

# WINGU TANZANIA LIMITED

## BUSINESS PLAN

### FOR

## MANAGING DATA CENTER

PREPARED BY

WINGU TANZANIA LIMITED

Dar es Salaam

#### 1.0. Introduction

WINGU TANZANIA LIMITED is a new company incorporated in Tanzania with Certificate of incorporation No. 153503915 dated 21<sup>st</sup> September 2021 the company is owned by Wingu Africa a leading company in managing data center in East Africa, the company is owned by the Management Team and backed by Capital works Group, a long-horizon investment fund,

headquartered in Johannesburg, with over \$1 billion under management from institutional investors

WINGU TANZANIA LIMITED leading and Carrier Neutral Data Center that will be located at **Plot No. 57, Mbezi Industrial Area, Kinondoni Municipality, Dar Es Salaam City –Tanzania** in order to serve all our domestic and corporate clients here in Tanzania and international clients as well. We are in the data center business to provide hosting services such as shared, VPS, dedicated, co-locative and cloud services. We also in addition to our core services offer consultancy services in line with training services so as to boost our bottom line.

WINGU TANZANIA LIMITED is in business not only to make profit but to also favorably compete with our competitors here in Tanzania, East Africa and East and Central Africa as well as globally.

WINGU TANZANIA LIMITED vision is to offer our clients a reliable, secure and fast data center regardless of whatever applications they choose to run on our data center. WINGU TANZANIA LIMITED also aim to be amongst the top two preferred data center here in East Africa and East and Central Africa by the year 2025.

WINGU TANZANIA LIMITED location in Dar es Salaam is very strategic as we are not only very easy for clients to get to but we will also have low overheads in running the data center via factors such as power costs, lease costs, sales taxes, property taxes as well as the potential incentives.

WINGU TANZANIA LIMITED intend to procure the best equipment in order to be able to provide the best services for our clients and run a standard data center here in Dar es Salaam. WINGU TANZANIA LIMITED goal is also to

ensure that we build a business structure that will aid us in achieving our corporate goals and objectives.

WINGU TANZANIA LIMITED intention in running a smooth business with as less hitches as possible is to ensure that we hire the right number of employees who not only have an understanding of the industry and are professionals but also are attuned to our corporate goals and vision and are committed to ensuring that these goals and visions are achieved.

WINGU TANZANIA LIMITED intend to provide a conducive and friendly environment for our employees as well as ensure that they get the required training that is continuous in nature so as not only to enhance their skills and increase productivity for the organization but to also ensure that the skills gotten are the best across similar start-up such as ours in the industry.

WINGU TANZANIA LIMITED also intend to make sure that our employees are one of the best paid and that they also have one of the best welfare packages in the industry. WINGU TANZANIA LIMITED intend to carry out continuous appraisals on our employees to ensure that those who are hard-working are promoted in order to motivate them into being more productive.

Finally, our owners, WINGU AFRICA have not only been in the data center business for years but have also have privileged to have experienced workers who served in the management capacity where they have had to make strategic decisions on behalf of the company. Both men have several IT certifications and are alumni of reputable University and Engineering School.

Both men also have several stakes in the IT industry and are going into the data center business due to the demand from their various clients. They will

bring their over 10 years' experience to bear in this business and ensure that the goals and objectives of the business are achieved.

## 2.0 Facility Design Key Features

- Energy Centre Power Module (Parallel Redundant Tier 3 Design)
- 40ft High Cube Container with 2-hour fire rating and C3 Outside Paint Coating 1 x Delta DPH-500 UPS fitted with 9 x 55.6kVA Power Modules
- 2 x Delta 51.8kWh Lithium-Ion Battery Cabinets for 10 mins backup at 100% load (500kVA)
- 2 x Delta HCH1870 In-row Cooling 43kW Chilled Water In-Row Coolers
- Pre-installed powder coated steel cable basket/tray
- CCTV Cameras
- Fire Detection (VESDA and smoke detectors) and Stat-X Fire suppression system
- All electrical cabling to and from distribution boards, UPSs and batteries

## 2.1 Data Centre Module (Tier 3 Design)

- 2 x 40ft High Cube Container with 2-hour fire rating and C3 Outside Paint Coating
- 29 x 42RU, 600mm x 1080mm equipment racks
- 58 x Delta Power Distribution (PDU)
- 5 x Delta 95kW Chilled Water In-Row Coolers
- 4 x 250A Distribution Boards with ABB switchgear
- Socomec branch circuit monitoring
- Pre-installed powder coated steel cable basket/tray

