

**BASECAMP MAFIA ISLAND PROPERTIES
LIMITED**

Business Plan

for

**Development and Operating Fully Serviced villa at
Utende Area in the district of Mafia as delineated on
registered Survey Plan No. 10997, Mafia and located at
LO No. 18106 comprised under Title Number 13811,
Pwani/Coastal Region.**

1.0. EXECUTIVE SUMMARY

1.1 Project Concept

BaseCamp Mafia Island Properties Limited purchased Mafia Island Lodge in Mafia Island to establish a state-of-the-art eco-resort. Together with BaseCamp Mafia Island Operations Limited, BaseCamp Mafia Island Properties Limited will take care of the future development and management of this hotel/resort. These two sister companies are owned by a Dutch company (BaseCamp Tanzania BV) and a Dutch holding company (BaseCamp Ecoresorts BV).

The Dutch holding company develops and manages durable, sustainable, self-supporting, regenerative ecoresorts all over the world. BaseCamp Ecoresorts BV has created a strong international brand allowing tourists and digital nomads alike to visit and work in a quality environment that respects the natural habitat and indigenous culture. This is the Company's first initiative on the African continent.

During the initial implementation stage, the company will invest in a complete refurbishment and upgrading of the current property which currently consists of sixteen villas. The Company will invest further in the construction of additional villas, which will be sold to investors by way of timeshare and rented to holidaymakers throughout the year. A portion of the profits from operations will be re-invested in solar energy wind energy, energy storage salt water filtering, etc but also on improving the general condition of the surrounding community land. It is anticipated that upon the opening of the Eco-resort it will host local and international guests for a memorable holiday having a low carbon footprint. It is intended that the resort will be self-sustaining when it comes to the provision of fresh vegetables, fruit and herbs in so much as possible, where needed such produce shall be sourced locally with priority being given to supplies from the local surrounding community.

It's the company's vision to work with local employees and cooperate with local communities, companies and suppliers. BaseCamp Ecoresorts is proud of its newest location, a hidden gem of nature under the beauty of Tanzania's tropical sun, a true tropical paradise. This location, coupled with the company's universal green philosophy, will attract lots of local and international tourists and contribute immensely to the local community. BaseCamp Mafia Island is poised to become a strong tourist magnet for the Kigamboni area.

The envisaged project will involve construction of a modern tourist resort with Tours services among other things, the proposed eco-resort is intended to reduce the shortage of good and affordable accommodation for tourists and business executives in Mafia Island. The proposed ecoresort will provide basic services such as accommodation, hospitality services, restaurants, coffee shops and conference facilities, in addition the operation will oversee the conducting of festivals and other recreational activities, the primary focus being water sports. The resort is expected to contain bungalows with a minimum standard of 2 to 3 rooms which shall be leased and/or disposed by way of time share to interested lessees or buyers. The eco-resort will be made available for short and long term stays to already established Time Share Investors who will book and stay for not more than 60 days per year, the rest of the period will open to traditional bookings and walk-in customers.

The project detailed designs have been carried out by reputable international consultants.

The said eco-resort, shall be self sustaining space of electricity, storage, sea-water filtering, transportation, generators and other relative technical facilities, to facilitate smooth operations. The project will also involve setting up site services/civil works, motor vehicles, general machinery and equipment, water pumps, solar systems, water treatment, room equipment, general furniture and

fittings, and room furniture and fittings. The project will employ adequately trained and experienced management, employees and interns.

This project document presents a proposal by BASECAMP MAFIA ISLAND PROPERTIES LIMITED, a locally registered company with Certificate of Incorporation No. 15773360 Dated 7th September 2022. The project promoters are confident of mobilizing financial resources through advanced sales, loans and equity.

This study will be used as guiding tool and is presented to TIC for purposes of obtaining a certificate of incentives to facilitate smooth implementation of the project.

1.2 Location

The project will be located at Utende Area in the district of Mafia as delineated on registered Survey Plan No. 10997, Mafia and located at LO No. 18106 comprised under Title Number 13811, Pwani/Coastal Region.

