

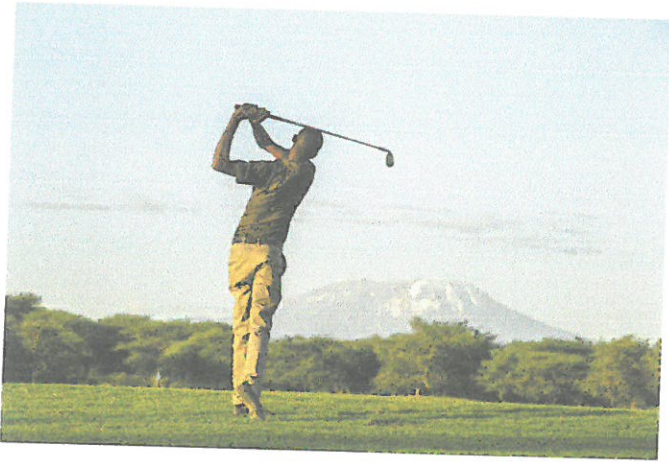


Erera Tanzania

ERERA Tanzania Business Plan  
2021 - 2026

CONFIDENTIAL

January 2021



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# Executive Summary

## **Company Mission or Purpose**

Holidays that guests love, return to, and recommend. A company that partners aspire to do business with, employees are committed to, and investors seek out for long term, ethical returns.

## **Company Vision**

By living and demonstrating the values of conscious capitalism, the company demonstrates that business is good when it creates value for all involved.

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## **Project Objective**

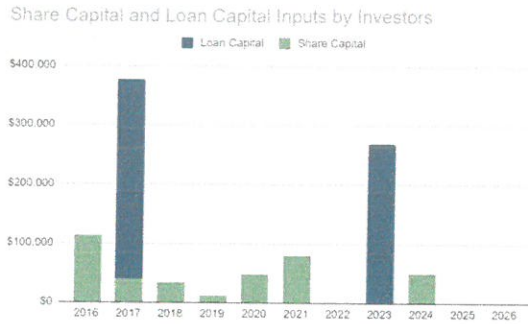
Erera Tanzania is planning to continue to invest and build upon “The Greenside” Golf and Holiday Accommodation business on Kili Golf and Wildlife Estate in Usa River, Arumeru, Tanzania. The Greenside will offer high end luxury accommodation and high value for money vacation experience that is aligned with company mission and vision. [Priority Objectives and Measures](#) section includes detailed objectives and measurable targets.

## **Investors Profiles**

The current investors are Ranyania Perera, Dr. Shamal Wijay, Mr. Sriyanjit Perera and Mrs. Luise Perera. Ranyani has over 20 years of experience leading companies, organizations and business planning. Shamal Wijay is a family medicine specialist with over 30+ years of medical experience and is a co-founder of Primary Family First Health Centre and Family First Family Health Team. Ranyania and Shamal currently live in New Zealand. Sriyanjit holds an M.B.A from Durham University in the UK and a B.Sc. in Computer Engineering. He has over 20 years of systems experience and specializes in using data for evidenced based decision making, and over 8 years experience establishing holiday rental properties. Louise Perera has a Postgraduate Certificate in Education and over 20 years of experience teaching and capacity building. Sri and Louise have over 8 years experience establishing holiday rental properties. Detailed profiles for each investor are included in the [Investors and Management Team Profiles](#) section.

## **Investment Costs, Financing and Finance Sources**

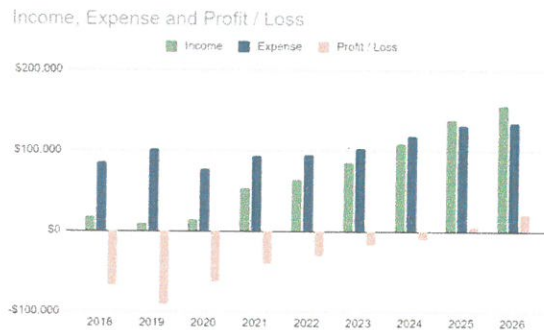
The following chart summarized planned investment inputs.



More details on how the proposed investment will be financed, sources of finance, terms and conditions of the loan are included in [Investment Plan](#) section.

### **Financial and Economic Analysis**

The Greenside will target the international and domestic golf tourism market and target medium and long term rentals to increase occupancy during low tourism periods.



Charts above summarize results to date for income, expenses and profit/loss and planned Inputs by Investors from 2016 to 2026.

### **Projected Market and Project Capacity**

“The golf tourism market is poised to grow by \$5.36 bn during 2020-2024, progressing at a CAGR of 4% during the forecast period.” More information on the projected market is included in section [Market Opportunity](#) section.

The Greenside currently operates 3 houses and 6 rooms and expects to grow to 9 houses and 21 rooms by 2026.

### **Expected Employment Generation**

Erera Tanzania currently employs 4 full time employees and expects to grow this to 12 direct employees for Greenside management and operations by 2026. In addition, Erera Tanzania expects to grow into other sports adventure tourism and employ additional people for each new project. Erera Tanzania also expects to contribute to employment amongst suppliers and partners.

### **Proposed Implementation Schedule**

Erera Tanzania is scaling up operations immediately. A detailed timeline and project milestones is included in [Progress to Date and Future Plans](#) section.

### **Projected Results and Return on Investment**

Results to date have not met expectations and the short and medium term outlook for international golf tourism is weak. However, investors and Erera management are optimistic about increased attention to leadership, marketing and sales, and the plan documented here can increase revenue and position the company for sustained profitable growth over the long term.

# Company Vision, Mission and Goals

## Company Mission

Holidays that guests love, return to, and recommend. A company that partners aspire to do business with, employees are committed to, and investors seek out for long term, ethical returns.

## Company Vision

By living and demonstrating the values of conscious capitalism, the company demonstrates that business is good when it creates value for all involved.

