends from year 3 with dividend payments to be distributed bi-annually

St Francis Links Club Membership

- 30 days per annum membership to the St Francis Links Club is included in the purchase.
- When principle investor is in residence during 30 day usage:
 - Complimentary green fees
 - Preferential green fees for accompanied guests
- Discount on selected restaurant and golf shop purchases when paying by member debit card.
- Access to Leisure Centre including spouse and children under 21 years of age.

Mantis and LeClub Loyalty Program membership

- Preferential treatment at Mantis and Accor Hotels
- Up to 10% discount when booking through LeClub website
- Advanced notice on all special offers
- Ability to earn and redeem points

Direct cost to investor

- Rates and Taxes to be determined by Kouga Municipality
- From year 4 if profits of hotel operations are insufficient to cover levies, the investors maximum exposure will be limited to the St Francis Links home owner association levy, golf membership and associated sectional title levies.
- Upon exiting the rental pool;
 - All levies, dues and memberships
 - Subscriptions (DSTV, telephone, WiFi)
 - Utility costs (water, gas and electricity - separate meter)
 - Exit fee to Mantis equal to 15% of original purchase price
 - Inclusive of FF&E, OS&E, ICT
 - 15% VAT on capital growth to SARS

St Francis Links Hotel by Mantis: Expected Revenue's, Expenses & Returns

Estimated Operating years	2021	2022	2023	2024	2025
Expected Revenue's, Expenses & Returns	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy %	30%	37%	44%	50%	56%
Annual ARR	1 250	1 338	1 431	1 531	1 638
Revenue	8 212 500	10 837 763	13 790 321	16 767 776	20 094 503
Hotel Expenses	7 061 093	8 487 999	10 174 098	11 887 748	13 791 457
SFL HOA, Club and Sectional Title expenses	1 663 899	1 780 372	1 904 998	2 038 348	2 181 032
Gross Operating Profit	-512 492	569 392	1 711 225	2 841 680	4 122 014
Incentive fee		34 163	102 673	170 501	247 321
Distributable Profit	-512 492	535 228	1 608 551	2 671 179	3 874 693
Expected cash Return on Investment					
Per Room - Annually		379	26 809	44 520	64 578
% Return on 1 Bedroom		0%	2%	3%	4%
% Return on 2 Bedroom		0%	2%	3%	4%
Return on Investment incl. expenses paid by the Hotel Operations					
SFL HOA Levies per room	8 243	8 820	9 438	10 098	10 805
SFL Club Membership per room	1 488	1 593	1 704	1 823	1 951
Sectional Title levies per room	18 000	19 260	20 608	22 051	23 594
30 day owners usage	62 500	66 875	71 556	76 565	81 925
Estimated rates and Taxes 1 Bedroom suite	-9 072	-9 707	-10 387	-11 114	-11 892
Estimated rates and Taxes 2 Bedroom suite	-16 992	-18 181	-19 454	-20 816	-22 273
Expected cash Return on Investment per room	-	379	26 809	44 520	64 578
<i>Estimated return - 1 Bedroom suite</i>	<i>81 160</i>	<i>87 220</i>	<i>119 729</i>	<i>143 944</i>	<i>170 962</i>
<i>Estimated return - 2 Bedroom suite</i>	<i>163 471</i>	<i>175 672</i>	<i>240 777</i>	<i>289 299</i>	<i>343 434</i>
% Return on 1 Bedroom	5%	6%	8%	9%	11%
% Return on 2 Bedroom	6%	6%	8%	10%	12%
Max Annual exposure (SFL / Club / Sectional title) excl. R&T				33 972	36 351

Notes

1. Based on current market conditions
2. Inflation assumed at 7%
3. Achieved room rate after commissions, breakfast and VAT
4. Rates & Taxes are for the owners account
5. Maximum annual exposure = SFL and sectional title levies

Disclaimer: No estimated or projected sales, profits or earnings can be appropriately presented without the possibility that they may be misleading or misinterpreted. The figures must be seen in this light. Full details of the project and the nature and extent of the facilities that the hotel is to provide, have yet to be determined, and these may be varied from time to time. In the light hereof the assumptions, on which the above forecast has been prepared, may turn out to be mistaken. Accordingly, Mantis Collection cannot accept responsibility for the consequences of any decisions that may be based on this forecast.