

THE SLOW LEOPARD TANZANIA LTD



**“The Slow Leopard Hostel Project”**

**Business Plan, Project Feasibility & Forecast  
Financials**

Tanzanian Investment Centre Application

**April 2021**

<b>PROJECT OBJECTIVE.....</b>	<b>3</b>
<b>DETAILS OF PLANNED INVESTMENT COSTS.....</b>	<b>4</b>
<b>SOURCES OF FINANCE FOR THE PROJECT.....</b>	<b>4</b>
<b>TERMS AND CONDITIONS OF DEBT FINANCING.....</b>	<b>4</b>
<b>PROJECT FINANCIAL AND ECONOMIC ANALYSIS.....</b>	<b>5</b>
<b>PROJECT FINANCIALS – 5 YEAR FORECASTS.....</b>	<b>5</b>
<b>MARKET STUDY.....</b>	<b>8</b>
<b>PROJECT CAPACITY.....</b>	<b>12</b>
<b>ENVIRONMENTAL IMPACT.....</b>	<b>13</b>
<b>EXPECTED EMPLOYMENT GENERATION.....</b>	<b>14</b>
<b>PROPOSED IMPLEMENTATION SCHEDULE.....</b>	<b>16</b>
<b>INVESTOR PROFILE.....</b>	<b>17</b>
<b>CONTACT INFORMATION.....</b>	<b>17</b>



## Project objective

The Slow Leopard is focussed on becoming the first dedicated Hostel chain in Tanzania, developing and operating 6 unique Hostel locations within 5 years.

Having operated locations in Dar es Salaam and Kilwa Masoko since mid 2018, the investment team has demonstrated the projects capacity and is committed to increasing its footprint and investment in Tanzania with the support of the Tanzanian Investment Centre.

Augmenting the well-established Hostel model and adding a focus on design, experience and connectivity, with a contemporary Tanzanian flavour, The Slow Leopard will be well positioned to attract a share of the region's growing value-conscious tourism market, that would otherwise not consider Tanzania an accessible tourist destination for their budget and travel needs.

The market for The Slow Leopard includes traditional backpacking tourists and volunteers, as well as an emerging class of "digital nomads", young professionals who combine travel and community work while maintaining their professional responsibilities remotely. With the market for mid-range and luxury tourism already saturated in the region, we believe in broadening the potential market and therefore increasing overall tourism numbers by offering dedicated affordable and trusted Hostel services that encourage and promote environmental, cultural, and wildlife tourism in Tanzania.

With the majority of Tanzania's tourist infrastructure concentrated in the northern regions and on Zanzibar, The Slow Leopard is focused on developing facilities in more remote currently under serviced locations. Our current development schedule targets operating 6 locations and 90,000+ annual bed night capacity by 2024, employing more than 100 local staff across a variety of positions in the hospitality and tourism sector. Generating over \$1.5m USD in foreign exchange value per annum, from 2024 onward.

## Details of planned investment costs

The current development schedule, of expanding the two current locations and adding 4 more locations by 2024 will require an Investment of approximately **\$815,000 USD**, in addition to the **\$135,000 USD** invested in the past 12 months.

Other than annual foreign marketing expenditure by the parent company, this expenditure will be entirely local and will consist of:

<b>Land/Building</b>	USD \$300,000 / TZS 693 million
<b>Vehicles</b>	USD \$40,000 / TZS 92.5 million
<b>Furniture &amp; Fittings</b>	USD \$80,000 / TZS 185 million
<b>Pre-expenses</b>	USD \$125,000 / TZS 288.75 million
<b>Others/Contingency</b>	USD \$50,000 / TZS 115.5 million
<b>Working Capital</b>	USD \$250,000 / TZS 577.5 million
<b>TOTAL</b>	<b><u>USD \$845,000 / TZS 1,951.95 million</u></b>

Beyond the current development schedule, the project team forecasts opportunity beyond 6 locations, and has tentatively mapped an additional 4-6 locations and a further Phase 2 investment of **\$800,000 USD** in additional capacity beyond 2025 should the initial project prove successful in setting a strong foundation.

## Sources of finance for the project

The Parent Company "The Slow Leopard UK" consists of three private investors and one Investment Fund. Together with the other Shareholder, Boston & Chance, these investors have committed **\$645,000 USD** in equity investment to the project in Tanzania over the next 3 years.

In the past 12 months, the investors have contributed **\$135,000 USD** in pre-financing to the project.

## Terms and conditions of debt financing

The project has also secured \$200,000 in Debt financing, available in Year 2 (2022) contingent on development milestones being reached in the next 18 months, namely:

- Four Locations in Operation or development commenced
- Annual Revenue on track for \$500,000 USD.
- \$300,000 in Shareholder Equity committed pre-draw down

Loan conditions are currently in place as follows:

<b>Loan Value:</b>	\$200,000
<b>Currency:</b>	United States Dollars
<b>Interest:</b>	6.5%
<b>Loan Date:</b>	July 2022
<b>Grace period:</b>	6 months from initial Draw Down

<b>Repayment periods:</b>	60
<b>Installment Amount:</b>	\$4,054.00
<b>Final Installment:</b>	\$3,985.81
<b>Interest Charge:</b>	\$43,871.81
<b>Total Loan Amount:</b>	\$243,871.81 USD

### Current Financing schedule:

<u>Cash from Financing Activities</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Issuance of Common Stock (\$USD)	200,000	200,000	100,000	0	0
Issuance of Long-Term Debt (\$USD)	0	200,000	0	0	0
<b>Total Cash from Financing Activities (\$USD)</b>	<b>200,000</b>	<b>400,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>

## Project financial and economic analysis

Based on current projections, the project expects to be profitable from Q2 of 2023 (Year 3), with a projected payback period of 7 Years assuming no additional development after Year 4 (6 locations at capacity).