## Priority Objectives and Measures

Erera Tanzania is planning to continue to invest and build upon "The Greenside" Golf and Holiday Accommodation business on Kili Golf and Wildlife Estate in Usa River, Arumeru, Tanzania. The Greenside will offer high end luxury accomodation and high value for money vacation experience that is aligned with company mission and vision.

Goal	Target	Result To Date	How
Guest Satisfaction	90% of all guests give 5 stars to their overall experience	Facebook: Trip Advisor: Google:	Outstanding guest experience and focus on building guest relationships. Quality Accommodation and Guest Services Responsiveness and Value for money Complete packages and services that ensure guests enjoy the entire vacation experience.
Occupancy and Revenue	47% Occupancy by 2026  2021: 38%, \$53 000 2022: 40%, \$64 000 2023: 44%, \$85,000 2024: 42%, \$109,000 2025: 45%, \$138,000 2026: 47%, \$156,000	<b>2018:</b> 12%, \$17,000 <b>2019:</b> 8%, \$9,500 <b>2020:</b> 6%, \$12,600	Direct Marketing via online platforms Resident rates and specials and increased focus on medium term guests who rent by the month to fill low season. Strategic Partnerships with national and international travel agents. Focus on Marketing to international golf market Increased capacity by entering into

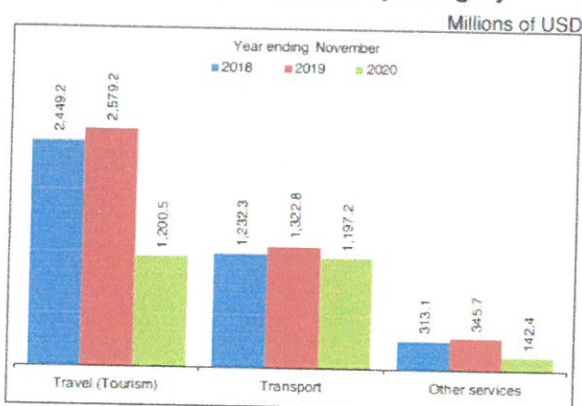
			marketing and management partnerships with owners of additional houses.
Employee performance, satisfaction, retention and development	Employees Retention target is minimum of 5 years and target internal promotions.	As of 2019: One Key staff member resigned. 2020: Completed year with 4 full time staff, all performing well and very dedicated.	Above average compensation, regular performance appraisal, performance rewards, health insurance, respect, team approach, investment in capacity building, and supporting personal and professional growth within the company.
Audit, Statutory and Tax Compliance	Regular and Timely Certificates of compliance.	Tax Clearance and Licenses all obtained on an annual basis. 2020 Tax clearance obtained Jan 28. 2021. 2021 Talla license, biz license and liquor license in place.	Conservative accounting and business practices. Regular consultation and engagement with Statutory Bodies, Auditors, Lawyers and Professional Advisors Qualified and Trained Management and Accounting Staff.
Efficiency and Cost Effectiveness	Expenditure within 10% of approved operating budget	Effective cost control during slow COVID.	Leverage technology and strong document standard operating processes. Minimum standards, performance targets and routine review of results. Monthly release of operating funds according to approved expenditure plan
Community Contribution	5% of Annual Profit (after tax, and finance charges)	No Profit to Date	Focus on procuring supplies and services from local partners. Identify and support community initiatives in partnership with suppliers and customers.

# Market Opportunity

## Tanzania Tourism

In 2018 and 2019, Tanzania's Travel and Tourism industry has been worth close to 2.5 Billion USD on an annual basis and growing steadily. 2020 and the global COVID pandemic has had a major impact on the global tourism industry and Tanzania is no exception. For the year ending November, 2020, Tanzania's travel and tourism receipts tumbled to 1.2 Billion.

**Chart 5.3: Services Receipts by Category**



Source: Banks and Bank of Tanzania computations

Note: Other services include construction, insurance, financial, telecommunication, computer and information, charges for the use of intellectual property, government, personal and other business services

Over the short term, and foreseeable future global travel restrictions will continue to have a major impact on international tourism to Tanzania.

## Sports and Adventure Tourism

One of the key objectives of Erera Tanzania is to explore the adventure and sports tourism market.

"Amid the COVID-19 crisis, the global market for Sports Tourism estimated at US\$2.2 Trillion in the year 2020, is projected to reach a revised size of US\$14.4 Trillion by 2027, growing at a CAGR of 31.1% over the period 2020-2027. Domestic Sports Tourism, one of the segments analyzed in the report, is projected to grow at a 29.1% CAGR to reach US\$5 Trillion by the end of the analysis period. After an early analysis of the business implications of the pandemic and

its induced economic crisis, growth in the International Sports Tourism segment is readjusted to a revised 32.3% CAGR for the next 7-year period.”<sup>1</sup>

## Golf Tourism

“The golf tourism market is poised to grow by \$5.36 bn during 2020-2024, progressing at a CAGR of 4% during the forecast period. The market is driven by the growing emphasis on golf infrastructure worldwide and rising government support for the promotion of golf tourism.”<sup>2</sup>

The long term return on investment and profitability of the Greenside project is dependent on the eventual return of international tourists and its ability to attract international golf travel tourists.

## Problem Worth Solving

Within the existing tourism offerings within Tanzania, and amongst active holidays in particular, there is an abundance of high end, high cost tours and holiday options, and an abundance of low cost, low quality options. However, there is a gap in holiday options for international and domestic travellers looking for a high value, high quality and reasonably priced active holiday.