1.3 The Sponsors

BASECAMP MAFIA ISLAND PROPERTIES LIMITED will be sponsoring this project. The Company is currently jointly owned by two shareholders

Share Holders	% of Share	Nationality
Basecamp Tanzania BV Kennemermeer 27, 1976GK, Ijmuiden aan zee, Netherlands	99	Netherlands
Basecamp Tanzania Eco-resorts B.V KvK GK:80567320 Kennemerboulevard 354,	1	Netherlands

1976EJ, Ijmuiden aan, Netherlands		
-----------------------------------	--	--

1.4 **BASECAMP MAFIA ISLAND PROPERTIES LIMITED**

The company main business objectives include the following:

- To develop and sell time shares in ecological “Tiny” Houses
- To operate tourist lodge business
- Develop a restaurant, beachbar, etc
- Provide conference rooms for seminars, meetings
- Organize and conduct events for customers
- Organize and conduct mini-festivals
- Organize watersports, rent surf material, etc
- Organize excursions to Mafia-Island, Dar es Salaam, Mikumi NP, etc
- To operate tour operations
- Rent cars, campers, tents for traveling tourists
- Real Estate management
- Property management etc

1.5 **Objective of Study**

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

1.7 **Tourism over View**

Tanzania is among the few countries in the world endowed with such a vast range of tourist attractions, Tanzania has 13 national parks, 29 game reserves, 40 controlled conservation areas and marine parks that are located in the Northern and Southern parts of the country. More than 25% of the Tanzania’s land area of about one million square kilometers covered with magnificent game reserves and national parks. Tanzania is also a home to Mt. Kilimanjaro,

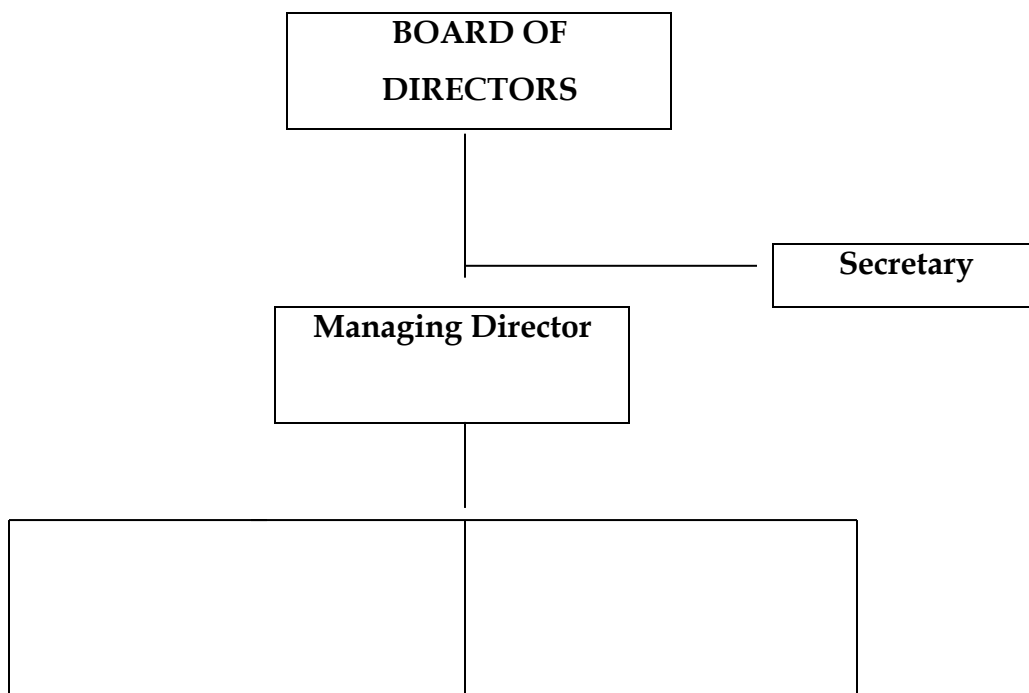
The miles long silver sand beaches and the rich historical site of the spicy islands of Zanzibar are yet another attraction that Tanzania is blessed with.

The market survey carried out reveals that the current demand for hotel rooms and resorts is higher than current supply. There is a wide gap between supply and demand and therefore, business opportunities exist for setting up additional lodge facilities to satisfy the market requirements.

2.0 Project Management and Manpower requirements

BASECAMP MAFIA ISLAND PROPERTIES LIMITED will be under the Management with vast experience in managing various tourist resorts, the overall in charge regarding policy and business strategy will be the Company Managing Director who will be responsible to the board of director's. The Managing Director will be assisted by properly trained managers in areas of Sales and Marketing, Finance, Administration and Operations, who will together comprise the management team. Approximately 100 staff will be directly employed.

ORGANIZATION CHART



**Front Office & House
Keeping Manager**

**Finance
& Administration
Manager**

**Food & Beverages
Manager**

The summary of employees is estimated as following

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	4	10	30	44
Men	6	15	35	46
TOTAL	10	25	65	100

2.1 Project description

Significant measures have been taken to liberalize the Tanzanian economy so as to encourage the private sector to take a lead in Tanzania's economic growth; The Government of Tanzania embarked on structural adjustment program to give the private sector a leading role.