- Pre-installed plastic control
- Biometric access control
- Fire Detection (VESDA and smoke detectors) and IG-541 gas suppression system
- All electrical cabling to and from distribution boards
- Standby Diesel Generators and Bulk Fuel Tanks
- 2 x 550kVA sound attenuated prime power standby generators in N+1 configuration
- Fully automatic triple change-over switchgear to select either utility generator A or generator B
- 2 x 23 000-liter bulk diesel tanks with automatic diesel polishing
- Fuel quantity and quality monitoring

## **2.2 Civil Infrastructure**

- Rapid deployment approach with linear expansion capability without risk to live environments
- Pre-investment ensures expansion with no delay in construction
- Fully secure and fenced with active and passive security
- Open plan office availability with flexibility for secure and private working environments

### **3.0 Group Profile.**

#### **3.1 Strategic Focus on East Africa Data Centers**

- Number 1 pan East African carrier-neutral 1 commercial data center group.
- Strategic Locations / Hubs – Djibouti, Somaliland 2 Regional Market Focus – Ethiopia, Tanzania
- Q2 2022 operational in priority markets

#### **3.2 Proven Track Record in Africa**

The founders and executive team behind WINGU AFRICA practically uniquely in the East African market, have gone from concept to profitable operating business in the space of several years, evident in the success of the multi award winning Djibouti Data Center.

#### **3.3 Relevant Experience**

Successfully navigated commercial, political and technical risks, in one of the most challenging African countries, Djibouti Due to the general lack of institutions and institutional framework for the TMT sector

#### **3.4 Success based on three key execution elements**

##### **3.4.1 People**

core team has worked together in a variety of countries, environments and commercial ventures and has multi decade sector experience, mostly with challenging startups.

##### **3.4.2 Process**

Proven with DDC to have necessary processes and understanding of sector and region to achieve success.

##### **3.4.3 Systems**

From customer acquisition, to service, retention, billing and management, necessary expertise is in place and functioning.

### 3.5 Pioneering Success Djibouti Data Center

Key Strategic Geographic Position – WINGU.AFRICA presence in Djibouti benefits customers in Ethiopia & other markets “The geo-strategic position of Djibouti means the same thing that oil means to Saudi Arabia.”

Djibouti is a unique strategic location for carrier-neutral data center capacity to serve African and global telecommunication needs:

- Direct connections to multiple countries (over 90)
- Existing route to Ethiopian market
- Global customer base – connecting into WINGUAFRICA
- Complementary to focus on East Africa
- Strategic element in WINGUAFRICA network
- \$8m Investment For 200 Rack Facility, phased growth plan
- Estimated total employment effect over 100 jobs
- Utilizing “green” energy where possible

### 3.6 Ethiopia – Carrier Neutral Data Center (Operational Q1, 2022)

- \$10 m Investment For 400 Rack Facility phased growth plan
- Estimated total employment effect over 150 jobs
- Utilizing “green” energy where possible

### 3.7 Project on pipe line

- Somaliland– Carrier Neutral Data Center (Operational Q1, 2022)
- Dar es Salaam – Carrier Neutral Data Center (Operational Q1, 2022)

### 4.0 The Sponsors

**WINGU TANZANIA LIMITED** will be sponsoring this project. The Company is currently jointly owned by two shareholders.

Names of Shareholders	% Of Shares	Nationality
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WINGU AFRICA GROUP LIMITED, JTC Fiduciary Services (Mauritius) Limited, Suite 2004, Level 2, Alexander House, 35 Cybercity, Ebene, Mauritius	0.999	Mauritius
Nicholas David Lodge, Apartment 1705,Al Bateen Residences, The Walk JBR, Zipcode 1000, Dubai City, United Arab Emirates	0.001	United Arab Emirates
Unalloted shares	99	

#### 4.1 Objective of Study

The purpose of this study is to work out the technical and commercial details and financial viability of the project

#### 4.2 Market Potential

The market research conducted by **WINGU TANZANIA LIMITED** reveals that there is a very big market potential domestically and internationally to absorb company's products, The use of data is increasing yearly due to most of the company becoming online and providing automated services

#### 4.3 Marketing Strategy

The executive team will first target the Tanzania area and eventually the team will spread to other neighboring countries to penetrate the market. Initial capital will be used to test, patent, approve, produce, and market, as well as provide working capital for the first year

**WINGU TANZANIA LIMITED** will follow three concise strategies to achieve our desired growth:

- Exploit first-mover advantage in a highly fragmented market with a unique and differentiated product.
- Develop a strong branding campaign to build awareness, positive perception and sales of our products within our target markets.
- Continue to develop new products to satisfy an ever-growing set of markets.

