

# Dar South Beach – Financial Model Phase A1

## Balance Sheet Agenda

- Capital Structure of \$10m comprising:
  - Developer – 20%
  - Land Owner – 35%
  - Cash Investor – 45% (\$4.5m in seed funding)
- Investment Cashflow
  - \$1.5m Half 1, 2021
  - \$1.5m Half 2, 2021
  - \$1.5m Half 1, 2022



## Project & Investor Returns

- Project development yield excellent at 22%
- Investor Returns available in 2022 (funds may be retained in project however to deepen investments and scale)
- Strong return metrics (IRR, Payback, ROE, etc. – see select summary financials and metrics in tables)
- Social impact (affordable / disruptive housing) with world class returns

## Risk Mitigations

- Comprehensive market study nearing completion confirming demand
- Average Unit Sale Price reasonable and in line with consumer affordability
- Proven development model / developer – CPS Zanzibar has sold close to 1k units
- Strong Sales Team, and buyer waiting list identified
- Initial South Beach development phase underwritten by Corporate Anchor, and limited in scale
- Units pre-sold, and construction to lag demand
- Consumer cashflow to under pin development at all stages
- Mixed use assets (education, retail, etc.) to be activated to stimulate buyer demand
- Government support

### Dar South Beach - Development Structure & Summary Financial Model

Project		Development Cost (USD)		Income & Expenses	
Name	Dar South Beach (PEX100)	Investment amount	96,331,000	Gross Scheduled Income	122,504,000
Location	Tanzania	Per sqm	529	Gross Profit	26,173,000
Proposed Development	Mix Use Development	Cash Investment	4,500,000	Operating Expenses	5,260,945
Plot Size (Acres)	139	Cash and Land	8,000,000	Net Operating Income	20,912,055
Land Value	3,500,000	Effective Development Yield	21.71%	escalation per year	2%
Land Owner Equity	44%			vacancy & credit loss	10.00%
Assumptions		Financing		Cash Flow	
Gross Built Up Area (GBA) M <sup>2</sup>	182,061	Loan Amount	19,266,200	NOI (Assumes Outright Sale)	20,912,055
Gross Lettable Area (GLA) M <sup>2</sup>	145,649	LTV/Gearing	20%	Debt service	4,729,877
Development costs per M <sup>2</sup>	529	Interest Rate	9.00%	Cash Flow Before Taxes	16,182,178
Number of Units	2121	Payback on Loan	1.2	Cash on Cash Return	359.6%
Average Unit Selling Price (excl. VAT)	63,533	Key Metrics		Resale	
Capitalisation Rate for Resale (Year 1)	10.00%	Discount Rate	20%	Sale at end of Year	8
		NPV	1,386,973	Disposal Fee	419,320
		IRR	275.7%	Selling Price	13,977,329
		Payback on Capital	0.5		

No of Units Sold	Total Units	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Moyoni Lt	1,000	500	250	250					
Mwangani 4	288	72	72	72	72				
Mwangani 6	240	24	48	48	48	48	24		
MM Apartments	272	32	64	64	64	48			
MM TownHouses	95	15	25	25	30				
Houses	121	5	15	15	15	21	25	25	
Upm Apartments	24				12	12			
Villas	44			8	8	8	8	12	
Beach Villas	5			1	1	1	1	1	
Office Units	32		8	8	8	8			
<b>TOTAL</b>	<b>2,121</b>	<b>648</b>	<b>482</b>	<b>491</b>	<b>258</b>	<b>146</b>	<b>58</b>	<b>38</b>	<b>0</b>