There is a high amount of potential for Africa, and Tanzania in particular to increase its share of the golf tourism market. “International Association of Golf Tour Operators observes that golf tourism is worth \$100 billion a year and that Africa only accounts for 3%”<sup>3</sup>. Similarly there is evidence that Tanzania can become a major golf destination in africa over time.<sup>4</sup>

In November 2018, the Minister for Information, Culture, Arts and Sports, Harrison Mwakyembe, called on the Tanzania Golf Union to partner with the ministry in future efforts to develop the game. The Minister explained “we want to attract a huge number of foreign golfers and make sure that after the tournament, they also have an opportunity to visit our tourist attraction centres.”<sup>5</sup>

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<sup>1</sup> [Global Sports Tourism Industry \(reportlinker.com\)](https://www.reportlinker.com)

<sup>2</sup> [Global Golf Tourism Market Report 2020 with Impact of COVID-19 - ResearchAndMarkets.com \(apnews.com\)](https://www.researchandmarkets.com)

<sup>3</sup> <https://www.uneca.org/stories/lots-economic-benefits-could-come-sports-tourism-africa><http://www.contadorharrison.com/tanzania-can-become-major-golf-destination-in-africa/>

<sup>4</sup> <http://www.contadorharrison.com/tanzania-can-become-major-golf-destination-in-africa/>

<sup>5</sup> <http://www.tourismupdate.co.za/article/128618/Golf-tourism-key-area-for-Tanzania>

In January 2021, Honora Dr. Damas D. Ndumbaro - Minister of Tourism recently visited Kili Golf and Wildlife estate and declared that Kiligolf now has Tanzania Tourist Attraction status and will become a showcase for sports tourism.

For golf holidays in particular there is currently a lack of reasonably priced holiday options for small groups. Many golf groups in Dar and surrounding areas end up doing group tours to Kenya or South Africa due to the gap in the market offerings.

While the Kilimanjaro Golf and Wilderness Estate is a world class 18-hole championship course, a lack of suitable accommodation and other related tourist services means this Tanzanian resource is not reaching its tourism potential. In addition to the lack of suitable accommodation and services, there are a few large four to six bedroom houses that can serve the needs of travellers willing to share common space with other travellers, but there is a gap in accommodation options to serve the needs of families or small groups that want similar comforts and some private space.

## Competition

Developing Tanzania as a sports tourism and golf tourist destination in particular will require close collaboration and joint promotion together with other properties and golf courses in Tanzania. As a result, at this early stage in the development of the market, we do not see the other offerings in Tanzania as competitors but collaborators.

Within the East African region, Kenya has a high number of of excellent golf courses and accomodation options and has an established golf tourism business. The Erera Tanzania marketing plan for The Greenside will need to work on key differentiators and leverage the other tourist attractions within the Northern circuit by offering combined packages with other tour operators.

Within Tanzania, the only significant golf alternative to Kili Golf is the Sea Cliff Zanzibar. Erera Tanzania believes it is important to help establish Tanzania as a golf destination and has already started to reach out to Sea Cliff Zanzibar to establish joint golf holiday packages so tourists can experience the golf, beach and safari.

Within Kiligolf estate there are a number of existing and planned properties that are offering or planning to offer holiday accommodation services:

- [Sunbird](#)
- [Kili Villa](#)
- [Siringit](#)
- Villa Amani
- [Cameleon Golf House](#)

Erera Tanzania is planning to work in collaboration with those that are willing to help promote Tanzania and Kili Golf as an international golf destination. At the same time, The Greenside offers a unique experience and is targeting a specific segment of the market. The Greenside is in one of the best locations on the golf course, between fairways 8 and 9 and just 200 meters from the club house. In addition, the small, sectional title house allows the Greenside to offer guests private, exclusive use of the entire house and high value for money.

## Our Solution

Erera Tanzania will focus on developing solutions for active holiday seekers in Tanzania. For its first venture into active holidays in Tanzania, Erera Tanzania has established "The Greenside" golf holiday accommodation within the Kilimanjaro Golf and Wildlife Estate.

## Kilimanjaro Golf and Wildlife Estate



*"The Kilimanjaro Golf & Wildlife Estate (or Kiligolf as it is more commonly known) is situated on 1,040 acres of prime African bush land, nestled between Mt Kilimanjaro and Mt Meru. To the south stretches the Maasai Steppe and the great ridges of the ancient Eastern Arc chain: the Pare, Usambara and Blue Mountains, all of which are visible from the estate.*

*The Kilimanjaro Golf Club is the main feature of the estate, consisting of the first 18-hole championship golf course in Tanzania. Designed by former Irish national coach and Kenya Open champion; David Jones, the club is geared to host international and local golf events, tournaments and club nights."*

*"As a golf course designer I am familiar with many great settings for golf courses, but I can truthfully say I have rarely seen anything so magnificent as this."*  
— David Jones, Golf course designer

## The Greenside - Golf and Leisure Holidays

Within the Kilimanjaro golf and Wildlife estate, Erera Tanzania has established, The Greenside, a set of three beautifully furnished, 2 bedroom villas. Each villa has its own private plunge pool at a prime location on the golf course and comfortable accommodation for groups of friends and family of up to five people.



The Green Side villas are located right between the eighth and ninth fairways, a very close walk to the clubhouse and driving range. Two of the prime villas have excellent views of the golf course, the island green and the clubhouse with Mount Meru in the background.



Each villa is fully furnished and ready to host guests in comfort and style.



The Greenside will offer a range of accommodation options including fully serviced, fully catered options equivalent to a four star hotel, or fully self catered options to cater for a range of preferences and budgets.

The Greenside currently offers three fully 2 bedroom villas and is looking to grow this to 7-10 within villas and 14-20 rooms by 2026 through a combination of new builds and entering into partnerships and offering hotel management services to homeowners within the estate with properties.

## Validation of Problem and Solution

Net financial results to date are worrying but guests who have come and stayed are extremely happy and The Greenside is witnessing some growth in bookings as former guests either return to visit again or recommend The Greenside and Kili Golf to family and friends.

Large planned investments in Kili Golf by other companies helps to confirm the opportunity. Their investment will help increase visibility of Kili Golf and Tanzania as a golf destination and by extension contribute to growing the market for our high value alternative to ultra high end holidays.

KiliGolf and the Greenside both recently witnessed a high level of interest when it hosted the 2nd Diplomatic Golf Tournament organized by the Honorable Minister of Tourism. The tournament was a huge success, attracting over 140 registrations and all participants left eager to return.