Annual profits after tax of \$160,000 USD per annum from Year 4 onward (6 locations), and assuming a potential 5 x EBITDA valuation as per industry benchmarking, would facilitate the following investment returns:

### Project Free Cash Flow (USD)

Year	0	1	2	3	4	5	6	7	8	9	10
<b>Value</b>	(495,722)	(97,928)	(107,836)	(24,160)	179,362	148,443	148,443	148,443	148,443	148,443	742,216
<b>Present Value</b>	(495,722)	(95,076)	(101,646)	(22,109)	159,361	128,048	124,319	120,698	117,182	113,769	552,278

<b>Exit Multiple</b>	5	<b>NPV</b>	\$ 601,103
<b>Disc. Rate</b>	3%	<b>IRR</b>	12%

## Project financials – 5 year forecasts

The following attachments include forecast financials for the described project up to 5 years in Tanzanian Shillings and United States Dollars.

- Operations
- Income Statement
- Capex
- Statement of Cashflows

**THE SLOW LEOPARD TANZANIA LTD**  
**GROUP SUMMARY - 5 YEAR FORECAST**  
**TANZANIAN SHILLINGS**

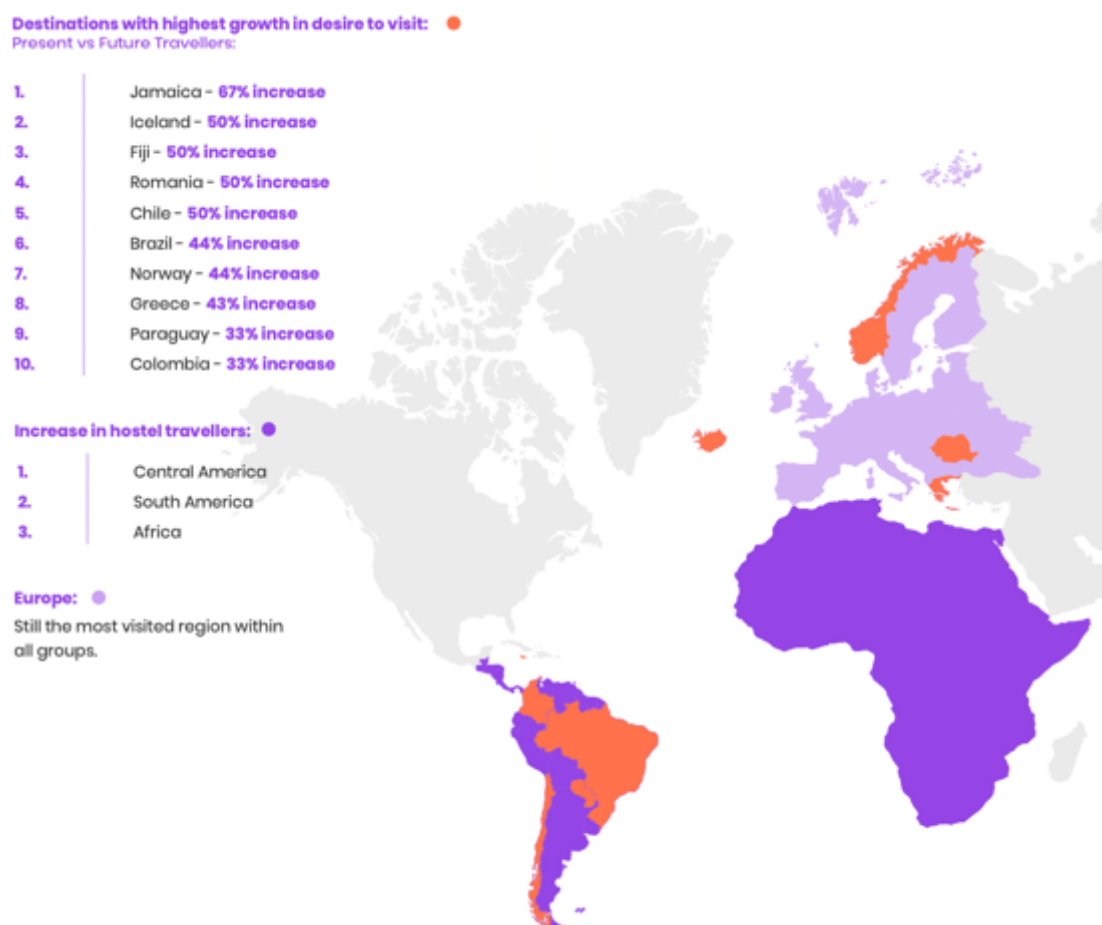
OPERATIONS	YEAR					QUARTER																					
	YR 1	YR 2	YR 3	YR 4	YR 5	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
No. Locations Active	2	4	6	6	6	2	2	2	2	4	4	4	4	6	6	6	6	6	6	6	6	6	6	6	6	6	
No Beds Available	1,190	2,913	6,329	7,503	7,503	3,569	3,569	3,569	3,569	8,418	8,418	8,418	8,418	9,699	18,666	18,666	18,666	18,666	19,947	22,509	22,509	22,509	22,509	22,509	22,509	22,509	
Bed nights Sold	3,425	9,875	23,938	36,313	43,563	425	1,000	1,000	1,000	500	3,125	3,125	3,125	1,000	7,313	7,313	7,313	7,313	1,813	11,900	11,900	11,900	2,500	13,688	13,688	13,688	
Occupancy Rate (%)	24%	29%	32%	44%	53%	11%	28%	28%	28%	5%	37%	37%	35%	4%	41%	41%	40%	40%	8%	55%	55%	55%	55%	55%	55%	55%	
No of Visitors (Multi Visit*)	1,370	1,975	3,058	4,842	5,808	170	400	400	400	100	425	425	425	133	975	975	975	975	242	1,533	1,533	1,533	333	1,825	1,825	1,825	
*Assumes each visitor stays at 50% of locations active																											
No. of Employees	32	65	98	98	98	32	32	32	32	65	65	65	65	98	98	98	98	98	98	98	98	98	98	98	98	98	98
FX RATE (1 USD = TZS)	2,300	2,325	2,350	2,375	2,400	2,300	2,300	2,300	2,300	2,325	2,325	2,325	2,325	2,350	2,350	2,350	2,350	2,350	2,375	2,375	2,375	2,375	2,400	2,400	2,400	2,400	2,400
PROFIT & LOSS	YEAR					QUARTER																					
	YR 1	YR 2	YR 3	YR 4	YR 5	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
Accommodation Sales	99,774,514	307,868,717	742,736,077	1,187,469,556	1,428,369,053	10,734,663	29,661,017	29,661,017	29,661,017	12,711,864	98,365,617	98,365,617	98,365,617	28,147,700	238,196,126	238,196,126	238,196,126	53,369,653	378,026,634	378,026,634	378,026,634	75,766,747	450,867,635	450,867,635	450,867,635		
Food & Beverage	453,352,754	698,850,636	1,253,670,551	1,821,467,161	2,112,786,720	101,422,681	117,409,958	117,409,958	117,409,958	103,109,110	198,580,508	198,580,508	198,580,508	121,250,000	377,473,517	377,473,517	377,473,517	152,367,585	556,366,525	556,366,525	556,366,525	180,307,203	644,157,639	644,157,639	644,157,639		