It is in view of the above; **BASECAMP MAFIA ISLAND PROPERTIES LIMITED** came up with a proposal to construct and operate an eco-friendly Tourist Resort with a key focus on water sports.

It is expected that the construction of the resort will be completed within one year time and the company will apply to be exempted from paying import duty and VAT on Capital goods and deemed capital goods, the project will contribute significantly towards the tourism and construction sectors.

2.2 Targeted Markets.

The targeted markets of the project are upper budget and middle market segment both foreigners who are residing and visiting Tanzania as well as upper and middle class Tanzanians, It also targets to exploit the corporate market especially for conferences, package accommodation, parties, holidays, business travelers, day visitors etc

According to available statistics, Tourism is Tanzania's leading foreign currency earner and is a key economic sector accounting for 25 per cent of its revenues.

- Mount Kilimanjaro. Mount Kilimanjaro
- Serengeti National Park. Serengeti National Park
- Zanzibar Beaches. Zanzibar Beaches
- Ngorongoro Conservation Area
- Lake Manyara National Park
- Mafia Island. Mafia Island
- Tarangire National Park.
- Pemba Island.

Here are five reasons why Tanzania is your destination for an Africa getaway next year:

- **Density of Wildlife**

For experiencing a ton of wildlife in a little time, Tanzania wins. Here you will see the Great Wildebeest Migration and the single largest concentration of large predators on Earth (Serengeti National Park). There are reports of 430 different species and four million wild animals in Tanzania. Four million! Life-changing encounters at every turn guaranteed.



Access and Infrastructure

Tanzania has long benefitted from commitments to infrastructure and transportation. The international airports, highways, and ferries are all well positioned to shuttle you right into the action. When every minute counts on safari, Tanzania's highlights are all within a day or two's drive (or flight).



Political, Tribal and Religious Stability

A recent Pew Research poll stated that nearly 80% of the Tanzanian population is satisfied with the way democracy is working in their country. Tanzania's President Samia Suluhu Hassan has promised to fight corruption, along with massive investments in infrastructure and public services. These promises seem to be working, making Tanzania a leader in regional stability.

Reasonable Prices

Because tourism is a major economic driver in Tanzania, you will find many tour operators and experiences at all levels of quality, amenities, and price. Because of this, Tanzania might be your best choice for maximizing quality of experience at reasonable costs.

Variety of Experience

Tanzania gives a visitor and a tourist world class options to visit. From scraping the ceiling of Africa with a climb up Mount Kilimanjaro, to wildlife watching in Serengeti or a week of island life in Zanzibar, let's call 2022 the Year of Unparalleled Adventure. And let's name Tanzania for what it is: the single best destination on Earth to make next year exceptional. It is our intention to make Basecamp's Eco-resort an eye opening starting point for a Tanzanian vacation experience or a refreshing end to a wonderful visit

2.3 Supply and Competition

The proposed resort will compete with all lodges and hotel in Mafia Island currently classified to include; town hotels, lodges, vocation hotels, restaurants, motels and tented camps, within radius from proposed eco-resort no hotel of high quality is available, According to National Bureau of Statics, the occupancy rates fluctuate around 50%

2.4 Market Strategy

In order to reduce sunk costs, the project will use marketing agents who will be paid commissions on successful bookings. Marketing in all types of media and publicity will support and enhance personal selling

The project will use social media for advertising to potential customers all around the world.

2.5 Pricing

The pricing policy for the project will be based on the service cost and competition levels considering various variables namely:

- Service positioning
- Gaining market share from competitors
- Stimulating and increasing demand and
- Achieving profitability and cash liquidity

The recommended market average tariff for accomodations is US\$180, per night.

2.6 Monitoring and Evaluation

The Management has full commitment to ensuring good use local resources, maintaining a healthy and sustainable environment as well as ensuring the well being of the community surrounding the resort. The management's philosophy is that through its business' best practices, managers will ensure compliance to international best standards in relation to safety, quality of products ensuring that the customers they serve receive world class services.

