

stayco.

THE STAY COMPANY

INVESTOR INFORMATION



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Summary StayCO

The Stay Company Income Fund

The Stay Company Income Fund (the “Fund”) presents an unrivalled investment opportunity with a primary focus on generating consistent income for investors. The Fund’s portfolio currently consists of eight properties totalling 1,100+ lots, with 510+ under direct management, exhibiting its strength in the real estate market.

As of FY23, the Fund has achieved:

- a. Total revenue of \$12.2m
- b. Gross booking revenue of \$27m
- c. Paid 12% since inception

Further strengthening our portfolio, StayCo holds contracts to purchase an additional two properties within the same geographic vicinity. Upon completion of these acquisitions, StayCo’s portfolio will consist of:

- a. 10 properties, totaling c. 1,400 lots with 631 under direct management
- b. Estimated annual revenue of \$16.1m
- c. Estimated gross booking revenue of \$36m p.a.

With a proven business model, StayCo has also established itself as an Online Travel Agency, facilitating direct marketing of our portfolio of properties. This strategic positioning ensures direct customer interaction, allowing for a more tailored customer experience and increased marketing effectiveness.

StayCo’s portfolio has a concentrated footprint, with a focus on the Broadbeach, Surfers Paradise, and Burleigh Heads markets in Queensland. These locations, situated within a 5km radius of each other, are projected to generate 86% of FY24 EBITDA. This reflects our strategy to concentrate on high-yielding areas to maximize returns.

The Fund offers a unique blend of characteristics designed to provide an optimal investment experience:

- a. Income is paid monthly in arrears, ensuring a steady cash flow for investors.
- b. The Fund operates as an unregistered wholesale managed investment scheme.
- c. The Trust is semi-liquid, with the flexibility for investors to redeem their investments at the discretion of the Fund Manager.
- d. We offer a Distribution Reinvestment Plan, providing an opportunity for investors to further enhance their investment by reinvesting their earnings.

Through a combination of a robust accommodation portfolio, effective marketing strategy, and investor-friendly fund features, The Fund presents a compelling opportunity for discerning investors. We invite you to be part of our growth journey as we continue to strive towards delivering consistent and stable returns.

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An average of
12.00% pa*
Paid monthly Since
September 2021.

| | |
|---|---|
| Fund Name | The Stay Company Income Fund |
| Trustee | Finexia Securities Limited (ACN 608 667 778, AFSL 485760) |
| Investment Manager | Creative Capital Group Pty Ltd (ABN 32 623 557 808) |
| Investor Type | Wholesale and Sophisticated investors |
| Distributions | Monthly in arrears on the 3rd Friday of each month. |
| Minimum initial investment | \$50,000 - \$10,000,000 |
| Minimum additional investment | \$10,000 |
| Fund Auditor | Mazars (Audit) QLD Pty Ltd Brisbane, Qld - Level 11, 307 Queen Street, Brisbane Qld 4000, Australia |
| Distribution reinvestment scheme | yes |

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OPERATIONS & ASSETS

Assets

StayCo has skillfully curated a portfolio that includes **eight** Holiday and Resort Accommodation Complexes and **two** Long Stay Accommodation Complexes.

Our Holiday and Resort Accommodation Complexes are strategically located in sought-after travel destinations on the Gold Coast & Noosa:

1. Bel Air on Broadbeach, Broadbeach, QLD
2. Ocean Pacific Resort, Broadbeach, QLD
3. Belle Maison, Broadbeach, QLD
4. South Pacific Resort, Broadbeach, QLD
5. Artique Resort, Surfers Paradise, QLD
6. New Property Broadbeach, Broadbeach, QLD
7. New Property Burleigh, Burleigh Heads, QLD
8. Ivory Palms, Noosa, QLD:

StayCo operates on a typical business model within the industry where we do not hold material ownership in any of the properties in our portfolio. This model enables us to control a portfolio of quality real estate assets with relatively low upfront and ongoing capital commitments, ensuring operational efficiency and financial sustainability.

