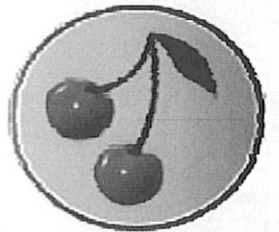


PUBLIC COPY

PIONEER *Slots*



PREMIER LOUNGE & DINER

1 EXECUTIVE SUMMARY

1. Introduction

Premier Loung & Diner is owned by a previously disadvantaged individual and a successful contributor to the Gaming Industry of the Eastern Cape. The applicant took the decision to apply for a Type-C licence in Port Elizabeth, after assessment of the feasibility with the, focusing on the demographics and economics of this part of the Eastern Cape.

The Applicant is Ashley Loggenberg t/a Premier Lounge & Diner [REDACTED] owned by Previously Disadvantage Individual "PDI" prepared. These premises will offer a range of attractions including a restaurant with bar facilities under a valid liquor license.

The detailed proposal in response to the Request for Proposal (RFP) issued by the Board (the Board) in September 2022 and Pioneer Slots has adhered closely to the prescribed requirements as described within the RFP

Premier Lounge & Diner will be the only premises operating a Type C LPM operation in this part of Richmond Hill, Port Elizabeth. The perfect location of this site allows for easy access to local retail outlets as well as the many local restaurants, in the midst of which it is situated.

The business has security of tenure in the form of a 9 year lease agreement, providing proof of a long term commitment. The secured tenure is owned by the family business (Kindly refer to Annexure I – Title Deed, lease agreement). The site is an establishment with a liquor license, a licenced bars and entertainment facilities. The financial models, which demonstrate the sustainability of the proposed primary business and secondary LPM operation, are based upon conservative projections.

We request the following key considerations to be taken into account by the ECGBB in considering Premier Lounge & Diner application for the Type-C licence in question, as we demonstrate both the value-added benefits inherent in the bid, and the sustainability of the proposed business and LPM operations:

1. The existing services in the specific area of the site are limited to the restaurants, sale of foodstuffs and no entertainment that meets the stringent eligibility criteria stipulated in the applicable legislation for licensed participation in the LPM industry.
2. Although there are a number of respectable or sustainable entertainment facilities in Port Elizabeth as a whole, Premier Lounge & Diner will cater for entertainment seekers who expect a wider variety in the entertainment arena.
3. Although there are known LPM operating sites in Port Elizabeth areas they are not in close proximity. The introduction of a Type C site will introduce a new form of entertainment and

ASHLEY LOGGENBERG

T/A

PREMIER LOUNGE & DINER

afford patrons with a wider variety and freedom of choice. According to our Management Team, there is no cause for concern regarding over-saturation of gambling in the town.

4. The presence of the LPMs in this particular area would also be an added advantage for the shoppers – saving them time and effort of going out of their shopping route to go and play elsewhere.
5. The Applicant and its Management Team have both the capital resources and operational experience required to implement the projects seamlessly and boast the necessary expertise to maximise GGR returns within a socially responsible framework.
6. **Premier Lounge & Diner** will proactively monitor and assist in the closure of illegal gambling activities as this has a negative impact in the economy.

1.2 APPLICANT AND PROJECT TEAM

THE APPLICANT

The pertinent details of the Applicant are:

Full names	Ashley Loggenberg
Trading name	Premier Lounge & Diner
Company Registration.	N/A
Income tax reference no.	██████████
Vat no:	N/A
Proposed site address:	14 Stanley Street, Richmond Hill, Gqeberha, Eastern Cape
Residential address	12 Eikhout Place, Morningside, Gqeberha
Telephone no.	██████████

Refer to the Personal History Disclosure attached to this application as Appendix G for further information on the Applicant.

Developers

The developers to perform works to the proposed site as summarised in section 1.4 below will be sourced from Port Elizabeth. The Applicant commits to seek Black SMME developers who are also willing to create employment opportunities while the development works are in progress. The aim is to assist the unemployed with an opportunity of employment, albeit on a temporary basis as a start.

ASHLEY LOGGENBERG

T/A

PREMIER LOUNGE & DINER

Route Operator

Name: Pioneer Slots

Reg. No: 2011/103218/07, (Route Operator)

Consultants

Name: Grant Thornton – Chartered Accountants and Business Advisors
Business address: 125 Cape Road, Mount Croix, Port Elizabeth, 6001
Contact person: Mr Mark Willimott

Financiers

Name: First National Bank
Business address: 293 Cape Road, Newtown Park, Port Elizabeth, 6045

1.3 DEVELOPMENT AND OPERATING EXPERIENCE

1. *A summary of the qualifications, experience and ability of the Applicant to successfully manage the primary business*

Ashley Loggenberg

Academic Qualifications: MBA degree and B.Com (Hons) Finance & Investments

I am a strategically minded and commercially astute executive with 7 years working experience in both technical and leadership roles within the Electricity, Security and Civil sectors. Offering expertise in leading an organization to the forefront of their clean sustainable energy goals, installing CCTV and Electric Fence, as well as laying and connecting of low to medium voltage electrical cable as well as Fibre lines. I am committed to performance improvement and provide a full capability offering in leadership, human performance management and operational enhancement activities..