3.0 Project Investment Cost

The estimated capital investment cost of the project is US \$ 8,804,000.00

BASECAMP MAFIA ISLAND PROPERTIES LIMITED COST STRUCTURE US \$

PARTICULAR	USD
------------	-----

Land and Buildings	8,425,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	70,000.00
Furniture & Fixtures	0.00
Pre exp	5,000.00
Others	4,000.00
Working Capital	100,000.00
TOTAL	8,804,000.00

For the project to be a reality a total investment amounting to US \$ 8,804,000 is needed

Land and Building: Us \$ 8,425,000.00

The project has opted for construction of full serviced villa estimated to cost US \$8,425,000, cost include

- Land \$1,125,000
- Villa's 50 \$80,000 @
- Other costs 50 \$15,000 @
- Solar-energy \$300,000
- Wind-energy \$250,000
- Energy-storage \$1,000,000
- Permaculture agriculture + food forest \$300,000
- Water-filtering \$250,000
- Swimming pool \$50,000
- Infrastructure incl internet \$250,000
- Landscaping \$150,000

- ICT\$100,000
- Equipment \$100,000,

Machinery and Equipment: US\$ 100,000

Some US \$100,000 is anticipated to be spent on the purchase of various project equipment which will accommodate new technology

Motor Vehicles:US\$100,000

The project will need 1 min bus, 1heavy trucks, and 1double cabin pick. These vehicles will be used to facilitate project for administrative purposes.

Pre-Operational Expenses: US\$ 5,000

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. This Pre-operational coast item also covers the architectural designs of project buildings and other engineering services. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

Other Expenses: US\$ 60,000

The company is expecting to incur other general expenses which have been budgeted as above.

Initial Working Capital: US\$180,000

Calculations as well as assumptions for working capital requirements, it is estimated that it will cost US \$ 180,000., the average operating cost for each villa been estimated to cost 500 per month

4.0 Financing pattern

The project will be financed by shareholders contributions and cash generated from customers

5.0 Aspect of 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. The growing of tourism sector gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

6.0 Monitoring and Evaluation

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

7.0 Financial Analysis

7.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. 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.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the hospitality industry.

7.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 7years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 458,710 in first year to US 3,983,014.49 in the 7th year.

7.3 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\$ 595,410 of operation to the 7th year i.e. US \$ 4,741,464.49

7.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Owner equity of the project increases from US\$ 2,000,000 the first year of operation to US \$ 5,983,014.49 in the 7th year

7.5 Projected payback period

Total investment is US \$ 2,945,000 cash accumulation in year 5 is US\$. 3,269,674 Which is more than the initial investment by US\$ US\$324,674 the project payback Period is exactly 5year, only.

7.6 Projected loan repayments

The loan borrowed from financial institution is expected to be fully paid within 6 years of projection operation

7.7 Projected Risks

This is a real estate investment; no major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability occurs, the project is more likely to prosper very fast for a very long period.

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 recently acquired prime site
- The project will increase share value of hospitality industry
- The project will create employment for 10 people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers and transporters, which will also have a trickledown effect in the environmental issues.
- 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 locals

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: -

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	Mar 2023
2	Resort construction	Jun - Dec 2023
3	Procurement Lodge furniture and other facilities	June - Dece 2023
4	Recruitment	Mar 2023
5	Testing business and in house training	July - Sep 2024

6	Commercial operations	Oct 2024
---	-----------------------	----------

10.0 Conclusion and 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.

BASECAMP MAFIA ISLAND PROPERTIES LIMITED COST STRUCTURE US\$

PARTICULAR	
Land and Buildings	8,425,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	70,000.00
Furniture & Fixtures	0.00
Pre exp	5,000.00
Others	4,000.00
Working Capital	100,000.00
TOTAL	8,804,000.00

BASECAMP MAFIA ISLAND PROPERTIES LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	8,425,000	8,256,500	8,088,000	7,919,500	7,751,000.00	7,582,500	7,414,000	7,245,500
Machinery, Tools & Equipment	200,000	198,000	196,000	194,000	192,000.00	190,000	188,000	186,000
Motor Vehicles	70,000	66,500	63,000	59,500	56,000.00	52,500	49,000	45,500
Furniture & Fixtures	0	0	-400	-800	(1,200.00)	-1,600	-2,000	-2,400
Total	8,695,000	8,521,000	8,346,600	8,172,200	7,997,800.00	7,823,400	7,649,000	7,474,600
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	168,500	168,500	168,500	168,500	168,500.00	168,500	168,500	168,500
Machinery tools & Equipment	2,000	2,000	2,000	2,000	2,000.00	2,000	2,000	2,000
Motor Vehicles	3,500	0	3,500	3,500	3,500.00	3,500	3,500	3,500
Furniture & Fixtures	0	400	400	400	400.00	400	400	400
ANNUAL DEPRECIATION	174,000	174,400	174,400	174,400	174,400.00	174,400	174,400	174,400