We also seek to fortify our management interest in properties by strategically acquiring freehold ownership in certain areas. Importantly, ongoing maintenance and refurbishment programs for the properties are typically funded by the property owners, ensuring that StayCo can focus on providing superior service and management without significant capital outlay.

“StayCo is the largest provider of hotel & resort style accommodations in Broadbeach, Queensland, Australia.”

These properties cater to families and travelers seeking additional amenities such as kitchens and laundry facilities, offering a distinct value proposition from typical hotel-style rooms.

In addition to our holiday and resort accommodations, StayCo manages two Long Stay Accommodation Complexes: The Avenues Apartment Complex and Fleet Drive Apartment Complex. StayCo’s business model offers a strong cash flow with limited capital expenditure requirements. We generate income through:

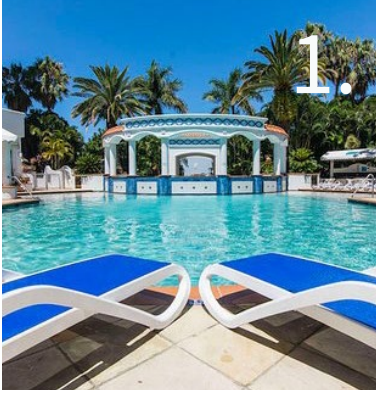
The sale of accommodation and related services, Asset management and Caretaker-related services of the properties.

Our strategic operations and property management model positions StayCo and the The Stay Company Income Fund for strong and consistent income generation with managed risk. We look forward to sharing our success with our esteemed investors.

“Average Daily Room Rates on the Gold Coast (including StayCo Properties) are now 33% higher than what it was before the Pandemic ”

Data Source [STR](#)

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1. Bel Air on Broadbeach, Broadbeach, QLD
2. Ocean Pacific Resort, Broadbeach, QLD
3. Belle Maison, Broadbeach, QLD
4. South Pacific Plaza, Broadbeach, QLD
5. Artique Resort, Surfers Paradise, QLD
6. New Property, Broadbeach, QLD
7. New Property Burleigh, Burleigh Heads, QLD
8. Ivory Palms, Noosa, QLD:

“Average Occupancy on the Gold Coast are now 17% higher than what it was before the Pandemic and StayCo is 28% higher.”

Data Source [STR](#)

FUND OBJECTIVES

StayCo

The primary objective of the Fund is to provide investors with a stable income stream through the following strategies:

Secure Long-Term Cash Flows & Capital Growth Potential:

The Fund aims to deliver secure, long-term cash flows to investors by maintaining a strong portfolio of income-generating properties. By managing these properties effectively and efficiently, the Fund also aims to unlock potential for capital growth.

Growing Income Stream:

The Fund is backed by a robust legislative framework that facilitates a growing income stream. Our operational model coupled with the strategic management of assets ensures a progressive increase in income over time.

Attractive Income Yield with Growing Underlying Asset Values:

The Fund aims to deliver an attractive income yield to investors while also focusing on enhancing the underlying asset values. By ensuring that our assets are well-maintained and managed, we aim to drive the growth of these underlying asset values over time.

In essence, our goal is to ensure the consistent generation of attractive, stable returns for our investors. We achieve this through meticulous asset management, strategic geographical diversification, and a steadfast commitment to growth and sustainability. We are excited to invite you on this journey with us, as we strive to reach and exceed these targets.

“StayCo ‘Revenue per Available Room (RevPar)’ is 18% higher than all other Gold Coast properties from 2021 until now.”

Data Source [STR](#)



BUSINESS MODEL

REVENUE STREAMS

StayCo's revenue model primarily relies on three key income streams:

- 1. Sale of Accommodation:** StayCo enters into letting appointments as the managing and letting agent with the owners of the individual rooms/apartments within the properties. The role involves generating and distributing room revenue, apportioning costs, and earning a letting fee.
- 2. Related Services:** StayCo also generates additional revenue by providing a variety of services including room cleaning, internet and in-room entertainment, food and beverage offerings, conferencing, tour bookings, and other amenities.
- 3. Asset Management and Caretaking:** Revenue is also earned through our role as the asset manager and physical administrative caretaker of the properties. This involves receiving payment for services conducted on behalf of the Body Corporate, including maintaining, cleaning, and repairing common areas of the properties.