Activities & Other	20,907,212	78,614,120	176,441,097	284,723,225	341,821,964	1,800,847	6,368,788	6,368,788	6,368,788	2,962,544	22,500,525	22,500,525	22,500,525	6,621,088	56,006,669	56,006,669	56,006,669	12,724,785	90,662,814	90,662,814	90,662,814	18,144,620	107,892,381	107,892,381	107,892,381		
<b>Total Trading Income</b>	<b>573,977,480</b>	<b>1,077,373,473</b>	<b>2,172,847,725</b>	<b>3,293,659,943</b>	<b>3,882,977,738</b>	<b>113,658,192</b>	<b>153,439,763</b>	<b>153,439,763</b>	<b>153,439,763</b>	<b>118,783,519</b>	<b>319,496,651</b>	<b>319,496,651</b>	<b>319,496,651</b>	<b>156,618,788</b>	<b>672,276,312</b>	<b>672,276,312</b>	<b>672,276,312</b>	<b>218,472,022</b>	<b>1,025,055,973</b>	<b>1,025,055,973</b>	<b>1,025,055,973</b>	<b>274,218,771</b>	<b>1,202,917,856</b>	<b>1,202,917,856</b>	<b>1,202,917,856</b>		
Cost of Sales																											
Total Cost of Sales	292,408,852	531,463,019	1,048,860,998	1,577,748,713	1,855,898,094	89,240,178	77,722,891	77,722,891	77,722,891	61,822,929	156,646,697	156,646,697	156,646,697	79,442,278	323,039,440	323,039,440	323,039,440	109,452,161	489,432,184	489,432,184	489,432,184	135,904,399	573,331,232	573,331,232	573,331,232		
Gross Profit	281,568,628	545,810,454	1,124,287,127	1,715,891,230	2,027,079,243	54,418,014	75,716,871	75,716,871	75,716,871	57,260,590	162,849,955	162,849,955	162,849,955	76,756,510	349,236,872	349,236,872	349,236,872	109,019,861	535,623,789	535,623,789	535,623,789	138,314,372	629,586,624	629,586,624	629,586,624		
Operating Expenses																											
Group Overhead	147,600,000	147,600,000	147,600,000	147,600,000	325,200,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	36,900,000	81,300,000	81,300,000	81,300,000	81,300,000		
Administration	39,995,775	77,034,735	119,846,477	127,454,399	133,347,723	9,700,582	10,098,398	10,098,398	10,098,398	15,165,835	20,622,967	20,622,967	20,622,967	20,802,188	33,014,763	33,014,763	33,014,763	17,826,720	36,542,560	36,542,560	36,542,560	18,394,188	38,321,179	38,321,179	38,321,179		
Operations	158,720,000	305,520,000	454,320,000	454,320,000	454,320,000	39,180,000	39,180,000	39,180,000	39,180,000	76,380,000	76,380,000	76,380,000	76,380,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000	113,580,000		
Staff	162,487,313	268,373,830	459,295,673	560,531,409	569,126,706	39,649,949	40,945,788	40,945,788	40,945,788	68,171,579	68,171,579	68,171,579	68,171,579	67,909,793	106,815,935	117,580,508	117,580,508	129,345,575	143,728,611	143,728,611	143,728,611	130,113,480	146,337,742	146,337,742	146,337,742		
<b>Total Operating Expenses</b>	<b>506,803,087</b>	<b>796,528,565</b>	<b>1,183,062,150</b>	<b>1,289,905,809</b>	<b>1,481,994,430</b>	<b>125,430,531</b>	<b>127,124,186</b>	<b>127,124,186</b>	<b>127,124,186</b>	<b>190,566,715</b>	<b>202,074,545</b>	<b>202,074,545</b>	<b>202,074,545</b>	<b>201,812,260</b>	<b>278,098,123</b>	<b>303,075,271</b>	<b>303,075,271</b>	<b>308,813,485</b>	<b>397,652,295</b>	<b>397,652,295</b>	<b>397,652,295</b>	<b>330,751,171</b>	<b>330,751,171</b>	<b>330,751,171</b>	<b>343,377,668</b>		