BASECAMP MAFIA ISLAND PROPRITIES LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

Revenues:	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Selling villa's incl plot	12	50								
Average selling price	\$ 233,333	\$ 250,000								
Revenue selling	\$ 2,800,000	\$ 12,500,000								
Result	\$ 800,000	\$ 5,000,000								
Renting villa's occupation		65%	70%	75%	80%	85%	85%	85%	85%	85%
Number of villa's, rooms		62	62	62	62	62	62	62	62	62
Revenue per night		\$ 120	\$ 130	\$ 140	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150	\$ 150
Revenue per year		\$ 1,765,140	\$ 2,059,330	\$ 2,376,150	\$ 2,715,600	\$ 2,885,325	\$ 2,885,325	\$ 2,885,325	\$ 2,885,325	\$ 2,885,325
Costs in percentage		80%	75%	70%	70%	70%	70%	70%	70%	70%
Costs		\$ 1,412,112	\$ 1,544,498	\$ 1,663,305	\$ 1,900,920	\$ 2,019,728	\$ 2,019,728	\$ 2,019,728	\$ 2,019,728	\$ 2,019,728
One time result sales houses	\$ 800,000	\$ 5,000,000								
Result from operation		\$ 353,028	\$ 514,833	\$ 712,845	\$ 814,680	\$ 865,598	\$ 865,598	\$ 865,598	\$ 865,598	\$ 865,598

		560,000.00	3,747,120.00	360,383.00	498,991.00	570,276.00	605,919.00	605,919.00	605,919.00	
Tax	-	\$240,000	\$1,605,908	\$154,450	\$213,854	\$244,404	\$259,679	\$259,679	\$259,679	
Sub total	8,804,000	800,000	5,353,028	514,833	712,845	814,680	865,598	865,598	865,598	865,598
Total applications	8,804,000	800,000	5,353,028	514,833	712,845	814,680	865,598	865,598	865,598	865,598
Accumulated cash		560,000	4,307,120	4,667,503	5,166,494	5,736,770	6,342,689	6,948,608	7,554,527	8,160,446

BASECAMP MAFIA ISLAND PROPERTIES LIMITED PROJECTED BALANCE SHEET US \$

<u>Fixed Assets</u>	-	1	2	3	4	5	6	7	8
Opening balance	-	8,695,000	8,521,000	8,346,600	8,172,200	7,997,800	7,823,400	7,649,000	7,474,600
Total Long-term Assets	-	8,695,000	8,521,000	8,346,600	8,172,200	7,997,800	7,823,400	7,649,000	7,474,600
Less depreciation	-	174,000.00	174,000.00	174,000.00	174,000.00	174,000.00	174,000.00	174,000.00	174,000.00
Closing balance	-	8,521,000	8,347,000	8,172,600	7,998,200	7,823,800	7,649,400	7,475,000	7,300,600
Working capital	109,000.00	109,000.00	109,000.00	109,000.00	109,000.00	109,000.00	109,000.00	109,000.00	109,000.00
Accumulated cash	-	560,000.0	9,081,000.0	17,427,600.0	25,599,800.0	33,597,600.0	41,421,000.0	49,070,000.0	56,544,600.0

		0	0	0	0	0	0	0	0
Total assets	109,000	9,190,000	17,537,000	25,709,200	33,707,000	41,530,400	49,179,400	56,654,000	63,954,200
Financed by					4,251,000.00				
Equity	8,804,000	8,804,000	8,804,000	8,804,000	8,804,000	8,804,000	8,804,000	8,804,000	8,804,000
Accumulated profit	-	560,000	4,307,119.60	4,667,502	5,166,494	5,736,770	6,342,688	6,948,606	7,554,525
Total equity	8,804,000	9,364,000	13,111,119	13,471,502	13,970,493	14,540,769	15,146,688	15,752,606	16,358,524
Total equity and debts	8,804,000	9,364,000	13,111,119	13,471,502	13,970,493	14,540,769	15,146,688	15,752,606	16,358,524

BASECAMP MAFIA ISLAND PROPERTIES LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	560000	174,000	734,000	734,000.00
2	3,747,119.60	174,000	3,921,120	4,655,119.60
3	360382.75	174,000	534,383	5,189,502.35
4	498,991.50	174,000	672,992	5,862,493.85
5	605,918.25	174,000	779,918	6,642,412.10

6	605,918.25	174,000	779,918	7,422,330.35
7	605,918.25	174000	779,918	8,202,248.60
	605,918.25	174000	779,918	8,982,166.85