Results to date indicate there is a significant potential for Greenside to capture the interests of the domestic travel market and reduce short term losses using longer term rentals during low seasons.

## Progress to Date and Future Plans

### Execution Plan and Key Milestones

Time Frame	Objective and Measure of Success	Result To Date / Target for Future
2016	<ul style="list-style-type: none"> <li>Identify investment opportunity</li> <li>Establish company including full statutory compliance</li> <li>Identify and contract local management services</li> <li>Complete initial financing and initiate construction.</li> </ul>	
2017	<ul style="list-style-type: none"> <li>Complete Construction, Design, Decorating, Furnishings</li> <li>Initiate and Implement Marketing Plan</li> </ul>	
2018	<ul style="list-style-type: none"> <li>Initial challenges in starting operations due to difficulties in identifying suitable management organization or staff.</li> <li>Entered into a management agreement with Artisans Entrepreneurs who was tasked with identifying staff and building capacity of management and staff to be able to manage operations moving forward.</li> </ul>	Results <ul style="list-style-type: none"> <li>Completed construction and furnishing.</li> <li>Completed initial staffing and training</li> <li>Completed all permits and licenses</li> <li>38.3 Million TSH revenue, Loss for the year of of 128.7 Million TSH</li> </ul>
2019	<ul style="list-style-type: none"> <li>Wider challenges with Kili Golf visibility and company failed to effectively develop and</li> </ul>	Results <ul style="list-style-type: none"> <li>Revenu dropped to 22.2</li> </ul>

	<p>execute marketing strategy. Revenue consistently below expectations and shareholders were forced to input additional funds to cover Erera Tanzania losses.</p> <ul style="list-style-type: none"> <li>• High levels of guest satisfaction led to slow increase in bookings and projected improvements for 2020.</li> </ul>	<ul style="list-style-type: none"> <li>• Million, loss for the year of 201.5 Million TSH.</li> </ul>
2020	<ul style="list-style-type: none"> <li>• Erera Tanzania decided to reorganize the Greenside operations.</li> <li>• Engage Tanzanian Management Staff and transition management of Greenside to full-time dedicated Tanzanian nationals.</li> <li>• COVID-19 devastated global tourism and the Greenside had a high number of cancellations resulting in continued losses. Erera Tanzania Directors decided to prioritize well being of staff over short term losses.</li> <li>• Focused effort to improve sales and marketing and identify additional sales channels, and align business performance with initial revenue targets.</li> </ul>	<p>.Results:</p> <ul style="list-style-type: none"> <li>- 3 Houses, 6 rooms</li> <li>- Naftali Lukindo engaged as full time Greenside Manager fully dedicated to managing and growing business</li> <li>- Preliminary income estimate is 32 Million TSH for FY 2020 an annual increase of 44%. Loss of 135.5 Million, an annual decrease of 32%.</li> <li>- 4 Full time staff fully trained and delivering high quality service.</li> </ul>
2021	<ul style="list-style-type: none"> <li>• Establish shareholder as Managing Director of Erera Tanzania to address performance and guide future growth of initial Greenside Golf Accommodation business, mentor and support growth of all staff and explore additional investment opportunities including additional adventure tourism and technology and management services.</li> <li>• Enter into partnerships to increase the number of villas and rooms to improve efficiency regarding sales, marketing and management costs per room, improve ability to enter into strategic partnerships with national and international tour agents and increase capacity to host larger groups or tournament participants.</li> </ul>	<p>Targets for The Greenside:</p> <ul style="list-style-type: none"> <li>- Expand to 5 houses and 10 rooms.</li> <li>- 20% occupancy and 60 Million TSH in revenue.</li> <li>- Eliminate annual losses and reach break even point so additional financing or inputs by shareholders can be directed to future growth.</li> </ul>
2022	<ul style="list-style-type: none"> <li>• .Design of new houses</li> <li>• Partnership with 2 more houses</li> </ul>	<p>Targets for The Greenside:</p> <ul style="list-style-type: none"> <li>- 7 houses and 14 rooms operational,.</li> <li>- 5* customer reviews on 95% of reviews</li> </ul>

		<ul style="list-style-type: none"> <li>- 25% occupancy</li> </ul>
<b>2023</b>	<ul style="list-style-type: none"> <li>• Once existing golf villas reach 44% occupancy, invest additional \$250 000 over two years to construct two additional 3-bedroom villas, and enter into 2 additional management services contracts to expand the Greenside accommodation to 9 villas and 18 rooms</li> <li>• Focus on strengthening sales and marketing to maintain occupancy rate through increase in number of rooms.</li> <li>• Expand staff capacity and training to maintain high levels of guest and employee satisfaction</li> </ul>	<p>Targets for The Greenside</p> <ul style="list-style-type: none"> <li>- 7 houses and 14rooms.</li> <li>- 5* customer reviews on 95% of reviews</li> <li>- 25% occupancy</li> </ul>
<b>2024</b>	<ul style="list-style-type: none"> <li>• Fully operationalize 2 new houses.</li> <li>• Develop other active holiday properties in Tanzania that can be combined into unique package experiences.</li> </ul>	<p>Targets for The Greenside:</p> <ul style="list-style-type: none"> <li>- 9 houses and 20 rooms.</li> <li>- 5* customer reviews on 95% of reviews</li> <li>- 30% occupancy</li> </ul>
<b>2025</b>	<ul style="list-style-type: none"> <li>• Further develop holiday property management service.</li> <li>• Develop industry leading web based services to manage all aspects of Greenside business including marketing, sales, booking and reservations, guest services, reviews and also create portals for tour operators and for house owners to automate interactions and access to information.</li> </ul>	<p>Targets for The Greenside Holiday Accommodation:</p> <ul style="list-style-type: none"> <li>- 5 houses and 10 rooms.</li> <li>- 5* customer reviews on 95% of reviews</li> <li>- 35% occupancy</li> </ul>
<b>2026</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	<p>Targets for The Greenside:</p> <ul style="list-style-type: none"> <li>- 5 houses and 10 rooms.</li> <li>- 5* customer reviews on 95% of reviews</li> <li>- 40% occupancy</li> </ul>