The key strategy as entry strategy is to sell **WINGU TANZANIA LIMITED'S** products to customers in Tanzania, later on the company will start selling to global market, Company's marketing team will be aggressive in introducing our products in Tanzania markets and build loyalty for company's products with decision managers of the organizations in the targeted markets and create awareness and support of the benefits of the innovative.

Based on services types the company providing, the market has been classified into two, Government and corporate clients

#### **4.4 Promotion**

A combination of push and pull strategies and activities will be used to carve out space in the market.

Company strategy for local market will be to push the product onto the market and stimulate first trial in or near the point of purchase. This will be done using a team of sales representatives to engage shoppers once the product is widely available in stores.

#### **5.0 WINGU TANZANIA LIMITED Products and Services**

WINGU TANZANIA LIMITED datacenters will offer traditional data services to its customers that are of the highest standard possible from our permanent and strategic location based here in Dar es Salaam, Tanzania as part of our efforts to boost our bottom line, we intend to ensure that we create multiple

sources of income to our core service by providing consultancy services as well as trainings to our clients.

WINGU TANZANIA LIMITED intention is to ensure that we make profits as is legally permissible by the laws of the Country where we are operating. Therefore, some of the products and services we intend to offer at WINGU TANZANIA LIMITED datacenters include;

- Providing hosting services such as shared, VPS, dedicated, co-locative as well as cloud
- Consultancy services

## **5.1 WINGU TANZANIA LIMITED Mission and Vision Statement**

WINGU TANZANIA LIMITED vision is to offer our clients a reliable, secure and fast data center regardless of whatever applications they choose to run on our data center. WINGU TANZANIA LIMITED also aim to be No.1 preferred data center here in East and Central Africa by the year 2025.

In order to achieve our vision, WINGU TANZANIA LIMITED intend to ensure that we get the right equipment, choose the right location that is not only strategic but secure and also hire the right employees that understand our vision to help us run the business.

## **5.2 WINGU TANZANIA LIMITED Business Structure**

Having the right business structure is very essential to the growth of our business and we are therefore not taking this aspect trivially. We intend to ensure that our corporate foundation is perfect and as such we would go the extra mile in sourcing for and hiring competent and hardworking employees to handle the various roles and responsibilities in the organization.

WINGU TANZANIA LIMITED are ready to do whatever it takes to achieve this as we are a standard company with a standing in the industry that will lure the right employees to come and work for us at WINGU TANZANIA LIMITED data center here in Dar es Salaam Tanzania. The employees we intend to choose to work with WINGU TANZANIA LIMITED are those that understand the objectives of the business and are willing to work in ensuring that we achieve our intended goals and objectives.

Due to the fact that we intend to offer a wide range of services and offer trainings as well as consultancy services at our data center business, WINGU TANZANIA LIMITED intend to hire different employees that will be able to handle the different responsibilities from the assigned tasks that would be available at WINGU TANZANIA LIMITED data center.

Therefore, the business structure that we intend to build at WINGU TANZANIA LIMITED datacenter is;

- Chief Executive Officer
- Infrastructure Manager
- IT and Database Admin
- Network and Systems Admin
- Customer Service Executives
- Marketing and Sales Executives
- Security Specialist
- Server and Storage Admin
- Electrical and Mechanical System Engineer
- Security Personnel
- Human Resources and Admin Manager
- Accountant
- Cleaner

Total of **20** people to be employed by WINGU TANZANIA LIMITED

## 6.0 SWOT Analysis

Due to the fact that WINGU TANZANIA LIMITED intend to run a business that is up to standard, WINGU TANZANIA LIMITED have hired the services of a reputable business consultant from South Africa here in who has the necessary experience and also knows the business and industry thoroughly to help us look through our business concept and determine if it was worthwhile going into the kind of business that we were going into.

The business consultant was also to help us determine if we were well suited to run a data center business profitably and also compete favorably with the competitors who were running a similar business to ours here in the data center industry.

