

Investment Memorandum

Akwande Waterfront Resort & Lifestyle Precinct (Loskop Dam)

Prepared By: Dikgang Property Investments (Pty) Ltd

Location: GPS: 25°25'12" S | 29°21'44" E • ELEV: 1,000m AMSL

Date: Q3 2026

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Executive Summary

COMPANY & SECTOR

Dikgang Property Investments (Pty) Ltd
Mixed-Use Real Estate, Hospitality, Retail & Healthcare

FACILITY SIZE & TYPE

R1.8 Billion Senior Secured Term Loan
Paired with 4-Tier Fractional Equity Syndication

PURPOSE OF FUNDING

Greenfield Development Capex
Funding Phase 1 (Hospitality/Marina) & Phase 2 (Retail/Medical)

HEADLINE TERMS

10-Year Tenor | 3-Year Moratorium | JIBAR + 3.5%
Secured via Mortgage Bonds & Lease Cessions

Key Credit Highlights: Akwande addresses the acute regional demand for premier 5-star eco-luxury waterfront destinations and high-traffic commercial infrastructure in Mpumalanga. Unlike traditional leisure resorts heavily

exposed to seasonal hospitality cycles, Akwande is a self-sustaining ecosystem. It secures cash flows through **blue-chip retail covenants (Pick n Pay, Woolworths, Sasol, McDonald's, KFC)**, a dedicated outpatient Medical Rehabilitation Centre, and a fractional ownership model. This structural diversification yields an exceptional stabilised DSCR of 2.15x and an unlevered IRR of 23.2%.

2 Business Overview & Architecture

The Vision: Conceived as an antidote to urban saturation, Akwande is sculpted into the dramatic granite topography of Loskop Dam. It is a 54-hectare utopia of recreation, mental emancipation, healthcare, and world-class leisure, positioned strategically on the N11 transit corridor.

THE MASTER PRECINCT ECOSYSTEM

Akwande represents a defining milestone in South African master planning, integrating massive infrastructure across distinct but synergistic economic pillars:

- **Hospitality & Residential (200+ Keys):** Includes a 120-key 5-star international-grade hotel with an 800-seat conference banqueting centre, and 80 luxury cantilevered chalets. The architecture features bespoke biophilic finishes, floor-to-ceiling glass pavilions, and natural thermal massing.
- **Commercial Retail Hub (2 Hectares):** A high-yield regional shopping destination anchored by **Pick n Pay** and boutique retail. Includes second-floor corporate business suites enjoying panoramic water views.
- **Energy & Fast Food Court (8,000 m²):** A multi-pump **Sasol** fuel station integrated with a high-traffic fast-food court featuring drive-thrus for **McDonald's, Nando's, KFC, and Woolworths Food**.
- **Healthcare & Wellness Node:** A dedicated modern outpatient medical rehabilitation clinic featuring post-operative recovery suites, hydrotherapy facilities, physical rehabilitation, and a 24/7 emergency response triage. Linked to a two-story glass-fronted fitness center with Olympic free-weight decks, cardio theaters, and outdoor calisthenics terraces.
- **Marine & Leisure:** A 150-berth deep-water marina, and a 15-slide mega waterpark.

Geographic Footprint: Situated exactly at GPS 25°25'12" S | 29°21'44" E (Elevation 1,000m AMSL). The N11 location effectively captures both the Mpumalanga/Limpopo commercial transit market and the immense 16-million-person Gauteng leisure catchment.

3 Liberation Heritage & Cultural Masterpiece

Beyond physical infrastructure, Akwande is a vessel for profound African history. The estate organically fuses Mpumalanga's liberation heritage with modern tourism, ensuring deep political and cultural support from provincial structures while establishing a unique global tourism identity:

- **Solomon Kalushi Mahlangu:** A dedicated Freedom Pavilion and youth leadership center honoring the legacy and sacrifice of Mahlangu, born in nearby Doornkop.

- **Cowen Ntuli:** A commemorative liberation trail traversing the estate, honoring the Nkangala district's PAC/APLA struggle stalwarts.
- **Botshabelo Heritage & Fort Merensky:** Direct logistical links (shuttles and guided excursions) to the historic 1865 mission station—a sanctuary of intellectualism and resilience that produced leaders like former Deputy Minister Thabang Makwetla.
- **Ndebele Cultural Living Arts:** The integration of Southern Ndebele geometric murals, craft cooperatives, and masterclasses, elevating indigenous art to an international luxury standard rather than a roadside curio.

4 Management & Governance

Key Executive / Committee	Role & Track Record
Simon Setsoalo	Chairperson & Lead Sponsor (Loskop Development): Extensive experience in large-scale PPP infrastructure, commercial real estate assembly, and stakeholder alignment.
International Hotel Operator	Hospitality Management: The 120-key hotel and conference centre will be managed under a 15-year management contract by a Tier-1 international operator, assuring institutional standards.
Medical Operations Syndicate	Healthcare Governance: The rehabilitation clinic and emergency triage center will be operated by a consortium of licensed medical practitioners and hospital administrators under a long-term lease.
Board & Audit Committees	Independent investment committee setup, rigorous environmental compliance (EIA/NWA) auditing, and strict procurement oversight to satisfy major DFI and banking covenants.

