

# Investment Fact Sheet

## Asset overview

- Umganu Lodge is an ultra-exclusive 5-bedroom luxury lodge in the Elephant Point estate, bordering the Kruger National park and Sabie Sands game reserves
- It is one of ~30 luxury lodges in the estate, managed by Legacy Hotels, a large South African developer/ operator with over 300 lodges across South Africa
- Umganu Lodge is uniquely positioned next to a watering hole and offers unparalleled access to game viewing and luxury amenities, including the exclusive Leopard Creek Golf course.
- It is part owned by Kevin Pieterse, a British/South African sporting icon and conservationist and Altvest Capital.

## Investment information

Category	Ordinary Share
Exchange	Cape Town Stock Exchange (CTSE)
Instrument code	4AVUMG
Maximum issuance	ZAR 15 000 000
Listing price per share	ZAR 1.50
Management fees	1% of investment during book building; 5% of capital gain upon disposal of underlying investment; ZAR 150 000 platform management fee (shared across all shareholders based on weighted shareholding)
Bookbuilding launch date	25 August 2022
Listing date	16 September 2022
Risk profile	Aggressive

## Expected community-use benefits

- Investors of less than ZAR 250 000 will be entered into an annual random draw to receive two free nights
- For each ZAR 500 000 invested (up to ZAR 5 000 000), investors will receive two free nights annually. This translates to a ~40% uplift in returns over a five year period assuming a cost per night of R 20 000
- Altvest management intends to extend this benefit for as long as Altvest retains a proportionate investment stake in Umganu Lodge

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## Investment highlights

- Umganu is a top performing lodge in the development, with unique competitive advantages including a large guest capacity and unparalleled game viewing
- Management is experienced, committed and passionate, with Kevin Pieterse and Altvest both committing to remain significant and active investors
- Umganu experienced strong historic capital growth of 12% annually, with management expectations of between 15%-18% based on future growth plans
- All operational staff are from the local community, with significant investments in skills development and education infrastructure
- Umganu has remained cashflow positive over the past two years, despite unfavourable economic conditions and restrictions on foreign guests.

## Forecasted Returns

Scenarios	Key assumptions		Annual capital gains appreciation for land/buildings				
	Implied occupancy	Annual price escalation	0%	5%	10%	15%	20%
Growth	65%	10%	11%	13%	16%	19%	22%
Expected	55%	8%	9%	11%	14%	17%	21%
Conservative	45%	6%	7%	9%	12%	16%	19%

- Occupancy is scaled up each year from observed FY2022 levels according to an applicable CAGR to achieve the targeted occupancy in FY2027
- Growth Case assumes that occupancy and pricing increase due to the expected impact of enhanced marketing and improved margins from full-service guests
- Expected case assumes that current year performance (including the moderate profitability rebound post-Covid) persists into the future
- Conservative case assumes that performance levels observed during Covid persist into the future, with all price increases driven by inflation

## How do I invest?

- This investment is available ahead of listing exclusively on A-Trade, the Cape Town Stock Exchange's registered brokerage, and will be available to trade from listing day
- To do so, you need to open an A-trade account at <https://atrade.co.za/#/>, and navigate to the "Pre-list opportunities tab"
- For any questions/additional information/support needed to open an Atrade account, reach out to [info@altvestcapital.co.za](mailto:info@altvestcapital.co.za)