- Asset management
- - Project Coordination & Leadership
 - Formulate tender pricing and overseeing contract implementation.
- Certified: Smart Grid Connections and revenue recovery calculation.
 - Installation and Maintenance of electrical connections
 - Back and Renewable Energy Installations
 - CCTV and Electric Fence Installations.

Pioneer Slots (Pty) Ltd

The extensive knowledge and experience of the Applicant's Management Team will, however, also be significantly complemented by that of Pioneer Slots (Pty) Ltd. Reg. 2011/103218/07, 54, 24 Evatt Street, Central, Gqeberha which, has a formidable track record in the gaming industry.

Through Pioneer Slots, the Applicant will have access to:

A dedicated provincial component, in the form of the licensed route operator, focusing on site retention and business development;

1. licensing and operational compliance;
2. technical maintenance, and
3. training of site owners and their staff.

A fully-fledged provincial Head Office, comprising 30 staff members, providing on-going assistance and resources in respect of:-

4. project planning, establishment of infrastructure and operations, and assistance in the roll-out process;
5. national licence and compliance issues;
6. on-going skills transfer to site-based staff;
7. financial administration;
8. information technology, and
9. human resources.

An established and fully functional Technical & Call Centre component, which provides a 24-hour Call Centre, incorporating:-

10. a 24-hour technical helpline;
11. customer relations service;
12. co-ordination of technical assistance to sites;
13. an LPM testing centre;
14. an LPM pre-installation testing centre (for quality control purposes), and
15. a research and development centre.

ASHLEY LOGGENBERG

T/A

PREMIER LOUNGE & DINER

Premier Lounge & Diner has entered into a site agreement with Pioneers slots (Kindly refer to Appendix J – Standard Site Agreement).

1.4 Summary of project concept

1. Proposed location of Premier Lounge & Diner Projects

A Lease Agreement, in respect of the premises comprising ground floor and located at No 14 Stanley Street, Richmond Hill, Gqeberha is attached. The building consisting of 455 m² has been secured of which 85 m² will be allocated for the gaming area

Premier Lounge & Diner 14 Stanley Street, Richmond Hill, Gqeberha, Locality Map with Coordinates -33.9591904,25.6117755



Site Lease Agreement (See Annexure I)

2. *Project concept and the development schedule*

The primary business of the Premier Lounge & Diner provides an innovative successful mix of facilities; Restaurant services, and a licensed Sports bar with satellite television. The mix will only creatively diversify the business offering over time but also provide patrons with a wide range of gambling, leisure and entertainment facilities, increasing the attractiveness of the venue. The significant contribution of the business toward economic wellbeing of the suburb in particular, and Port Elizabeth communities, in general, is further evidenced by the fact that **Premier Lounge & Diner** will be creating direct, permanent positions for no fewer than 5 persons, mostly if not all, residents of Gqeberha, with our first preference being the needy unemployed residents from the immediate surroundings of the site.

With the substantial and diverse entertainment offering to be provided by the primary business, the operation of limited payout machines as a secondary form of business on the site can easily be accommodated without any undue delay. The total site area is 455m², of which 85m² will comprise the area designated for gaming. The allocation of more space for the Primary business is in accordance with the requirements of Regulation 60(2) of the Act.

(c) Highlights of the key features of the project and the impact of the proposed operation on the surrounding environment and society.

We envisage the features of the project to be:

The center of a well-managed facility that operates to the highest levels of accepted gaming practices. As a result of these new facilities, qualifying individuals from the communities (i.e those over 18 and in possession of disposable income for gaming leisure) will be able to enjoy amusement and entertainment facilities in a conveniently located venue.

The procurement which is, relative to key items required for the development of the site, estimated at the value of [REDACTED] is estimated to create **5 direct and indirect** jobs from within the local community.

The final aspect of the project is skills development and training of key management and site employees. With the majority of job creation being derived from previously disadvantaged background, the individuals will be exposed to a well regulated environment and lucrative industry, and it is the objective of the site owner, together with Pioneer Slots, to empower these individuals throughout the period of the proposed license.