<b>Net Profit</b>	<b>(225,234,451)</b>	<b>(260,718,111)</b>	<b>(56,775,023)</b>	<b>425,985,421</b>	<b>545,079,813</b>	<b>(71,012,516)</b>	<b>(51,407,318)</b>	<b>(51,407,318)</b>	<b>(51,407,318)</b>	<b>(33,306,121)</b>	<b>(39,224,590)</b>	<b>(39,224,590)</b>	<b>(39,224,590)</b>	<b>(38,952,805)</b>	<b>(261,521,618)</b>	<b>(48,161,601)</b>	<b>(48,161,601)</b>	<b>(48,161,601)</b>	<b>(188,632,438)</b>	<b>204,872,619</b>	<b>204,872,619</b>	<b>204,872,619</b>	<b>(205,063,491)</b>	<b>250,047,703</b>	<b>250,047,703</b>	<b>250,047,703</b>	
Interest	-	22,425,000	52,325,000	82,225,000	112,125,000	-	-	-	-	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500	3,737,500		
Tax	(78,832,061)	(174,452,150)	(204,768,468)	(68,138,510)	(114,174,424)	-	-	-	-	(17,992,560)	(47,865,268)	(47,865,268)	(47,865,268)	(18,434,857)	(16,453,232)	(17,148,816)	(17,148,816)	(14,301,935)	(68,687,602)	(68,687,602)	(68,687,602)	(74,388,403)	(84,900,446)	(84,900,446)	(84,900,446)		
CAPEX	YEAR					QUARTER																					
	YR 1	YR 2	YR 3	YR 4	YR 5	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
Total Development	138,000,000	279,000,000	141,000,000	0	0	0	0	0	138,000,000	139,500,000	0	0	0	69,750,000	70,500,000	0	0	0	0	0	0	0	0	0	0		
Total Expansion	69,000,000	209,250,000	141,000,000	0	0	0	0	0	69,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Capex</b>	<b>207,000,000</b>	<b>488,250,000</b>	<b>282,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>207,000,000</b>	<b>139,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,750,000</b>	<b>70,500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
CASHFLOW	YEAR					QUARTER																					
	YR 1	YR 2	YR 3	YR 4	YR 5	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25		
Cash from Operations	573,977,480	1,077,373,473	2,172,847,725	3,293,659,943	3,882,977,738	113,658,192	153,439,763	153,439,763	153,439,763	118,783,519	319,496,651	319,496,651	319,496,651	156,618,788	672,276,312	672,276,312	672,276,312	218,472,022	1,025,055,973	1,025,055,973	1,025,055,973	274,218,771	1,202,917,856	1,202,917,856	1,202,917,856		
Receipts from Customers	(799,211,940)	(1,327,991,584)	(2,229,622,748)	(2,867,854,521)	(3,337,802,524)	(184,476,709)	(209,847,077)	(204,847,077)	(204,847,077)	(252,889,644)	(358,714,242)	(358,714,242)	(358,714,242)	(357,540,401)	(624,114,711)	(624,114,711)	(624,114,711)	(407,104,457)	(820,183,355)	(820,183,355)	(820,183,355)	(479,282,067)	(952,870,153)	(952,870,153)	(952,870,153)		
Payments to Suppliers & Employees	(225,234,451)	(260,718,111)	(56,775,023)	425,985,421	545,079,813	(71,012,516)	(51,407,318)	(51,407,318)	(51,407,318)	(33,306,121)	(39,224,590)	(39,224,590)	(39,224,590)	(38,952,805)	(261,521,618)	(48,161,601)	(48,161,601)	(48,423,187)	(188,632,438)	204,872,619	204,872,619	204,872,619	(233,606,902)	221,504,097	221,504,097	221,504,097	
<b>Total Cash from Operations</b>	<b>(225,234,451)</b>	<b>(260,718,111)</b>	<b>(56,775,023)</b>	<b>425,985,421</b>	<b>430,205,382</b>	<b>(71,012,516)</b>	<b>(51,407,318)</b>	<b>(51,407,318)</b>	<b>(51,407,318)</b>	<b>(33,306,121)</b>	<b>(39,224,590)</b>	<b>(39,224,590)</b>	<b>(39,224,590)</b>	<b>(38,952,805)</b>	<b>(261,521,618)</b>	<b>(48,161,601)&lt;/</b>											