Sales Volume (excl. VAT)	Sales Price per unit (excl. VAT)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Moyoni Lt	\$18,150	\$9,075,000	\$4,537,500	\$4,537,500	\$0	\$0	\$0	\$0	\$0
Mwangani 4	\$36,094	\$2,598,750	\$2,598,750	\$2,598,750	\$2,598,750	\$0	\$0	\$0	\$0
Mwangani 6	\$50,875	\$1,221,000	\$2,442,000	\$2,442,000	\$2,442,000	\$2,442,000	\$1,221,000	\$0	\$0
MM Apartments	\$55,000	\$1,760,000	\$3,520,000	\$3,520,000	\$3,520,000	\$2,640,000	\$0	\$0	\$0
MM TownHouses	\$110,000	\$1,650,000	\$2,750,000	\$2,750,000	\$3,300,000	\$0	\$0	\$0	\$0
Houses	\$326,700	\$1,633,500	\$4,900,500	\$4,900,500	\$4,900,500	\$6,860,700	\$8,167,500	\$8,167,500	\$0
Upm Apartments	\$129,938	\$0	\$0	\$0	\$1,559,250	\$0	\$0	\$0	\$0
Villas	\$415,800	\$0	\$0	\$3,326,400	\$3,326,400	\$3,326,400	\$3,326,400	\$4,989,600	\$0
Beach Villas	\$825,000	\$0	\$0	\$825,000	\$825,000	\$825,000	\$825,000	\$825,000	\$0
Office Units	\$110,000	\$0	\$880,000	\$880,000	\$880,000	\$880,000	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$134,754,400</b>	<b>\$17,938,250</b>	<b>\$21,628,750</b>	<b>\$25,780,150</b>	<b>\$23,351,900</b>	<b>\$16,533,350</b>	<b>\$13,539,900</b>	<b>\$13,962,100</b>	<b>\$0</b>

Area	Lettable area per unit	Total lettable area	Total GBA (+25%)
Moyoni Lt	44.00	44,000.00	55,000.00
Mwangani 4	41.46	11,940.00	14,925.00
Mwangani 6	86.55	20,770.91	25,963.64
MM Apartments	62.50	17,000.00	21,250.00
MM TownHouses	100.00	9,500.00	11,875.00
Houses	207.89	25,130.77	31,413.46
Upm Apartments	86.54	2,076.92	2,596.15
Villas	240.00	10,560.00	13,200.00
Beach Villas	294.12	1,470.59	1,838.24
Office Units	100.00	3,200.00	4,000.00
<b>TOTAL</b>		<b>145,649.19</b>	<b>182,061.49</b>

Dar South Beach - Income Statement Phase A1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
<b>REVENUE</b>	<b>16,307,500</b>	<b>19,662,500</b>	<b>23,436,500</b>	<b>21,229,000</b>	<b>16,848,500</b>	<b>12,309,000</b>	<b>12,711,000</b>	<b>122,504,000</b>
Sales from Units	16,307,500	19,662,500	23,436,500	21,229,000	16,848,500	12,309,000	12,711,000	122,504,000
No. of Units sold	648	481	491	258	146	58	38	2,120
Rate of sale	30.6%	22.7%	23.2%	12.2%	6.9%	2.7%	1.8%	100.0%
Cost Of Sales	12,823,400	15,461,604	18,429,288	16,693,421	13,248,815	9,679,180	9,995,293	96,331,000
<b>GROSS PROFIT</b>	<b>3,484,100</b>	<b>4,200,896</b>	<b>5,007,212</b>	<b>4,535,579</b>	<b>3,599,685</b>	<b>2,629,820</b>	<b>2,715,707</b>	<b>26,173,000</b>
<b>OPERATING COSTS</b>	<b>652,300</b>	<b>682,877</b>	<b>714,890</b>	<b>748,409</b>	<b>783,503</b>	<b>820,247</b>	<b>858,719</b>	<b>5,260,945</b>
Payroll & Administration	407,688	426,033	445,205	465,239	486,175	508,053	530,915	3,269,308
Miscellaneous Costs	244,613	256,843	269,685	283,170	297,328	312,194	327,804	1,991,637
<b>EBITDA</b>	<b>2,831,800</b>	<b>3,518,020</b>	<b>4,292,322</b>	<b>3,787,171</b>	<b>2,816,182</b>	<b>1,809,573</b>	<b>1,856,988</b>	<b>20,912,055</b>
Fixtures, Fittings and Equipment	-	-	-	-	-	-	-	-
<b>NET OPERATING PROFIT</b>	<b>2,831,800</b>	<b>3,518,020</b>	<b>4,292,322</b>	<b>3,787,171</b>	<b>2,816,182</b>	<b>1,809,573</b>	<b>1,856,988</b>	<b>20,912,055</b>
Interest	1,604,301	1,304,596	976,777	618,206	225,998	-	-	4,729,877
Profit after interest	4,436,101	4,822,616	5,269,099	4,405,376	3,042,180	1,809,573	1,856,988	25,641,932
Taxation	1,330,830	1,446,785	1,580,730	1,321,613	912,654	542,872	557,096	7,692,580
<b>RETAINED PROFIT</b>	<b>3,105,271</b>	<b>3,375,831</b>	<b>3,688,369</b>	<b>3,083,763</b>	<b>2,129,526</b>	<b>1,266,701</b>	<b>1,299,892</b>	<b>17,949,353</b>
<b>MARGINS / RATIOS</b>								
EBITDA	17.4%	17.9%	18.3%	17.8%	16.7%	14.7%	14.6%	17.1%
Retained Profit	19.0%	17.2%	15.7%	14.5%	12.6%	10.3%	10.2%	14.7%
Debt cover ratio	(1.8)	(2.7)	(4.4)	(6.1)	(12.5)	-	-	-4.4