5 Market & Industry Context

The South African tourism sector exhibits a severe undersupply of high-end, non-coastal, family-integrated resorts. Furthermore, healthcare and premium retail infrastructure in the Nkangala district is vastly underserved relative to the economic output of local agriculture and mining.

Competitive Positioning & The "Blue Ocean": By combining a destination resort with a **commercial fuel node (Sasol)** and **blue-chip retail (Pick n Pay, Woolworths)**, Akwande eliminates the risk of "seasonal weekend vacancy" that cripples traditional lodges. The retail, fast-food, and healthcare nodes generate high, steady weekday footfall from the N11 transit route and local towns.

16M+

CAPTIVE MARKET

650k

TARGET FOOTFALL

0

DIRECT COMPETITORS

365-Day

ECONOMIC CYCLE

6 Use of Funds & Master Phasing

The total R3.0B capitalization is meticulously phased to ensure the primary revenue anchors (commercial retail, fuel, and core hospitality) generate self-sustaining free cash flow before the expansion into massive leisure infrastructure (waterpark/amphitheatre).

Phase & Timeline	Capital Allocation (ZAR)	Infrastructure Deployed
Phase 1 (Months 1-18)	R 1.1 Billion	Master Gatehouse (monumental quartzite & timber), bulk earthworks, solar/water utilities, 120-Key Hotel, 150-berth Marina, and Solomon Mahlangu Freedom Pavilion.
Phase 2 (Months 18-30)	R 1.1 Billion	2-Hectare Shopping Village (Pick n Pay), Corporate Suites, Medical Rehabilitation Centre, Fitness Center, Sasol Fuel Station & Fast Food Court (Drive-thrus), 80 Chalets.
Phase 3 (Months 30-42)	R 0.8 Billion	15-Slide Mega Waterpark, 1,500-seat Amphitheatre, fractional residential villas, and final heritage trail linkages.

7 Financial Projections (5-Year Horizon)

As a greenfield development, historical financials are replaced by an audited 5-year projection model. Key assumptions: 65% Stabilised Hotel Occupancy, 100% take-up of Medical & Retail Leases by Year 3, 7% annual inflationary escalations.

Consolidated Model (R 'Millions)	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Revenue (Hospitality & Leisure)	210.0	340.5	480.0	650.0	715.0
Gross Revenue (Commercial Leases & Fuel)	140.5	309.7	370.8	560.0	610.5
Total Gross Revenue	350.5	650.2	850.8	1,210.0	1,325.5
Total OPEX (inc. maintenance & staffing)	(230.1)	(370.0)	(430.4)	(630.0)	(705.1)
EBITDA	120.4	280.2	420.4	580.0	620.4

EBITDA Margin (%)	34.3%	43.0%	49.4%	47.9%	46.8%
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8 Cash Flow & Debt Service Capacity (CRITICAL)

The proposed R1.8B senior debt facility is modeled with a 3-year capital grace period (interest capitalized) to allow for Phase 1 & 2 stabilization. Principal amortisation begins in Year 4.

Stress Test Scenario: Applying a severe downside shock—a 25% drop in hospitality occupancy and a 15% retail/medical vacancy rate—the project maintains a DSCR of >1.42x. This resilience is attributed to the fixed-lease nature of the Pick n Pay, Sasol, and medical clinic anchor tenancies, shielding debt service from tourism volatility.

9 Capital Structure & 4-Tier Fractional Equity

Total capital required is R3.0B, structured to balance senior leverage with a highly liquid **4-Tier Fractional Equity Syndication** model aimed at private investors, medical syndicates, and institutional funds.

Sponsor & Fractional Equity (30%)	R 900 M
↳ Tier 1: Medical & Commercial Syndicates	R 400 M
↳ Tier 2: Residential Fractional Ownership	R 300 M

↳ Tier 3: Core Sponsor Capital	R 200 M
Senior Secured Debt Facility (60%)	R 1,800 M
Mezzanine Debt / DFI Funding (10%)	R 300 M
Total Capital Stack	R 3,000 M

Note: Post-stabilization Leverage Metric (Net Debt / EBITDA) rapidly deleverages to <2.8x by Year 5.

10 Security & Covenant Package

The Senior Facility will be ring-fenced and secured by an airtight, institutional-grade collateral package:

- **First-Ranking Mortgage Bond:** Registered over the consolidated 54-hectare Master Title Deed.
- **Cession of Commercial Leases:** Direct assignment of the 10-year+ anchor lease agreements (Pick n Pay, Sasol, Medical Clinic, Woolworths, Fast Food Operators).
- **Cession of Operational Accounts:** Control over the hotel and marina operating accounts and related business interruption insurance policies.
- **Guarantees:** Sponsor corporate guarantees and step-in rights covering cost overruns during the Phase 1 & Phase 2 construction periods.
- **Financial Covenants:** Minimum DSCR of 1.35x, Maximum Loan-to-Value (LTV) of 65% upon practical completion.

"A landscape carved by water and time, curated for discerning visionaries who seek mental emancipation, high-yield asset ownership, and uncompromising luxury."

Simon Setsoalo — Chairperson
INVEST@AKWANDERESORT.COM