In view of that, an analysis was run in order to be able to take stock of what strengths, weakness, opportunities and threats were available to us in the industry we intended going into here in Tanzania and East and Central Africa. Below is the SWOT analysis that was conducted on behalf of WINGU TANZANIA LIMITED;

- **Strengths**

There are several strengths available to WINGU TANZANIA LIMITED during the course of running the business and they include the fact that they already been in Africa which makes it easier for the company to penetrate the target market and get a share.

Also, the industry has been projected to grow and has a high growth rate which means that we are poised to earn lucratively from this business. Another strength lies in the fact that we have reduced labor costs as some of the tasks are being automated.

Finally, WINGU TANZANIA LIMITED employees are not only competent but very experienced and professional and are well equipped in ensuring that we achieve our intended goals and objectives.

- **Weaknesses**

The weakness WINGU TANZANIA LIMITED have in this business is due to the fact that, it is new company in Tanzania and the company has to start from the scratch that might affect our standing in the industry. We however intend to combat this by taking our sustainability and expansion measures seriously.

- **Opportunities**

There are several opportunities that are available to WINGU TANZANIA LIMITED in the course of running this business and they include; the growing demand from the target market as more and more people are shifting towards cloud-based services and other hosting services. This would lead to another opportunity for income, as income for workers and operators in this field will be on a constant increase.

- **Threats**

Every business no matter how lucrative faces threats every now either during start-up or whilst running the business and the data center business is no different. As a serious business we however have already laid down strategies that would combat any threat that we might face during the course of running the business.

Some threats that we are likely to face when starting this business include; technological problems that might arise from the equipment. Price changes in procuring most of the equipment or in running the data center that might likely affect our pricing rate for our clients. The arrival of a competitor in the same location might cause our profitability to drop.

## 7.0 Target Market

The data center industry has a wide range of customers demanding for its services. However, in order for us to truly know who our target market is here in Tanzania and East Central Africa, we have conducted market research to help us truly determine what we are likely to face in getting our own share of the target market. This will also help us map out the needed strategies that would help our business reach its intended goals.

The market research we have conducted is also to help us know what exactly to look out for in our target market and what they will also be expecting from us. In view of this, we have determined that we are in business to cater to the following group of existing and potential clients:

- Data center service vendors
- Market operators
- Consultancy firms
- System integrators
- Training and education service providers
- Telecom and IT companies
- Cloud providers
- National regulatory authorities
- Government and public sector
- Financial institutions
- Oil and gas industry
- Small and medium enterprises
- Energy industry
- Healthcare industry

### **7.1 Competitive Advantage**

WINGU TANZANIA LIMITED have established business not only to make profit and be amongst the industry leaders but also to ensure that we have all the

necessary factors that will allow us not only compete favorably with others but give us an edge as well.

WINGU TANZANIA LIMITED are located in a strategic location here in Dar es Salaam, Tanzania, well connected to optical fiber that not only offer our employees easy access but also ensure that our overheads are low thereby affecting the overall pricing rates for our end-user clients, giving us an edge over others.

Even though data centers run a basic service of providing hosting services to clients, WINGU TANZANIA LIMITED intend to stand apart from our competitors by ensuring that we offer the best customer care service to our clients. All the inquiries of our clients, follow-ups and complaints will be professionally handled by our very qualified customer service executives.

Secondly, WINGU TANZANIA LIMITED intend to source for and hire the best employees to handle all the necessary responsibilities in the organization. Our employees will not only be very competent, qualified and professional, they will also understand not only the industry but also our corporate core values and be committed to ensuring that we attain all our intended goals and objectives.

Also, we will ensure that our employees are well paid and have the best welfare package across the industry whilst working in an environment that is conducive and safe. Also, our employees will always undergo regular training that will further enhance their skills while making them more productive for the company.

## **7.2 Project Sustainability**

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed

## **5.0 Project's Investment Capital**

The estimated capital investment cost of the project is US\$ **7,940,000**.

**WINGU TANZANIA LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	1,000,000.00
Machinery & Equipment	6,000,000.00
Motor Vehicles	200,000.00
Furniture & Fixtures	70,000.00
Pre exp	20,000.00
Others	150,000.00
Working Capital	500,000.00
<b>TOTAL</b>	<b>7,940,000.00</b>

For the project to be a reality a total investment amounting to US \$7,940,000. is needed

**(i) Land and Building (industrial premises): US\$1,000,000**

The project has identified and secured long term lease of over 20 years Mbezi Industrial Area, Kinondoni, Dar es Salaam region to accommodate machineries and also to be used as project office.