Premier Loung & Diner is to develop a preferential procurement plan, which will materially advance the development of the local SMME's and their participation in the local economy. Subject only to the on-going availability of the relevant goods and services, the applicant will procure the majority of goods and services from the SMME's with preference being given to locally-based SMME's with BEE credentials.

1.5 Project viability and financial returns

1. *Summary of sourcing, level and nature of financing and the ability to meet financial obligations inclusive*

It is estimated that **Premier Lounge & Diner** will require funding relating to the project as follows:

	R
Non-refundable application fee	1,000
Investigation deposit	35,000
Licencing of key employees 3 x employees @ R500 each	1,500
Licencing of gaming employees 2 x employees @ R100 each	200
TOTAL	37,700

Minimal site development costs will be needed, as most of the features already exist. The outstanding costs will be funded by the owner.

2. *Summary of the estimated financial returns from the project over the licence period*

ASHLEY LOGGENBERG

T/A

PREMIER LOUNGE & DINER

Were the site to be licensed and commence operations in March 2026, it is estimated to provide [REDACTED] in the GGR over the license period, of which [REDACTED] relate to the site's share after deductions. It is also estimated that the primary business will generate revenue of [REDACTED], [REDACTED] over the license term as the direct result of the introduction of the LPMs. The projected net revenue not only enhances the profitability and cash flow of the site, it also generates an estimated [REDACTED] in contribution to Corporate Social Investment over the term of the license. As the major capital expenditure is incurred at the commencement of the project and estimated to be settled within five years of commencement of operations, all profits will be a direct contribution to the cash flow of the entity.

In addition to the above, it is estimated that the site will contribute:

1. [REDACTED] to the ECGBB in respect of gaming [REDACTED] and licence fees [REDACTED] and [REDACTED]
2. [REDACTED] to SARS in respect of income taxes ([REDACTED]), VAT ([REDACTED]), Dividends Tax (1,326,800) and Payroll Taxes [REDACTED].

Key assumptions used in the forecasts are:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Project viability is forecast by the market demand assumptions that have been used to determine revenue scenarios. The basis for the market demand study is an analysis of the tendency to gamble among South Africans, expressed as a percentage of the collective disposable income.

Various research studies have indicated that the prevailing propensity to gamble is 1.05% of disposable income.

The attached Financial Projections clearly illustrate the financial viability and sustainability of various aspects of the project. **(See Appendix D)**

1.6 BENEFITS TO THE ECONOMY

Summary of the key benefits

Participation in the ownership by PDIs – The beneficial interest in the Applicant depicts true, local empowerment of the previously disadvantaged, in that Mr Ashley Loggenberg owns 100% and residing in the Eastern Cape.

Promotion of Tourism and the provision of entertainment facilities to members of the public – The Applicant will provide a much-needed gaming and entertainment facility to Port Elizabeth and the surrounding areas. It will create an entertainment hub in a town that does not have much to offer visitors or residents.

Creation of sustainable employment – The Applicant plans to employ a minimum of 5 employees throughout the term of the Site Licence. The company will seek to employ individuals primarily of a previously disadvantaged background and from within the Local community.

Provision of training and skills – The Applicant has estimated spending toward the training and development of its employees. Empowerment is key to the Applicant's and Route Operator's management and philosophy, and with employment geared mainly for young PDIs from within the community, transfer of skills will be aimed at those who currently require them most.

Stimulation of the Local economy – Preference for all works will be given to companies within the Eastern Cape, particularly to any SMME's in Port Elizabeth. Once in operation, SMME's from Port Elizabeth will be used for the following services, to name a few:

1. general site maintenance – plumbing, electrical, painters;
2. security; and
3. cleaning

Social Economic Development ("SED") -The Applicant, together with the Route Operator, is passionate about community projects and will continue to do so in this community. As such, the Applicant has committed to contribute a minimum of 1.% of the Gross Gaming Revenue to social economic development.

ASHLEY LOGGENBERG

T/A

PREMIER LOUNGE & DINER

Prevention of incidents of illegal gambling – The Applicant will at all times ensure compliance to the Licence Conditions if issued a Site Licence. It also believes that this type of establishment would discourage illegal gambling as it raises awareness of responsible gambling and the benefits thereof, most importantly, the contributions made towards SED and the community.

The meaningful economic empowerment of local, black-owned small, medium and micro enterprises (“SMME’s”), through the consistent application of a well-developed preferential procurement plan designed to promote the accessibility to SMME’s of goods and services to be procured by the Applicant in the operation of its business, and Locally-based enterprise development initiatives, as contemplated in Section 14.2.1.3 of the RFP.