# Market study

## Opportunity

Globally there is a trend toward up-market hostels as average age and travel budgets increase and lengths of stays in country decrease. Along with social media driven emphasis on experience, there is significant value in providing affordable design led accommodation that provides access to unique cultural immersion and adventure opportunities.



While Tanzania excels at providing mid to high-level accommodation and tourism services to foreigners, there is currently a large gap in Hostel accommodation designed to meet the needs of a foreign traveller and in-line with current international standards. As a result, Tanzania is perceived to be an expensive tourist destination, and many potential tourists (who pay the same amount for visas and park fees) are discouraged from visiting.

The development of Tanzania as a multi-value tourism destination offers considerable potential growth prospect and provides ideal opportunities for investment. New accommodation, entertainment facilities, camping, lodges and guesthouses of international standards are needed in Tanzania.



## Our Solution

The Slow Leopard offers dormitory style accommodation (Hostels) in locations off the beaten trail, with basic amenities and services in order to be able to provide affordable accommodation for travellers on a budget. While accommodation is simple, we emphasise design and investment in the communal areas, ensuring there are great spaces to eat and drink, work online and meet other travellers and like-minded individuals.

It is our expectation that travellers will be able to meet up and share expenses such as for safari and travel, helping to bring down the overall cost of travelling in Tanzania and improving accessibility.

# JUST

take it slow

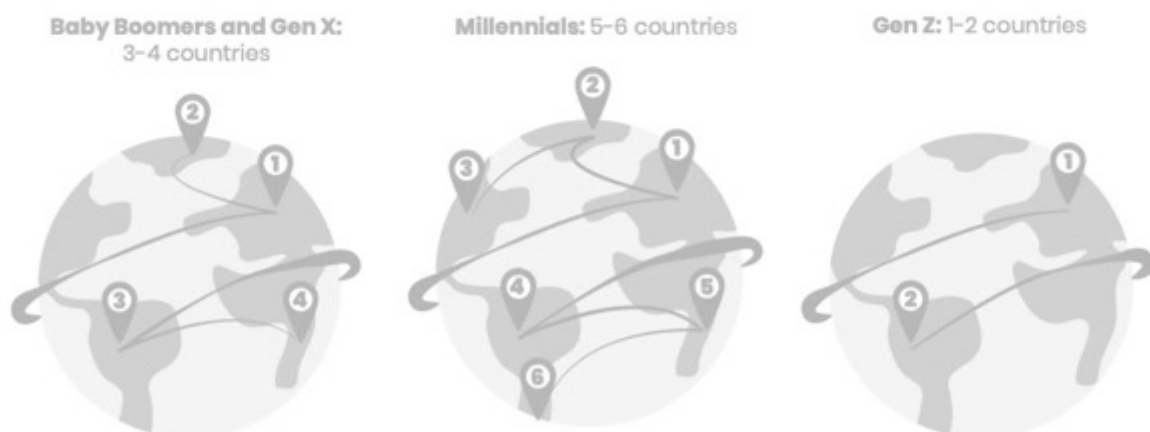
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Slow Travel doesn't mean taking the longest and slowest way to get to your destination. Instead, it's a new mindset for the modern-day traveller. Rather than trying to squeeze in as many sights and experiences as possible by ticking off multiple cities in days, Slow Travel is about taking the time to unearth each destination properly and immersing yourself in the local culture. It's about coming back with memories, not memory cards.

Whilst Slow Travel isn't necessarily a new topic, it's clear from our research that travellers are embracing this trend as more and more of today's (82% increase from the past) hostel travellers are inspired by giving back to the world, rather than being hedonistic and having a wild time, which has actually decreased by 13% from the past to the present.

Where backpacking was once about ticking off as many cities as possible, the next generation has decided to flip this on its head. In order to make sure they're taking the time to immerse themselves within the local culture, future hostellers are actually reducing the number of countries they're visiting during a single trip.



It's not just countries that travellers are slowing down for. Interestingly, tomorrow's backpackers also plan to visit fewer cities in a single trip with over one in eight (14%) planning on just visiting 1-2 cities, 133% more than the 6% of present backpackers who are only visiting 1-2 cities.

Our solution is based on observing the success of similar models in other markets such as Asia and South America, which has seen explosive growth in demand for this style of accommodation and travel experience. Over the past 2 years, we have tested our solution here in Tanzania, providing dormitory styled accommodation in Dar es Salaam and Kilwa Masoko.

## Target Market

In 2014, there were 1.4 million visitor arrivals in TANZANIA with an annual growth rate of 4%, projected to reach 2 million by 2021. While the global Covid-19 Pandemic has slowed tourism in all sectors around the world, it is expected to rebound in the second half of 2021, to above pre-pandemic levels, and for Tanzania to continue to exceed its growth forecasts.

Over half of the arrivals in Tanzania pre-2020, were for tourism, and 14% for volunteering. 12% were in the 18-24 age group and 52% aged 24-44. In both age groups, more than 60% of tourists did not arrive with a pre-booked package, with a higher prevalence of pre-booked itineraries in the older age groups, meaning that the younger travellers generally did not pre-book. We see this as an opportunity to capture customers on the ground (on arrival), directing them to partner tour operators and our other locations, and in advance (online) with a flexible booking option along the lines of the South African and New Zealand “hop on, hop off” model.

[https://www.nbs.go.tz/nbs/takwimu/trade/International\\_Visitors\\_Exit\\_Survey\\_Report\\_%202014.pdf](https://www.nbs.go.tz/nbs/takwimu/trade/International_Visitors_Exit_Survey_Report_%202014.pdf)

[https://www.hostelworldgroup.com/~/\\_media/Files/H/Hostelworld-v2/reports-and-presentations/the-evolution-of-the-hostel-traveller.pdf](https://www.hostelworldgroup.com/~/_media/Files/H/Hostelworld-v2/reports-and-presentations/the-evolution-of-the-hostel-traveller.pdf)

### NEXT GEN BACKPACKERS prioritising experiences over parties

Whilst nightlife is still an important part of the backpacking experience, it's dropping down the priority list for future travellers. According to the global study, future travellers expect once-in-a-lifetime experiences (34%) and the culture (49%) to be more memorable than the nightlife (17%).

However, it's not that tomorrow's backpackers don't want to enjoy themselves. Almost a fifth (19%) rank social space or the common area hostels offer to connect with others as the most important consideration when choosing where to stay - but they're finding this enjoyment from many different types of social experiences and not just from a party atmosphere.

