



**RM Apartments Limited**  
**Short Let – Property Management**

La Provvida, Karm Zerafa Street, Birkirkara  
BKR 1719 – Malta – VAT: MT27495516  
Registration: C96039

## **Online Advertising Promotion Proposal**

To the kind attention of **Mr.**

### **Object:**

Proposal for the management and promotion of the following structures dedicated to Short Let Tourism:

- X - 1 Unit
- Y - 1 Unit
- Z - 1 Unit

Based on your request regarding XYZ apartments in total, we offer you our best offer for the following services.

### **Our services**

- Price definition
- Channel Manager onboarding and configuration
- Marketing and upselling strategies.
- Management of all image content and channel structures Inclusion of structures on our website [www.redmalta.com](http://www.redmalta.com)
- Constant system support and reporting
- Promotion on all platforms

In particular, we explain our method of configuring and optimizing the prices of the apartments, extrapolating the management costs of laundry cleaning from the selling price of the apartment on channels such as Booking.com and Airbnb.

In particular, in addition to channel commissions, we also take into account local taxes and cleaning, which must all be paid by the guest.

In our method we use rigid and non-refundable booking, in order to know with certainty the earnings of the structures.

Furthermore, the payment of the Ecotax is already included in the channels.



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Based on our pricing method, and based on the analysis of the area of Malta where the various apartments are located, we will verify and optimize the sales prices on the channels throughout the year. Obviously everything is linked to granting Red Malta access to the channels and complete freedom in managing prices, limits set with the owner, and from that moment for the entire duration of the contract all changes will be made via Red Malta and the Channel Manager Smoobu.

### **Pricing definition**

We define the base prices as if we sold the rooms directly, therefore without commissions to the channels and without 7% VAT, to have a correct value of the apartments. Secondly, we calculate the price to put on the channels, with this newly defined criterion, i.e. charging first 7% and then the commission of the various channels.

<b>Channel</b>	<b>Fee %</b>	<b>VAT</b>
Booking	19,1%	7%
Airbnb	19,1%	7%

These fees are applied to both the daily room rate, as well as cleaning and laundry costs, before being placed on the channels.

Obviously we calculate prices that will certainly be subject to discounts during the seasons **because a room sold at a lower price is better than empty**. This is our motto.

We usually define prices with the following rules:

- First price defined for apartment with 2 guests (not per person)
- If the apartment has more rooms it will be increased based on the number of guests allowed
- In the presence of a sofa bed, a defined surcharge is applied per person
- Variable prices based on the period and dates of local relevance
- Costs of cleaning, laundry and accessories to be paid by the guest (soap, toilet paper, etc.)

Prices are defined in 2 bands based on the months, which we define as Low Season and High Season, and as a precaution we foresee as a minimum objective, an occupancy of 40% (Low Season) and 80% (High Season) respectively.

Based on our experience, the annual average always falls within these numbers, also because August and July always exceed 80% and in some winter months we manage to maintain it at 50-60%.



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Obviously these calculations are refined after a year of management, also to understand the real potential of the area, in addition to the seasons which are not always the same.

However, the real objective is an annual average of 70%.

### Cleaning and laundry

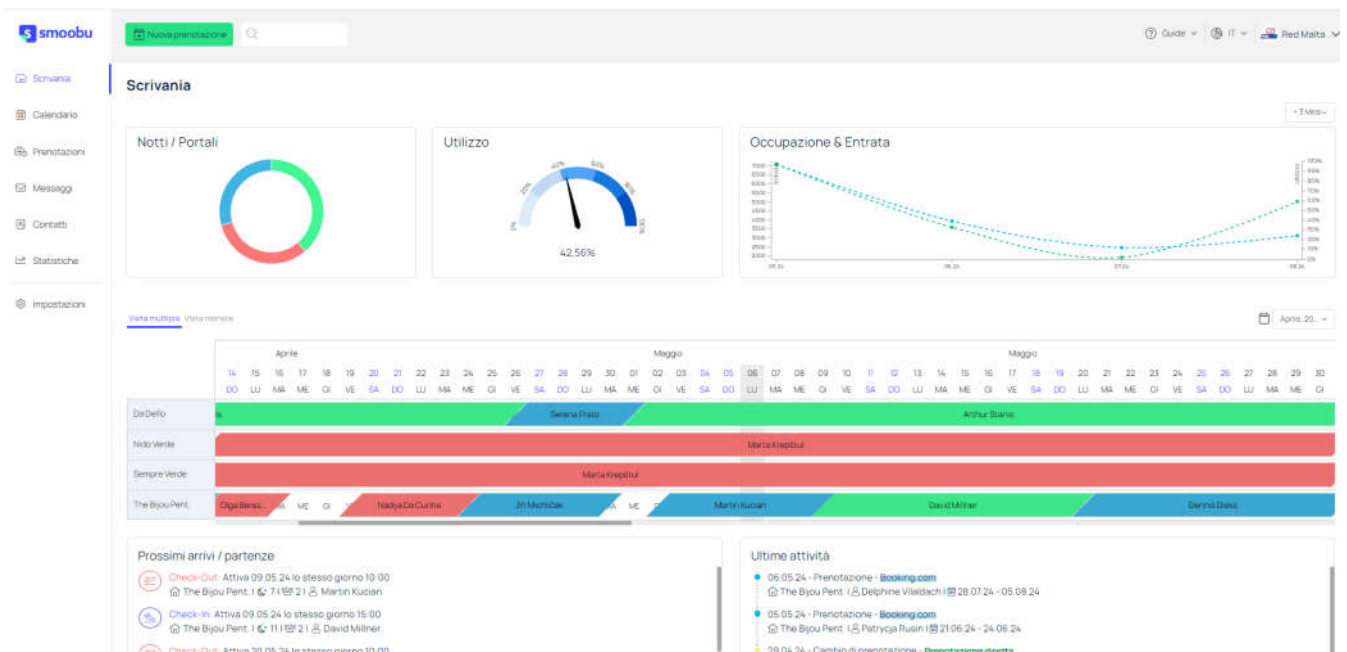
The cost of cleaning in the canals consists of the actual cleaning, the laundry costs and the cost of supplies (warehouse) for the supply of toilet paper, soap etc.