Dar South Beach - Balance Sheet Phase A1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
<b>ASSETS</b>							
<b>Non-current assets</b>	<b>12,041,375</b>	<b>12,041,375</b>	<b>12,041,375</b>	<b>12,041,375</b>	<b>12,041,375</b>	<b>12,041,375</b>	<b>12,041,375</b>
Property, Fixture, Fittings, plant and equipment	12,041,375	12,041,375	12,041,375	12,041,375	12,041,375	12,041,375	12,041,375
Accumulated depreciation	-	-	-	-	-	-	-
<b>Current assets</b>	<b>16,449,893</b>	<b>16,730,645</b>	<b>17,341,926</b>	<b>16,955,539</b>	<b>15,465,073</b>	<b>13,150,958</b>	<b>14,465,074</b>
Cash and cash equivalents	16,449,893	16,730,645	17,341,926	16,955,539	15,465,073	13,150,958	14,465,074
<b>TOTAL ASSETS</b>	<b>28,491,268</b>	<b>28,772,020</b>	<b>29,383,301</b>	<b>28,996,914</b>	<b>27,506,448</b>	<b>25,192,333</b>	<b>26,506,449</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>	<b>11,105,271</b>	<b>14,481,102</b>	<b>18,169,471</b>	<b>21,253,234</b>	<b>23,382,760</b>	<b>24,649,461</b>	<b>25,949,353</b>
Share Capital	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Retained Income	3,105,271	6,481,102	10,169,471	13,253,234	15,382,760	16,649,461	17,949,353
<b>Non-current liabilities</b>	<b>17,385,997</b>	<b>14,290,918</b>	<b>11,213,830</b>	<b>7,743,680</b>	<b>4,123,687</b>	<b>542,872</b>	<b>557,096</b>
Long term liabilities	16,055,167	12,844,133	9,633,100	6,422,067	3,211,033	-	-
Taxation	1,330,830	1,446,785	1,580,730	1,321,613	912,654	542,872	557,096
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,491,268</b>	<b>28,772,020</b>	<b>29,383,301</b>	<b>28,996,914</b>	<b>27,506,448</b>	<b>25,192,333</b>	<b>26,506,449</b>
	-	-	-	-	-	-	-