**(ii) Machinery and Equipment: US\$ 6,000,000**

Some US\$6,000,000 is anticipated to be spent on the purchase of different types of machines, working tools and equipment accommodating new technology

**(iii) Motor Vehicles:US\$200,000**

The project will need 1 truck, 1 Land Cruiser, and 1 double cabin pick. These vehicles will be used to facilitate project business and double cabin pick up for administrative purposes.

**(iv) Furniture: US\$70,000**

This investment cost item has been estimated to cost US \$70,000. It will consist of office furniture such as tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

**(v) Pre-Operational Expenses: US\$ 20,000**

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

**(vi) Initial Working Capital: US\$500,000**

Assumptions for working capital requirements have been estimated that it will cost US\$500,000. This will involve purchasing of raw materials, daily operating costs etc.

**5.0 Financing pattern**

Project will be financed by equity by 100%

**5.1 Capacity**

The space in a data center is measured in the rack/cabinet unit, which is commonly referred to as “U.” U is a unit of measurement generally applied to items like disk drives, servers, equipment racks and other similar devices. A standard rack measures 19,” and one U is approximately 1.75 inches. A standard rack is nearly 42U.

the average cost of storing a single TB of file data is **\$3,351** a year. That cost potentially skyrockets because of supporting technologies.

A terabyte (TB) is a unit of digital data that is equal to about 1 trillion bytes. In decimal notation (base 10), a terabyte is exactly 1 trillion bytes. In binary notation, a terabyte is equal to 2<sup>40</sup> bytes, or 1,099,511,627,776 bytes. The terabyte is typically used as a measure for storage capacity or the amount of stored data

The company is storage capacity is planned to be TB 1800 and the average cost for 1TB is US\$3,400 per year

**6.0 Project operating costs**

In order to realize its intended objective, the project will have to meet the operating costs estimated to be 70% of total revenue.

## 7.0 Financial Analysis

### 7.1 Considerations and Assumptions:

The corporate tax charged is 0% of the profits for 8 years. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

### 7.2 Financial Statements:

#### 7.3 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue commence from the first year of operation.

#### WINGU TANZANIA LIMITED PROJECTED REVENUE LTD

	1	2	3	4	5	6
Revenue	6,630,000	7,293,000	8,022,300	8,824,530	9,706,983	10,677,681

#### 7.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after profits grow from. US\$ 1,570,450 in first year to US \$ 12,209,451 in the 6th year

#### WINGU TANZANIA LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6
Revenue	6,630,000	7,293,000	8,022,300	8,824,530	9,706,983	10,677,681
Operating Expenses:	4,309,500	4,740,450	5,214,495	5,735,944	6,309,538	6,940,492
Profit before Depreciation & Interest	2,320,500	2,552,550	2,807,805	3,088,585	3,397,444	3,737,188
Interest						

	-	-	-	-	-	-
<b>Depreciation</b>	77,000.00	77,000	77,000	77,000	77,000	77,000
<b>Gross Profit</b>	<b>2,243,500</b>	<b>2,475,550</b>	<b>2,730,805</b>	<b>3,011,585</b>	<b>3,320,444</b>	<b>3,660,188</b>
Tax (30%)	673,050	742,665	819,241	903,475	996,133	1,098,056
<b>Profit After Tax</b>	<b>1,570,450</b>	<b>1,732,885</b>	<b>1,911,563</b>	<b>2,108,109</b>	<b>2,324,310</b>	<b>2,562,131</b>
Accumulated Profit	1,570,450	3,303,335	5,214,898	7,323,008	9,647,319	12,209,451

## 7.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e., US\$1,647,450 of operation to the 6th year i.e., US\$ 12,671,452