Top five bragging right features for future travellers



When it comes to what they want to boast about, compared to previous generations, today's travellers would rather talk about the unique cultural experiences (28% increase) and volunteering (27% increase) that they did, rather than the parties they 'turnt up' at (only 2% increase).

### WHAT DO CURRENT and future travellers want?

#### FEEL good

With a 27% increase compared to past generations, people who've recently travelled find themselves regaling others back home with their volunteering experiences. For those planning to travel in the future, a similar amount (27%) of them would boast about their volunteering activity.

#### LOOK good

Along with activities, tomorrow's travellers are focussed on capturing priceless moments. For future backpackers, two-fifths (40%) rank getting to see the prettiest landscapes as the most memorable and positive travelling experience.

#### EAT good

Over a quarter (28%) of backpackers rate trying local food as one of the most memorable experiences of their trip. Today's female travellers are serious foodies, with a 10% increase in the importance of liking the local cuisine, from past female travellers.

#### MAKING memories

When it comes to selecting a country that has all of these factors, the United States currently tops the list for present (6%) and future (6%) travellers, voted the highest for offering the most memorable and positive experience overall. For the past generation, Australia was top of the list (6%), in second place for tomorrow's travellers is Italy (5%) - apt given it was the birthplace for the Slow Food movement which led to this growing demand for Slow Travel.

The Slow Leopard tourism business is targeted at young professionals who travel independently in East Africa for just a few weeks or months. Typically these tourists are mid to late twenties and are 2+ years into their professional careers, have full time employment to return to (“backpackers with credit cards”) and have already travelled extensively in Europe, Asia and South America in a more traditional backpacker format.

Their travel aims are “conscious” experiences, usually around wildlife or cultural conservation and understanding, and while their budget extends to pricey pursuits such as safari, scuba, kite surfing and Kilimanjaro treks, they are still tied to the notion of “backpacking” on a budget, which they adhere to through budget experiences such as dormitories, local buses and cuisine.

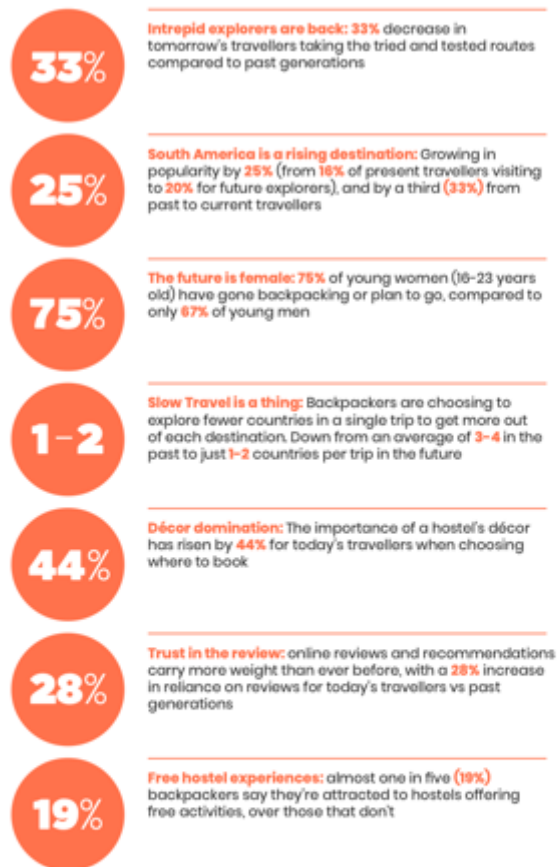
It’s a common misconception that these “Budget” travellers don’t represent value to tourism markets. A Slow Leopard guest paying \$20 a night for accommodation but spending \$400 on jewellery in a Zanzibar store with a swipe of a credit card, encapsulates our target market. We are predicting our customers want to experience East Africa in all its safari chic or at least portray that experience in social media snapshots, while saving costs behind the scenes and not maxing out the credit card.

The Slow Leopard wants to broker these East African experiences for its customers – offering a framework of authentic accommodation and transport options, with a collection of vetted and responsible tour operators, that can be adhered to as closely or loosely as each traveller prefers.