Dar South Beach - Cashflow Statement Phase A1

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
<b>CASH INFLOWS/(OUTFLOWS) FROM OPERATING ACTIVITIES</b>	<b>4,436,101</b>	<b>3,491,786</b>	<b>3,822,314</b>	<b>2,824,647</b>	<b>1,720,567</b>	<b>896,919</b>	<b>1,314,116</b>	<b>16,295,414</b>
Net income before taxation	4,436,101	4,822,616	5,269,099	4,405,376	3,042,180	1,809,573	1,856,988	21,975,372
Depreciation of property, plant and equipment	-	-	-	-	-	-	-	-
Interest expense	(1,604,301)	(1,304,596)	(976,777)	(618,206)	(225,998)	-	-	(4,729,877)
Operating income before working capital changes	2,831,800	3,518,020	4,292,322	3,787,171	2,816,182	1,809,573	1,856,988	17,245,494
Cash generated from/(utilised by) operations	2,831,800	3,518,020	4,292,322	3,787,171	2,816,182	1,809,573	1,856,988	17,245,494
Interest paid	1,604,301	1,304,596	976,777	618,206	225,998	-	-	4,729,877
Taxation paid	-	(1,330,830)	(1,446,785)	(1,580,730)	(1,321,613)	(912,654)	(542,872)	(5,679,958)
<b>CASH INFLOWS/(OUTFLOWS) FROM INVESTING ACTIVITIES</b>	<b>(12,041,375)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,041,375)</b>
Additions to property, plant and equipment	(12,041,375)	(12,041,375)	(12,041,375)	(12,041,375)	(12,041,375)	(12,041,375)	(12,041,375)	(60,206,875)
Proceeds from sale of assets	-	12,041,375	12,041,375	12,041,375	12,041,375	12,041,375	12,041,375	48,165,500
<b>CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES</b>	<b>24,055,167</b>	<b>(3,211,033)</b>	<b>(3,211,033)</b>	<b>(3,211,033)</b>	<b>(3,211,033)</b>	<b>(3,211,033)</b>	<b>-</b>	<b>11,211,033</b>
Proceeds from issue of share capital	8,000,000	-	-	-	-	-	-	8,000,000
Increase/(decrease) in long-term liabilities	16,055,167	(3,211,033)	(3,211,033)	(3,211,033)	(3,211,033)	(3,211,033)	-	3,211,033
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>16,449,893</b>	<b>280,752</b>	<b>611,280</b>	<b>(386,387)</b>	<b>(1,490,466)</b>	<b>(2,314,115)</b>	<b>1,314,116</b>	<b>15,465,073</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>-</b>	<b>16,449,893</b>	<b>16,730,645</b>	<b>17,341,926</b>	<b>16,955,539</b>	<b>15,465,073</b>	<b>13,150,958</b>	<b>-</b>
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>16,449,893</b>	<b>16,730,645</b>	<b>17,341,926</b>	<b>16,955,539</b>	<b>15,465,073</b>	<b>13,150,958</b>	<b>14,465,074</b>	<b>15,465,073</b>

## Dar South Beach - Development Structure & Summary Financial Model Phase A1

Project		Development Cost (USD)		Income & Expenses							
Name	PEX100	Investment amount	96,331,000	Gross Scheduled Income	122,504,000						
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Land Value	3,500,000	Effective Development Yield	21.71%	escalation per year	2%						
Land Owner Equity	44%			vacancy & credit loss	10.00%						
Assumptions		Financing		Cash Flow							
Gross Built Up Area (GBA) M <sup>2</sup>	561,970	Loan Amount	19,266,200	NOI (Assumes Outright Sale)	20,912,055						
Gross Lettable Area (GLA) M <sup>2</sup>	561,970	LTV/Gearing	20%	Debt service	4,729,877						
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Number of Units	2,121	Payback on Loan	1.2	Cash on Cash Return	359.6%						
Average Unit Selling Price	56,578	Key Metrics		Resale							
Capitalisation Rate for Resale (Year 1)	10.00%	Discount Rate	20%	Sale at end of Year	8						
		NPV	1,386,973	Disposal Fee	419,320						
		IRR	275.7%	Selling Price	13,977,329						
		Payback on Capital	0.5								
Financial Measures		year 1	year 2	year 3	year 4	year 5	year 6	year 7	year 8	year 9	year 10
Capitalisation Rate (decreasing per year)	0.10%	10.00%	9.90%	9.80%	9.70%	9.60%	9.50%	9.40%	9.30%	9.20%	9.10%
Valuation		209,120,550	31,366,372	34,447,257	38,024,423	32,122,535	22,416,062	13,475,541	13,977,329	15,542,182	17,284,272
Cash-on-Cash-Return		359.6%	40.0%	53.3%	68.2%	63.5%	47.3%	28.1%	28.9%	31.8%	35.0%
Net Income		20,912,055	3,105,271	3,375,831	3,688,369	3,083,763	2,129,526	1,266,701	1,299,892	1,429,881	1,572,869
Interest		4,729,877	1,304,596	976,777	618,206	225,998	0	0	0	0	0
Income after Interest		16,182,178	1,800,675	2,399,054	3,070,163	2,857,765	2,129,526	1,266,701	1,299,892	1,429,881	1,572,869
Interest rate		9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Debt Cover Ratio		4.4	2.4	3.5	6.0	13.6	0.0	0.0	0.0	0.0	0.0