# Company and Management Summary

## Investors and Management Team Profiles

### Ranyani Perera - Director and Shareholder

- Ranyani has over 20 years of experience leading companies, organizations and business planning. She is currently the Executive Director for Silverdale Medical Centre in Auckland, New Zealand where she manages a team of over 50 health professionals and support staff.
- Prior to moving to New Zealand, Ranyani was the Executive Director and Founder of Family First Family Health Team where she led development of technology, service standards, policy, and human resources.
- Ranyani was the Executive Director and Co-founder of Primacy Family First Health Centre in Canada responsible for strategic business leadership to a privately owned company providing primary health care to 12000 patients.
- Ranyania has served as a director for Erera Tanzania since its inception in 2017 and together with Dr. Shamal Wijay currently holds 50% of Erera Tanzania Shares.

### Dr. Shamal Wijay - Director and Shareholder

- Shamal Wijay is a family medicine specialist with over 30+ years of medical experience and is a co-founder of Primary Family First Health Centre and Family First Family Health Team. Shamal is currently living and practicing in New Zealand.
- Shamal Wijay has served as a director for Erera Tanzania since its inception in 2017 and together with Ranyani Perera currently holds 50% of Erera Tanzania Shares.

### Sriyani Perera Director

- Sriyani Perera has over 40 years of technology and management experience, including serving as senior director for Cognos, a leader in global business intelligence.
- Sriyani owns and operates a holiday rental property in Canada and Sri Lanka.
- Sriyani is currently serving as a member of the board of directors for Erera Tanzania and living in Canada.

### Mr. Sriyanjit Perera: Shareholder , Proposed Managing Director in Tanzania

- Sriyanjit holds an M.B.A from Durham University in the UK and a B.Sc. in Computer Engineering. He has over 20 years of systems experience and specializes in using data for evidenced based decision making, policy analysis or strategic planning. Sriyanjit Perera has over 8 years experience establishing holiday rental properties.

Erera Tanzania is currently working towards obtaining an Investment Certificate and then a Class A investors visa and work permit for Sri Perera. Once the necessary permits are in place,

Sri Perera will take up the position of Managing Director in Tanzania and provide strategic direction, mentorship and support to the Greenside Manager, and focus on building up global partnerships and marketing channels. In addition, Sri Perera will represent Erera Tanzania in identifying and evaluating new investment opportunities.

**Mrs. Louse Perera: Shareholder, Proposed Director in Tanzania**

Louse Perera has a Postgraduate Certificate in Education and over 20 years of experience teaching and capacity building. Louise has over 8 years experience establishing holiday rental properties.

Erera Tanzania is pursuing a Class A investors visa and work permit for Louise Perera so she can join the company and work towards improving capacity of Erera Tanzania staff across all domains and to work with the Managing Director to identify and evaluate new investment opportunities.

**The Greenside Manager: Naftali Lukindo**

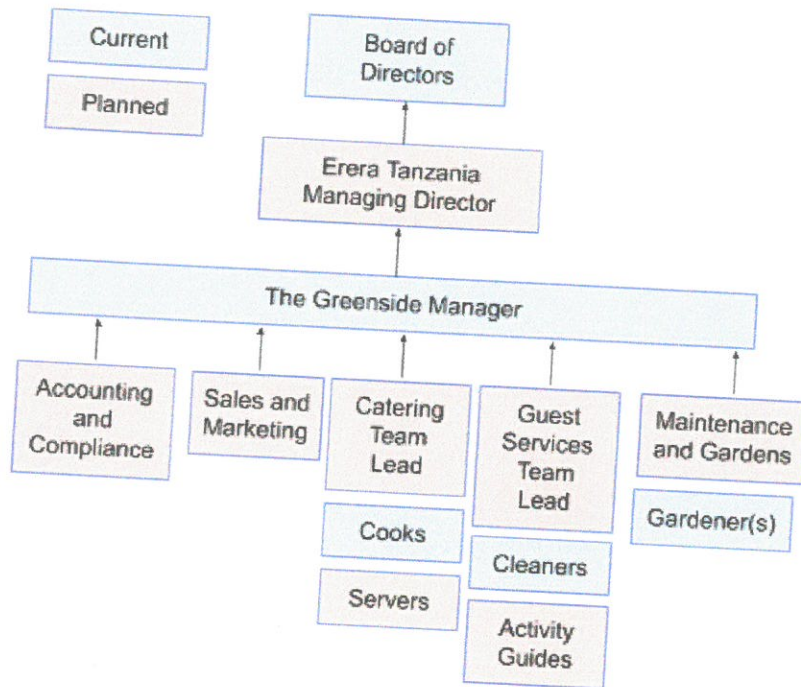
Naftali is an accountant by training and is developing his management and hotel and tourism expertise. Naftali previously worked as part of the management service for the Greenside from through 2018 and 2019 and took over as manager of the project in 2020. Naftali has demonstrated excellent potential to grow and be a leader for Erera Tanzania over the years to come. Over the last couple months of 2020, Naftali successfully energized the project's sales and marketing which resulted in significant increase in revenue in Dec 2020.

**As Greenside Manager Roles and Responsibilities:**

- Growing holiday accommodation and services business in line with the company mission/purpose, vision, values, and goals.
- Manage, maintain and gradually improve or enhance the properties long term sustainability, maximize property value and business value, and minimize long term operating and maintenance costs
- Ensuring full compliance for the Company with all laws and statutory requirements within the United Republic of Tanzania.
- Will be authorized to operate the Company's operational bank accounts in accordance with such principles as the Board from time to time shall approve.
- Will assist the Company in all matters relevant to the financing of the Company's activities.
- Will maintain up to date, complete and accurate accounting records of all transactions that are compliant with international best practice, and all Tanzanian rules, regulations and tax and audit requirements.
- Will ensure full compliance and ensure the company meets all statutory and tax related requirements.