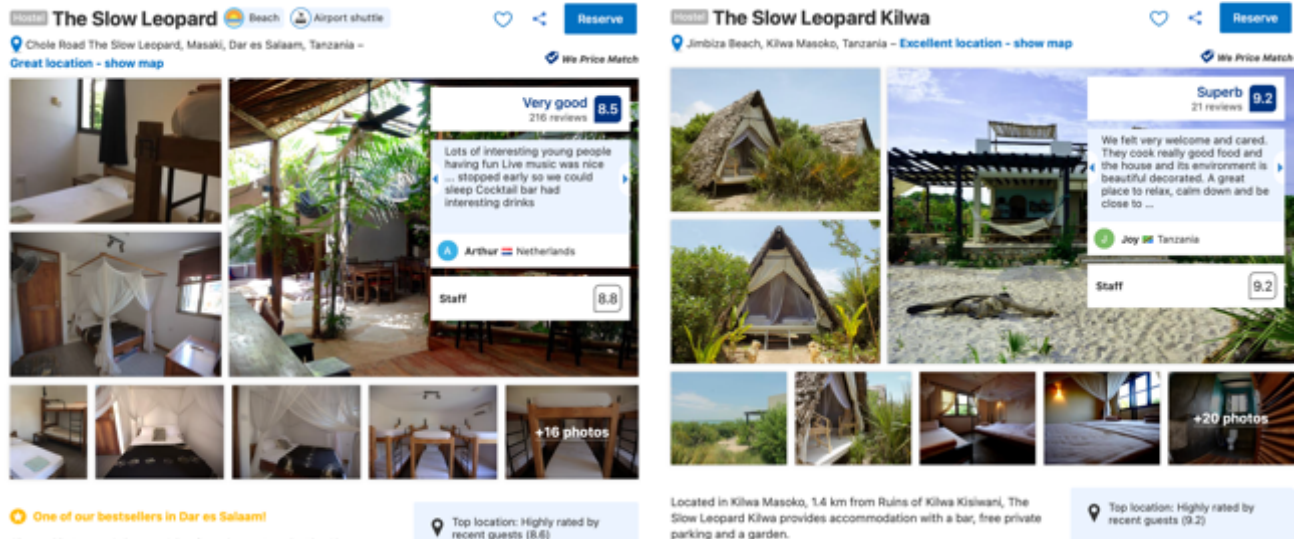
## Locations

Our destinations, so far Dar es Salaam and Kilwa, with Zanzibar Stone Town, Mafia Island, Iringa in the central highlands and Arusha planned in the first phase of development, are chosen for offering a balance between the classic Tanzanian tourist experience of “Bush and Beach”, without competing in the saturated tourist hotspots, as well as offering an “off the beaten trail,” Instagram worthy experience.

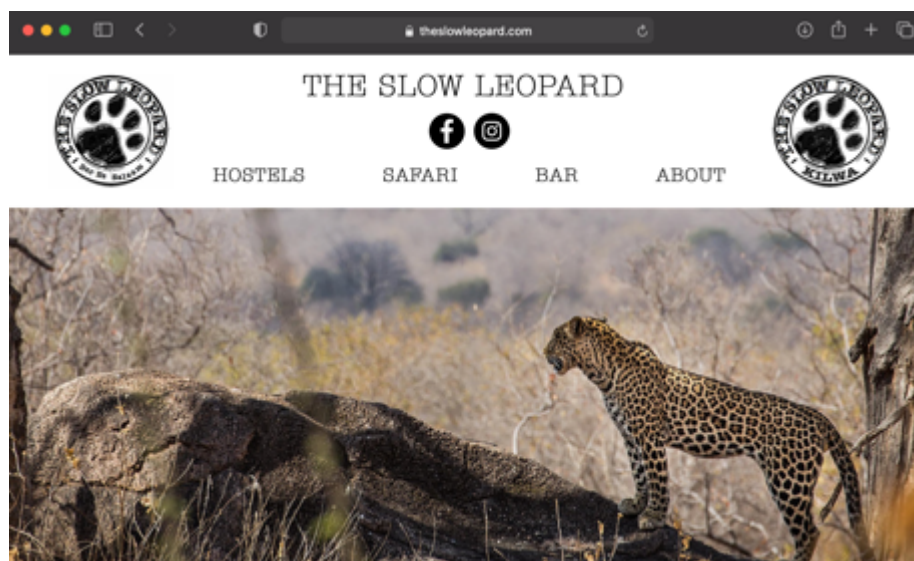
## Market Access



The Slow Leopard has a strong presence on social media, with consistently high reviews across all major platforms including Facebook, Trip Advisor, Booking.com and Hostelworld. Facebook and Instagram posts are regularly viewed 1000's of times and there is great engagement from our guests during their stay in Dar or Kilwa. We will continue to develop the Slow Leopard brand and aim for the name and logo to become synonymous with East African travel and adventure.



The bar and restaurant business in Dar es Salaam has supported The Slow Leopard since it opened currently contributes 60% of the revenue. As the business transitions into tourism, the bar will still play an important role in generating cash flow and in combatting tourism seasonality. This share of revenue is expected to drop as the operation is positioned more to serving guests and tourists, and providing a comfortable place to hang out, plan their next trip and meet fellow travellers. This will mean less of the big late bar nights The Slow Leopard made its name on, though we still expect to offer a lively evening atmosphere.





## Project capacity

The Slow Leopards Investment in Hostel Infrastructure will generate the following tourism accommodation capacity each year, and host the following number of visitors based on a **conservative** occupancy %:

Combined Operational Capacity	YR 1	YR 2	YR 3	YR 4	YR 5
No. Locations Active	2	4	6	6	6
No Beds Available	14,274	34,953	75,945	90,036	90,036
Bed nights Sold	3,425	9,875	22,938	36,313	43,563
Occupancy Rate (%)	24%	29%	32%	44%	53%
No of Guests	1,370	1,975	3,058	4,842	5,808

## Environmental impact

The project will undertake the required environmental impact assessments on a location-by-location basis depending on the required level of development and the needs of the surrounding environment. Much of the development is envisioned to be urban/peri-urban and will make use of existing facilities and structures where possible.

### *Wild space restoration support*

Each location development, whether refurbishment of an existing facility or a greenfield site, will be sympathetic to the surrounding environment, local design and architecture and cultures. As well as the main infrastructure development, a part of the development budget for each location has been earmarked for location specific wildlife restoration projects that will attract the attention of tourists and provide support for neighboring communities where natural habitat is under threat.

Examples of projects currently envisioned, but that will be supported by comprehensive research and planning, include:



- Tree nurseries for reforestation
- Coral reef farming for reef restoration on the coast
- Wildlife corridors for village land crop protection

## Expected employment generation

### *Direct Employment*

The Slow Leopard has continually employed 25+ staff since mid 2018. The current proposed investment of \$845,000 USD for up to 6 Locations in Tanzania will create direct full time **employment opportunities for no less than 100 Tanzanians** across a range of positions including management and administration. The annual payroll is forecast to exceed **\$250,000 USD per annum** by year 4 of the project (2024).