Based on the size of the rooms, a progressive cost is defined from which the price to be included on the channels is calculated.

It is important that the cleaning price is well calibrated so as not to increase the cost of the rooms too much in short stays, so we normally leave it at a value such that it is a service cost borne by the guest.

### Control by the owner and manager

Access to the Smoobu Channel Manager is obviously given for checking receipts and bookings. Here is a real example.

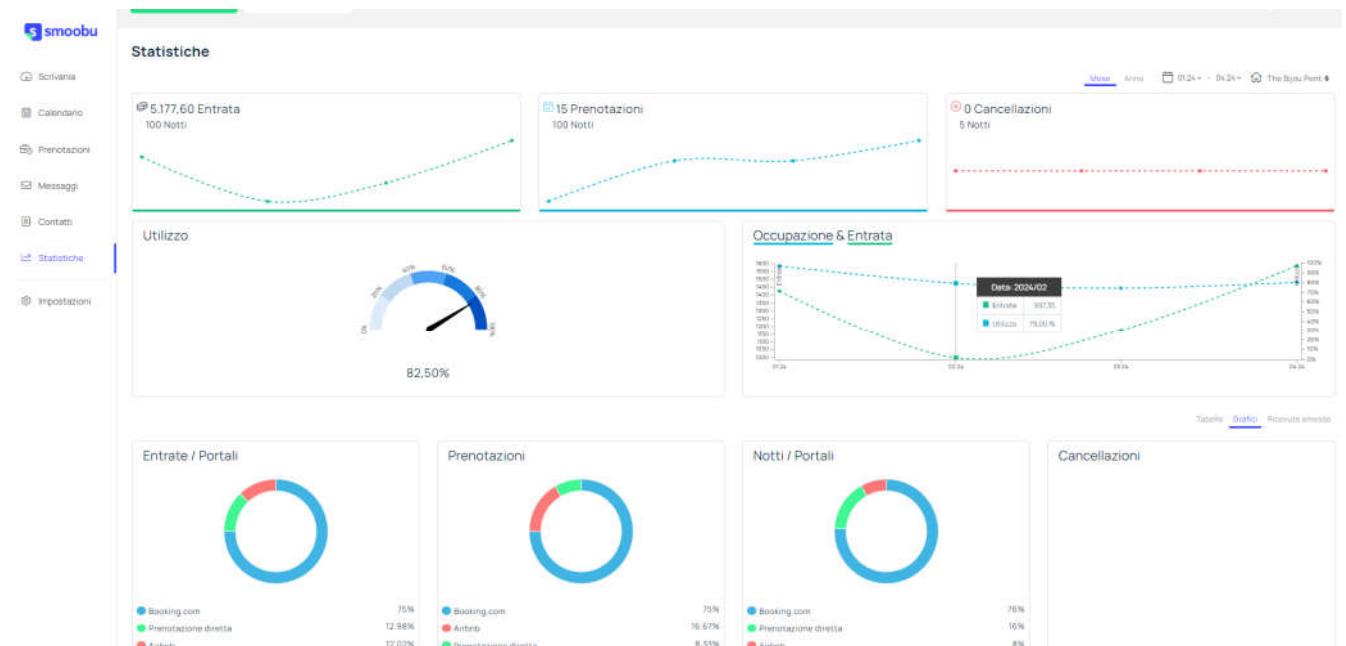




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This is an example of statistics from January to April 2024 from our home in San Pawl Il-Bahar. As you can see we are well over 80% in the low season, with zero cancellations. We have been managing this house since 2018 and therefore we have refined price management over the years.





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## Definition of Red Malta's remuneration

The calculation of the earnings due to Red Malta is divided into fixed costs and variable costs based on the services offered.

### Fixed costs

- the cost of the Channel Manager (Smooobu) has a fixed monthly cost of 10.00 + VAT per month per apartment;
- the cost of managing and inserting each apartment on our website (www.redmalta.com) and of channel configuration management (photos, messages, price insertion, etc.) will be divided as a monthly cost and will therefore be paid with the earnings of each apartment, for a sum of 10.00+ VAT per month per apartment;

Fixed monthly costs - Red Malta				
N° Appartaments	Channel Manager Cost	Channel configuration management, Property Manual, Website	Tot month	Tot year
1	10,00	10,00	20,00	240,00

### Variable costs

The commission that we calculate on the amount that guests pay on the channels, net of the commissions of the channels themselves, is equal to:

- 0-15 apartments 8%.
- 15+ apartments 5%

At the end of each month we will count the proceeds using the criteria defined above and issue an invoice.

The Owner and the Manager will be able to constantly monitor receipts and reservations thanks to access to the Smooobu channel manager, both on a mobile phone and on a PC.

You will receive notification of each booking in real time.

**Thomas Bigliuzzi**  
**Red Malta Staff**