- Will establish a human resource plan and organization structure and recruit, train and manage human resources on behalf of the Company and will ensure full compliance with all Tanzanian employment laws and regulations.
- Will work towards constantly strengthening the employees of the company according to the Company mission and values which includes constantly monitoring, documenting, and improving employee performance, satisfaction, retention and supporting personal development.
- Will manage all aspects of guest services and guest relations in line with the company mission to deliver holidays that guests love, return to, and recommend.
- Will be responsible for managing guest relations, guest reception, service, guest reviews and feedback, follow up and resolution of any guest complaints and all other aspects of guest relations.
- Will work towards delivering high quality food services including support for fully self-catered, self-catering with staff support including cleaning and cooking services, take away menu and shopping services and fully catered services.
- Will develop and offer a wide range of activities, tours and other services to maximize guest enjoyment. This would include managing equipment and supplies, identifying and making arrangements with partners that can deliver high quality services and supporting guests during their stay.
- Will develop housekeeping services and recruit, train and supervise Company staff to offer high quality housekeeping services.
- Will at all times during this agreement keep the property in good repair and condition and to report any problems to the Company in a timely manner. The Manager will document, regularly update and execute a preventive maintenance plan aimed at ensuring that all facilities are always maintained to a high standard that contributes to long life and upkeep of facilities and contributes to guest satisfaction and enjoyment of facilities. The maintenance plan should be costed to ensure adequate provisions in the operational budget for maintenance.
- Will develop an annual marketing plan and present to the board of directors for approval and implementation. The Manager will maintain an ongoing 12 month forecast for bookings including summary of targets, confirmed bookings, tentative bookings and expected bookings. The Manager will continuously work to develop networking and sales partnerships with tour operators and other agents and sales partners according to marketing plan and target market segments.

## Organizational Structure



## Personnel Plan

Both the Erera Tanzania mission and company vision include specific emphasis on the importance of personnel. The company mission aims to build a long term relationship with employees that builds mutual commitment to joint success. The company vision highlights the values of conscious capitalism and the belief that it must create value for all involved and this includes company employees.

Erera Tanzania will build long term value by investing in training, mentoring and growth of all employees. This will include developing annual training or capacity building plans for all staff.

Erera Tanzania currently employs 4 full time employees and expects to grow this to 12 employees for Greenside management and operations by 2026. In addition, Erera Tanzania expects to grow into other sports adventure tourism and employ additional people for each new project.

Starting in 2021/2022, Erera Tanzania plans on launching a global technology for development, management and capacity building consulting services business with the aim of securing international contracts. Erera Tanzania plans on building a strong professional team by employing, mentoring and developing young professional Tanzanians to provide technology, management and capacity building consulting services on global projects.

# Project Financial and Economic Analysis

## Project Capacity, Revenue and Sales Forecast

### Erera Houses - Capacity, Actual/Forecast Occupancy and Revenue

Following table shows the actual and projected Average Daily Rate (ADR), capacity in number of houses, and occupancy to calculate projected accommodation revenue for Erera owned houses. 2018 - 2020 figures are actual, 2021 - 2026 figures are projected.

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Houses Owned	3	3	3	3	3	3	5	5	5
Average Daily Rate (ADR)	\$172	\$220	\$157	\$145	\$165	\$175	\$180	\$190	\$200
Average Rate Monthly Per House	\$1,590	\$1,110	\$1,380	\$1,400	\$1,500	\$1,550	\$1,600	\$1,650	\$1,650
Short Term Nights/ Month / House	3	3	4	7	7	8	6	8	9
Long term Months / Year / House	0.76	0.49	0.17	3	3	3	3	3	3
Net Occupancy %	12%	8%	6%	39%	39%	43%	39%	46%	49%
Accommodation Revenue	\$17,014	\$9,547	\$12,616	\$44,940	\$50,580	\$59,700	\$84,000	\$111,000	\$127,800

### Managed Houses - Capacity, Actual/Forecast Occupancy and Revenue

Following table shows the projected Average Daily Rate (ADR), capacity in number of houses, and occupancy to calculate projected accommodation revenue for managed houses. 2021 - 2026 figures are projected.

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Houses Leased				1	2	4	4	4	4
Average Daily Rate (ADR)				\$120	\$130	\$135	\$140	\$145	\$150
Average Monthly Rate (AMR)				\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Nights / Month / House				5	5	6	6	6	6

Total Direct Villa Expenses	\$5,822	\$4,160	\$8,057	\$8,896	\$10,601	\$13,777	\$17,244	\$18,106	\$19,011
Total Expenses From Operations	\$85,446	\$101,426	\$77,047	\$93,950	\$94,789	\$102,843	\$119,074	\$131,759	\$134,589
Cash Expenses (Excl. Income Tax, Interest and Depreciation)	\$56,524	\$39,445	\$23,925	\$39,146	\$38,186	\$44,349	\$50,270	\$52,955	\$55,785
WHT	\$4,249	\$4,230	\$3,432	\$3,600	\$3,780	\$3,969	\$5,000	\$6,000	\$6,000
<b>Total Cash Expense</b>	<b>\$60,773</b>	<b>\$43,675</b>	<b>\$27,357</b>	<b>\$42,746</b>	<b>\$41,966</b>	<b>\$48,318</b>	<b>\$55,270</b>	<b>\$58,955</b>	<b>\$61,785</b>