EXPENSES AND CAPITAL EXPENDITURE

Most expenses related to StayCo's operations are variable, changing in proportion to the business's income. This "capital-light" operating structure allows StayCo to maintain a strong cash flow with limited capital expenditure requirements.

StayCo does not hold material ownership in any of the properties in its portfolio. This strategic decision allows the company to control a portfolio of quality real estate assets with relatively low upfront and ongoing capital commitments. StayCo seeks to enhance its management interest in properties by strategically acquiring freehold ownership in certain areas (such as lobbies, restaurants, conference rooms).

Ongoing maintenance and refurbishment programs for the properties are typically funded by the property owners rather than StayCo, further reducing the company's capital expenditure.

OWNERSHIP AND BUSINESS MODEL

StayCo purchases the rights to operate the letting business of a property, letting the individual rooms and apartments to customers under its own brands. StayCo enters contractual arrangements with room/apartment owners to facilitate revenue generation and apportion the costs associated with running the letting business.

PROPERTY CAPITAL EXPENDITURE

StayCo is typically responsible for upgrades to real estate which it owns or has exclusive use of (for example, reception, conference areas, and restaurant areas). StayCo also organises and undertakes room renovations in-house, however, these costs are charged to the property owners on agreed terms.

LOCATIONS AND TERMS

All the properties are located in Queensland and operate under this structure. StayCo's agreements to manage the properties have a weighted average (by income) term of 19.51 years. Agreements are increased by three years on a bi-annual basis.

PROPERTY OWNERS

The properties are strata-titled, with owners being the individual investors who own one or more rooms or apartments in a property. StayCo typically holds freehold interests in strategic property relating to the letting business and ancillary services (e.g., reception areas, offices, restaurants, function centres, or meeting rooms).



INVESTMENT MANAGER & TRUSTEE

The Trustee plays a critical role in the operation of the Trust as per the directives of the Trust deed. It is the Trustee's responsibility to appoint an on-site manager to handle the day-to-day management of the assets. Despite this delegation, the Trustee remains ultimately accountable for ensuring that the Trust is managed in accordance with the Trust deed.

The duties and responsibilities of the Trustee include:

1. Investment Opportunity Identification: The Trustee identifies and originates investment opportunities for the Trust.
2. Debt Facility Arrangement: The Trustee arranges the Debt Facility on behalf of the Trust.
3. Security Documentation and Execution: Overseeing the documentation and execution of Securities under the Debt Facility.
4. Conditions Precedent: Ensuring that all conditions precedent are achieved on or before Financial Close and taking other necessary steps to enable timely funding provision.
5. Property Manager Appointment and Oversight: The Trustee appoints and supervises the property manager.
6. Performance Monitoring: Conducting active reviews and monitoring of the portfolio's performance against forecast expectations.
7. Asset Sourcing: Sourcing additional assets for the Trust and arranging further Trust borrowings.
8. Borrowing Covenant Analysis and Reporting: The Trustee is responsible for the analysis and reporting of borrowing covenants.
9. Capex Budgets and Planning: Developing capex budgets and planning.
10. Revenue Accounting: Receiving and accounting for revenue on behalf of the Trust.
11. Trust Distributions: Overseeing distributions from the Trust to Investors.
12. Accounting: Keeping proper books of account in relation to the Trust in accordance with generally accepted accounting principles.
13. Tax Returns: Instructing and overseeing annual tax returns.
14. Trust Records Maintenance: Maintaining the Trust records including minutes of meetings, notices, and the register of Investors.
15. Investor Reporting: Preparing and sending to each Investor reports on the status of the Trust.
16. Exit Strategy Consideration: Analysing and reviewing exit strategy alternatives and considerations.

The Manager's philosophy revolves around taking an active role in the management of Investors' interests. They commit to offering a robust strategy and a solid foundation to ensure the Trust's continued growth and the protection of the Investors' interests.