# Dar South Beach - Outlook Financial Model Phase B1

PEX100 - Phase B1			
Timeline January 2023 - December 2032			
Duration	10 years	120 months	
Development area	2,070,000 sqm	511.36 acres	
Total number of units	22,770.00 units	2,277.00 units per year in average	
Density overall	110.00 units/ ha		
Density Entry Level	110.00 units/ ha		
Total Sales Price	\$716,642,535		
Sales Start	July 2023		
	<b>Total</b>	<b>per month</b>	
Σ Project Price	\$552,112,893	4,600,940.77	
Σ CC	\$273,001,571	49.45%	2,275,013.09
Dev Fee	\$33,126,774	6.00%	276,056.45
Marketing	\$11,042,258	2.00%	92,018.82
CM & Consultants	\$11,042,258	2.00%	92,018.82
Infrastructur	\$38,647,902	7.00%	322,065.85
Town & Property Management	\$2,760,564	0.50%	23,004.70
	\$369,621,327	66.95%	
Gross Margin	\$182,491,566	33.05%	
Land Price	-\$32,555,160		
Income from interest	\$9,000,000		50% of the Equity invested will be used for the rent-to-own model generating annually 12% interest
<b>Gross Margin after Land</b>	<b>\$158,936,406</b>	<b>28.79%</b>	
Equiry Share	\$95,361,843	60.00%	
Equity Invest	\$30,000,000		of this 10M into initial infrastructure, 5M into Development Cost and Marketing and 15M into rent to own Model creating additional income from interest
Equity Return	\$65,361,843	21.79%	

Land owning Company			
Land Purchase	2,070,000 sqm		
average purchase price	\$3.48 per sqm		
<b>Total Purchase Price</b>	<b>\$7,200,000.00</b>		assuming all land is sold at once as this appreciation will have been achieved with opening and selling Phase A1 already beginning of 2023 - this sales price will increase annually by at least 20%
Sale to Dev Company			30% annual appreciation over 5 years
Sold Area annually year 1-5	414,000 sqm		
Sales Income Year 1	\$3,600,000	\$8.70	
Sales Income Year 2	\$4,680,000	\$11.30	
Sales Income Year 3	\$6,084,000	\$14.70	
Sales Income Year 4	\$7,909,200	\$19.10	
Sales Income Year 5	\$10,281,960	\$24.84	
<b>TOTAL</b>	<b>\$32,555,160</b>		
Equiry Share	\$19,533,096	60%	
Equity Invest	\$7,920,000.00		
Equity Return	\$11,613,096	29.33%	ROI p.a. over 5 years

An aerial photograph of a beach with waves crashing onto the shore. The water is a vibrant green, and the sand is a warm, golden-brown color. The waves are white and frothy, creating a rhythmic pattern across the beach.

**CPS**

Thank you

*Welcome to Dar South Beach*

**Sebastian Dietzold**

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