## Profit/Loss Results and Projections 2018 - 2026

### Income, Expense and Profit / Loss

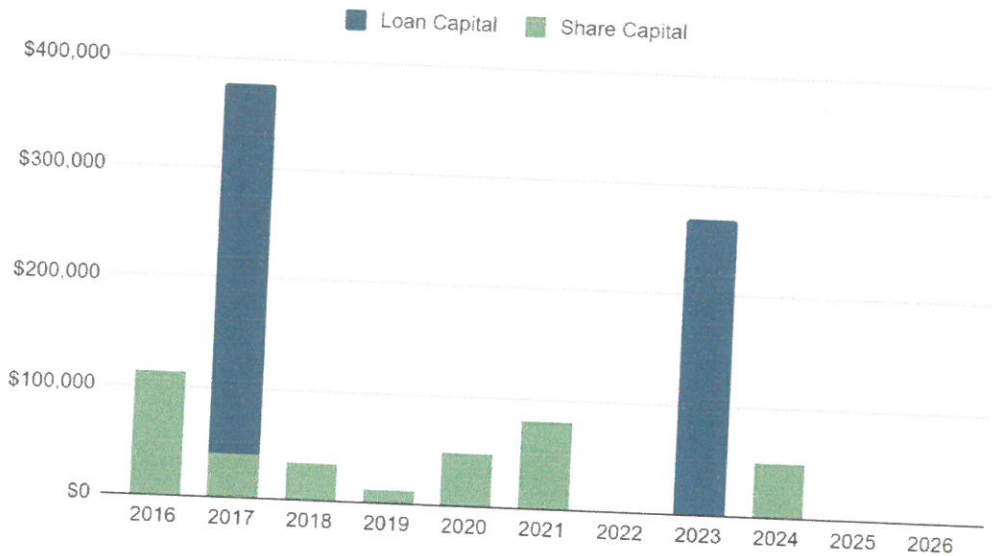


	2018	2019	2020	2021	2022	2023	2024	2025	2026
Income	\$17,431	\$10,071	\$14,538	\$53,660	\$64,260	\$85,812	\$109,248	\$138,264	\$156,360
Expense	\$85,446	\$101,426	\$77,047	\$93,950	\$94,789	\$102,843	\$119,074	\$131,759	\$134,589
Profit / Loss	-\$68,015	-\$91,355	-\$62,509	-\$40,290	-\$30,529	-\$17,031	-\$9,826	\$6,505	\$21,771

## Investment Plan

From 2016 to 2020 the investors have already inserted \$246 500 in share inputs and \$336 000 in loan inputs for total inputs to date of \$582 000. As documented throughout this 2021 - 2026 business plan, Erera Tanzania has already started to implement and plan a series of turn-around measures including but not limited, new management, staffing and oversight structure, increased focus on a variety of marketing and sales efforts to diversify target guests, increase number of rooms through partnerships and new construction. Based on projected occupancy and profit projections, the investors envision inserting an additional \$130 000 in share inputs and \$270 000 in loan inputs for a total of \$400 000 of new inputs into the business between 2021 and 2026. This is expected to bring the total net investment to \$982 500.

Share Capital and Loan Capital Inputs by Investors



Capital Inputs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Share	\$112,500	\$40,000	\$34,500	\$12,000	\$47,500	\$80,000					
Loan		\$336,000							\$50,000		
Total	\$112,500	\$376,000	\$34,500	\$12,000	\$47,500	\$80,000	\$0	\$270,000	\$50,000	\$0	\$0
Share Total	\$112,500	\$152,500	\$187,000	\$199,000	\$246,500	\$326,500	\$326,500	\$326,500	\$376,500	\$376,500	\$376,500
Loan Total		\$336,000	\$336,000	\$336,000	\$336,000	\$336,000	\$336,000	\$606,000	\$606,000	\$606,000	\$606,000
% Share	100%	31%	36%	37%	42%	49%	49%	35%	38%	38%	38%
% Loan	0%	69%	64%	63%	58%	51%	51%	65%	62%	62%	62%

## Loan Details

In 2017 the Investors entered into a loan agreement with Erera Tanzania. The loan agreed made available up to \$430 000 to Erera Tanzania. Erera Tanzania drew down an initial \$336 000 in 2017 which was used to complete construction and fully furnish and operationalize three two-bedroom villas with pools. The loan agreement was formally registered with Bank of Tanzania as confirmed by letter dated March 22, 2018 confirming Debt Record Number (DRN) 2017201.

According to the registered loan agreement, the loan shall endure for a maximum period of 180 months calculated from May 1, 2017 to April 30, 2032. Erera Tanzania shall be obliged to pay interest at the variable rate of 7.5% over the current 6 month LIBOR which is 1.42% as of March 31, 2017. This means the initial rate payable is 8.92% per annum. The rate will be updated according to 6 month LIBOR on March 31st and October 30th for the following 6 month period. Interest will be calculated by the Lenders on a day to day basis on the amount owed by the Borrower under this loan agreement from time to time.

From 2018 to 2020 and projected through to 2021 due to company losses and failure to meet expected revenue targets, Erera Tanzania has not been able to make scheduled loan payments. Lenders have made agreements to delay loan repayment until 2023. All interest has continued to accrue and Withholding Tax has been paid as required to TRA.

On May 1, 2020, due to Global Tourism industry challenges as a result of COVID travel restrictions, creditors agreed to reduce interest rate to Libor +5% for two years and then return to Libor +7.5%.

Investors expect to enter into a similar loan agreement with Erera Tanzania Limited in 2023 to make additional loan inputs according to the finance plan and based on projected occupancy and profit projections.

## Projected Cash Flow

Cash Flow	2021	2022	2023	2024	2025	2026
Cash Start of Year	\$5,000	\$22,314	\$44,608	\$38,382	\$37,359	\$62,668
Cash Plus Income	\$58,660	\$86,574	\$130,420	\$147,630	\$175,623	\$219,028
Less Cash Expenses (excludes Interest)	\$15,914	\$44,608	\$82,103	\$92,359	\$116,668	\$157,243
Less Interest Paid	-\$16,486	\$10,588	\$46,382	\$47,359	\$62,668	\$103,243
<b>Capital Investments</b>						
Purchase / Long Lease Land	\$65,000					
House Construction			\$270,000			
Furniture and Furnishings				\$60,000		
TIC, Work Permits, Resident Permits	\$8,600		\$8,000			
Total Capital Investments	\$73,600	\$0	\$278,000	\$60,000	\$0	\$0
<b>Inputs</b>						
Investor Input	\$80,000		\$270,000	\$50,000		
Delayed Interest Payment	\$32,400	\$34,020				
Investors Input + Delayed Interest	\$112,400	\$34,020	\$270,000	\$50,000	\$0	\$0
Cash End of Year	\$22,314	\$44,608	\$38,382	\$37,359	\$62,668	\$103,243

# Environmental impact assessment

Erera Tanzania Vision is a belief that by living and demonstrating the values of conscious capitalism, the company demonstrates that business is good when it creates value for all involved. Erera Tanzania commitment and approach to environmental impact aligns with this belief.