StayCo vs

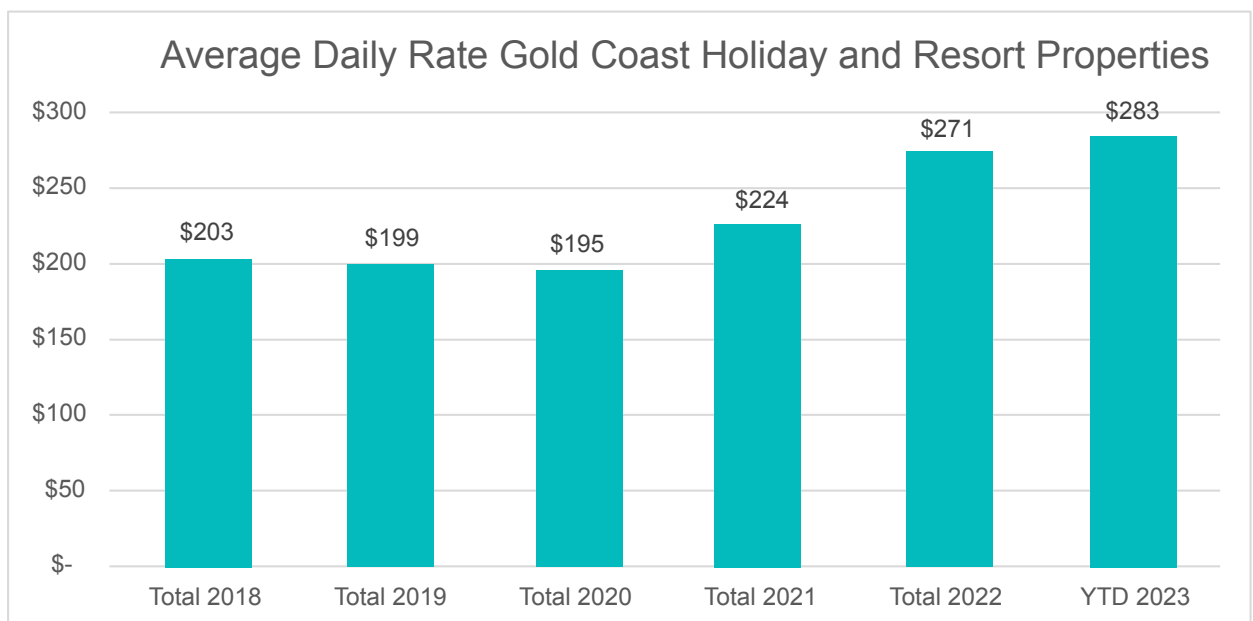
GOLDCOAST MARKET

StayCo properties in comparison to all other properties on the Gold Coast:

- StayCo's Revenue per Available Room (RevPAR) has outperformed the Gold Coast market as a whole. Since 2021, StayCo's RevPAR has been 18% higher than the average for all other Gold Coast properties. This suggests that StayCo has been successful in maximising the revenue potential of its rooms.
- The average daily room rates on the Gold Coast, including those of StayCo properties, have significantly increased, now standing at 33% higher than pre-pandemic levels. This might indicate a strong market recovery or an increase in demand for accommodation in the area.
- There's been a notable rise in occupancy rates since before the pandemic. The average occupancy on the Gold Coast has increased by 17%, while StayCo has seen even greater growth, with a 28% higher occupancy rate. This shows that StayCo properties have been particularly successful in attracting guests.
- In a year-over-year comparison for the same period, the average daily room rates for Gold Coast properties have risen by 7%. Meanwhile, StayCo's rates have seen even more substantial growth, increasing by 20%. This could be due to a variety of factors, including increased demand, improved service or facilities, or a strategic pricing policy.

Overall, these points suggest that StayCo has been outperforming the average market trends on the Gold Coast in key areas such as RevPAR, daily room rates, and occupancy rates. The factors driving this superior performance could be further explored to help sustain and enhance these positive results.

“For Gold Coast Properties when comparing the same period from last year to this year Average Daily Room rates are 7% higher and StayCo is 20% higher”



Data Source [STR](#)

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