These positions include:

- General Manager
- Finance officers
- Logistics manager
- Location manager
- Chefs and kitchen staff
- Bar & Waiter (Hosts)
- Community development
- Cleaners
- Gardening & Maintenance

It is expected each location will employ approximately 15-20 staff, with additional management and administration staff to be located in Dar es Salaam.

### *Employee Development*

The Slow Leopard has demonstrated its capacity for training and developing staff into supervisor and management roles. Two of our current Location Managers started as Bar & Wait Staff, and have been trained and promoted into management roles, as well as administrative tasks and guest management services.



### *Equal Opportunity Employment*

Currently over 50% of the company's employees are female, including four in management or supervisor roles.

Three of our Tanzanian managers did not receive a University education yet were provided with the opportunity to train in order to fill any skills gaps required to carry out their roles without discrimination.

As part of the proposed investment, the company is committed to continue training and developing staff internally, without discrimination for gender or educational background.

### ***Foreign Employment***

The project will require the employment of 3-5 foreign staff in this initial project phase in the following roles:

1. Managing Director
2. Project Development Officer
3. Program Development Officer
4. *Senior Location Manager*
5. *Customer Experience Manager*

The company sees the initial employment of expatriates in these key positions as crucial to the success of the project given its relatively new model for hospitality in Tanzania but commits to ensuring a Local Content Development Plan is in place from the beginning that develops local skills in these areas and ensures accurate and rapid knowledge transfer.

### ***Indirect Employment***

Additional indirect employment will be generated through professional service providers such as legal, finance, banking and audit. While significant indirect employment will be created within the communities of each location through the provision of goods and services such as fresh fruit and vegetables, transport, technicians for repairs and maintenance and of course construction crews during site development.

### ***Building Partnerships – Tour Operators***

Crucial to business development will be in establishing contacts and relationships within the tourism industry in Tanzania. Offering recommended, and vetted tour operators, helps provide confidence and security to tourists booking from abroad. Our experience to date has been that most guests in our target market are arriving without firm travel plans or commitments to other operators and faced with the myriad of options and some well publicised horror stories of rogue tour operators are relieved to have an itinerary and an operator recommended to them. An average 5 day safari in this target market costs approximately \$1,200 USD per person, while the total non-accommodation/F&B expenditure per guests for 21 days can average \$4,000 USD.

## Proposed implementation schedule

The Slow Leopard TZ Ltd currently operates 2 sites, Dar es Salaam and Kilwa Masoko, which have served as an operational proof of concept for the Hostel model in Tanzania. Initial Development of the proposed project was due to begin in Q2 2020, however the global pandemic disrupted International travel, and the project roll out was moved to 2021.

In Year 1 (2021) of the project, the business will develop its existing two sites by increasing the number of beds and amenities. A third location on Mafia Island has been identified, and the destinations for locations 4, 5 and 6 have been identified as Iringa, Stone Town Zanzibar and Arusha.

The development schedule relies on establishing an initial location, with the minimum viable number of beds (typically 20-30), in order to be operational in the fastest period, before expanding the premises within 18 months with additional capacity and facilities.

### Proposed Development Schedule:

<b>2018-2019</b>	<b>Proof of Concept - COMPLETED</b>
<b>Q2 2021</b>	<i>Dar es Salaam Expansion (40 beds)</i>
<b>Q3 2021</b>	<i>Mafia Island site development (40 beds)</i>
<b>Q4 2021</b>	<i>Kilwa Masoko Expansion (40 beds)</i>
<b>Q2 2022</b>	<i>Iringa site Development (20 beds)</i>
<b>2023</b>	<i>Joint development Zanzibar and Arusha locations (20 beds)</i>
<b>2023-24</b>	<i>Iringa and Arusha expansion (40 beds)</i>

Location development schedule may be revised based on suitable location available and or new opportunities as they arise.

### *Project Execution*

Our primary strategy for growth is to pursue a long-term property lease arrangement with a local property owner. Under this arrangement The Slow Leopard identifies suitable locations and properties, agrees a development plan for each site and funds the fit out to our own specifications and standards.

A second option for location development involves partnering with a local land or building owner, agreeing a long-term lease and co-developing the site to our specifications.

A third option involves a greenfield development, where the project team would consider either funding a development or supporting a landowner funded new build construction project based on our requirements and depending on the lease arrangement.

Finally, should the right opportunity present itself the company and project team would consider an outright purchase of land or a property through a Tanzanian Investment Centre Derivative Right arrangement in order to secure long term access and development potential.



## Investor profile

The project is sponsored by a dedicated and experienced team of investors and operators with the skill set, experience and finance required to deliver results.

### ***The Slow Leopard UK Limited***

Incorporated in the United Kingdom and headquartered in London, the parent company of the Slow Leopard Tanzania Ltd represents private Investors with a combined 40+ plus years investing in and operating businesses in East Africa and Tanzania. The investors are committed to supporting development of a substantial Tanzanian tourism business.

### ***Boston & Chance UK Limited***

Boston & Chance represents a diverse group of international and Tanzanian investors and operators with a combined 60 + years of investing and operating experience in Tanzania. The Management and Advisory team offer a broad range of technical skills and specific experience, including in:

- Oil & Gas
- Renewable Energy
- Agriculture & Veterinarian
- Commercial Construction and Project Management
- Hospitality and Tourism
- Remote camp operations and logistics
- Environmental Management
- Emerging Market Finance

Boston & Chance currently has investments in or is operating projects on the East Coast of Tanzania in Agriculture, Marine services & operations, Hospitality and Land holdings and development

The Company has had a registered subsidiary in Tanzania since 2013 and has offices in Dar es Salaam, London and Amsterdam.

## Contact Information

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