"The three key areas of negative environmental impact of the hotel industry are energy, water, and waste. <sup>6</sup>

The Greenside is committed to and has implemented a series of measures to limit its impact by reducing its consumption of energy and water and reducing production of waste. To reduce energy consumption The Greenside has installed low energy consumption light bulbs, encourages the use of fans instead of AC, has purchased low energy refrigeration, is making use of gas for cooking and has opted not to install ACs in main living and kitchen areas and instead makes use of open windows and fans for cooling. In addition The Greenside encourages guests to reuse sheets and towels which reduces both water and energy consumption. Pools are monitored carefully to ensure pumps are only run for a minimum required amount of time. To further reduce water consumption The Greenside is committed to following Kili Golf landscaping practices and focusing on use of indigenous plants and trees that do not disturb local water use. The Greenside already has a limited impact on waste. Fruit, vegetables and meat are purchased at local markets as much as possible.

One of the major sources of waste in hotel and restaurant business in Tanzania is plastic water and drink bottles. The Greenside offers drinking water from 5 gallon reusable bottles and dispensers for free to guests and purchases drinks in reusable glass bottles.

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<sup>6</sup> [\(DOC\) " Hotel Industry and Environmental Issues " | Dr. Sumedha Naik - Academia.edu](#)

## Final Recommendations and Way Forward

There is no doubt the investments in Erera Tanzania and The Greenside Project have not realized the expected return on investment to date. Sales and income has not been close to initial projections and Investors have had to invest substantial more funds than expected to maintain operations. The net loss over the first three years has been over \$220 000. A major part of this expense has been interest due on loans from investors and business has only managed to stay open due to investors allowing for delayed interest and principal payments.

More recently, 2020 the global drop in international tourism as a result of COVID pandemic has had an additional negative impact on business. Through initial first month of 2021 global travel restrictions have increased and while there is optimism related to the roll out of vaccine around the globe, investors do not expect international tourists to return until Q4 2021.

However there have been some recent developments that provide some positive expectations:

- Transition away from a management contract to the full time, Tanzanian, manager for all Greenside operations has significantly reduced expenses and increased time and attention to all aspects of Greenside operations.
- A revamped approach and increased time and focus on marketing and sales starting in November 2020 led to a substantial increase in bed nights through Dec. 2020 and Jan. 2021. There is also an increased flow of new enquiries leading to increased optimism for 2021. All of the sales in late 2020 and early 2021 have been from domestic travellers or long/medium stay visitors. These two markets are key to achieving 2021 targets.
- Erera Tanzania and Greenside manager have agreed to a revenue target of \$51 920 which is over a 300% increase in 2021

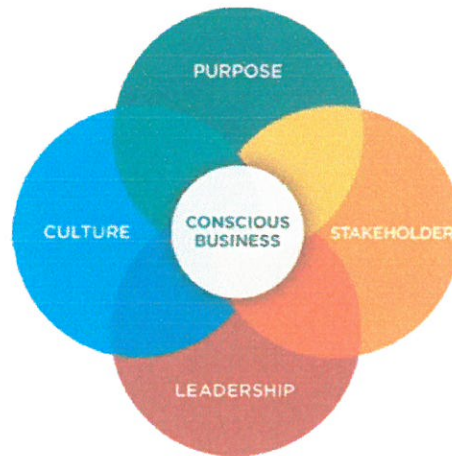
In addition to 2020 results there are a number of speculative factors which provide increased optimism for long term future:

- Kili Golf has recently signed a new sales agreement with a large reputable investor planning to build additional high end accommodation and completely renovate the club house. While in the short term this will increase competition, the increased effort to market Kili golf around the world will improve market size for The Greenside and create more opportunity for The Greenside to leverage its high value, excellent location solution.
- The news that Ministry of Tourism has recognized Kili Golf as a National Tourist site and has plans to help promote Kil Golf through its international tourist promotion efforts will help increase visibility of Kili Golf and attract more visitors to the Greenside.

The investors, directors and managers of Erera Tanzania and The Greenside continue to believe there is a long term opportunity for sustainable return on investment and benefit for all stakeholders.

# Appendices

## Values of Conscious Capitalism



Conscious leadership: *“Conscious Leaders focus on “we,” rather than “me.” They inspire, foster transformation and bring out the best in those around them. They understand that their role is to serve the purpose of the organization, to support the people within the organization and to create value for the all of the organization’s stakeholders. They recognize the integral role of culture and purposefully cultivate a Conscious Culture of trust and care.”*

Stakeholder Orientation: *“Conscious Businesses focus on their whole business ecosystem, creating and optimizing value for all of their stakeholders, understanding that strong and engaged stakeholders lead to a healthy, sustainable, resilient business. They recognize that, without employees, customers, suppliers, funders, supportive communities and a life-sustaining ecosystem, there is no business. Conscious Business is a win-win-win proposition, which includes a healthy return to shareholders.”*

Conscious Culture: *Culture is the embodied values, principles and practices underlying the social fabric of a business, which permeate its actions and connects the stakeholders to each other and to the company’s purpose, people and processes.*

Higher Purpose: *“By focusing on its deeper Purpose, a conscious business inspires, engages and energizes its stakeholders. Employees, customers and others trust and even love companies that have an inspiring purpose.”*