### WINGU TANZANIA LIMITED PROJECTED CASH FLOW " US\$"

	0	1	2	3	4	5	6
<b>SOURCES:</b>							
Profit before interest and depreciation	0	2,320,500	2,552,550	2,807,805	3,088,585	3,397,444	3,737,188
Equity	7,940,000						
<b>Total Sources</b>	<b>7,940,000</b>	<b>2,320,500</b>	<b>2,552,550</b>	<b>2,807,805</b>	<b>3,088,585</b>	<b>3,397,444.00</b>	<b>3,737,188.00</b>
<b>Applications:</b>							
Capital expenditure	7,270,000	-	-	-	-	-	
working Capital & Others	670,000						
Cash	0	1,647,450	1,809,885.00	1,988,564.00	2,185,110	2,401,311.00	2,639,132.00
Tax	-	673,050	742,665	819,241	903,475	996,133	1,098,056
<b>Sub total</b>	<b>7,940,000</b>	<b>2,320,500</b>	<b>2,552,550</b>	<b>2,807,805</b>	<b>3,088,585</b>	<b>3,397,444</b>	<b>3,737,188</b>
<b>Total applications</b>	<b>7,940,000</b>	<b>2,320,500</b>	<b>2,552,550</b>	<b>2,807,805</b>	<b>3,088,585</b>	<b>3,397,444</b>	<b>3,737,188</b>
Accumulated cash		1,647,450	3,457,335	5,445,899	7,631,009	10,032,320.00	12,671,452

## 7.6 Projected Balance Sheet Statement

The projected shareholders equity increases from US\$ 7,940,000 in 1<sup>st</sup> year to US \$ 20,149,451 in 6<sup>th</sup>

### WINGU TANZANIA LIMITED PROJECTED BALANCE SHEET " US \$"

<b>Fixed Assets</b>	-						
Opening balance	-	7,270,000	7,193,000	7,116,000.00	7,039,000	6,962,000	6,885,000
Additions	-						
<b>Total Long-term Assets</b>	-	7,270,000	7,193,000	7,116,000.00	7,039,000	6,962,000	6,885,000
<b>Less depreciation</b>	-	77,000.00	77,000.00	77,000.00	77,000.00	77,000.	77,000
<b>Closing balance</b>	-	7,193,000.00	7,116,000.00	7,039,000.00	6,962,000.00	6,885,000	6,808,000
Working capital	670,000.00	670,000.00	670,000	670,000.00	670,000.00	670,000.00	670,00
Accumulated cash	-	1,647,450	3,457,335	5,445,899	7,631,009	10,032,320	12,671,452
<b>Total assets</b>	<b>670,000</b>	<b>9,510,450</b>	<b>11,243,335</b>	<b>13,154,899</b>	<b>15,263,009</b>	<b>17,587,320</b>	<b>20,149,452</b>
Financed by							
Equity	7,940,000	7,940,000	7,940,000	7,940,000	7,940,000	7,940,000	7,940,000
Net profit	-	1,570,450	3,303,335	5,214,898	7,323,008	9,647,319	12,209,451
Total equity	7,940,000	9,510,450	11,243,335	13,154,898	15,263,008	17,587,319	20,149,451
Long term loan	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-
<b>Total debts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and debts</b>	<b>7,940,000</b>	<b>9,510,450</b>	<b>11,243,335</b>	<b>13,154,898</b>	<b>15,263,008</b>	<b>17,587,319.</b>	<b>20,149,451</b>

## 7.7 Projected payback period

Total investment is US \$ 7,940,000 cash accumulation fifth year is US\$10,032,319.19 which is more than the initial investment by US\$ 2,092,319 the project payback Period is within 5years,

The project has a relatively short payback period. It is remarkably impressing for a project whose investment is as big as US\$7,940,000 being recovered within 5years.

**WINGU TANZANIA LIMITED PAYBACK PERIOD**

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	1,570,450.00	77,000	1,647,450.00	1,647,450.00
2	1,732,885.00	77,000	1,809,885.00	3,457,335.00
3	1,911,563.50	77,000	1,988,563.50	5,445,898.50
4	2,108,109.85	77,000	2,185,109.85	7,631,008.35
5	2,324,310.84	77,000	2,401,310.84	10,032,319.19
6	2,562,131.92	77,000	2,639,131.92	12,671,451.10

**8.0 Economic Aspects**

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of the available market
- The project will create employment for **20** people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers which will also have an economic trickledown.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills to data center management sector

## 9.0 Implementation

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of hotel will be completed within one year: –

### Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	December 2021
2	Placing order of machines	December– January 2022
3	Installing machines	January–February 2022
4	Recruitment	June 2022
5	In house training	June– December 2022
4	Testing production	January – March 2023
6	Commercial operations	April 2023

## 10.0 Conclusion & Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.