



**PADEL**  
SPORTS AFRICA



# 2024 BUSINESS PLAN

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RACKET SPORTS CLUBS & SERVICES

WE KNOW HOW TO BUILD AND PLAY

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## EXECUTIVE SUMMARY

PADEL SPORTS AFRICA is an integrated rackets sports franchise platform operating from its original country and head quartered in Tanzania, and primarily into East Africa and isolated countries of interest within Sub Saharan Africa. Our firm is setting to be able to have true presence across the region, providing a wide range racket play services to our our wide range of clients, from corporates, schools, universities, hotels and generally targeting middle to high income residents and visitors in Urban cities of each country we are present in.

Formed in 2023, our expert team applies developed market expertise to these emerging economies, combining our skills and corporate expertise along with our on-ground operating capability to set the horizontal capabilities to develop Padel Clubs in full ownership or various models of partnership.

We are seeing the rise that now is the time for Africa for sports, and that the services we provide are vital for well being which plays a major role in developing community engagement post the pandemic and improve to impact the livelihood of our customers. We have the ambition to match this opportunity and to become the market leader in racket sports services across Africa.

### 2024-25

We are in the process of breaking ground with two Racket Sports Clubs in Tanzania and approaching with a third being developed in Kenya during 2024-25

Such developments will see Tanzania become the HQ for Padel Sports Africa as we continue to develop in locations such as Lusaka, Kampala, Kigali, Arusha, Mwanza, and Maputo.

We expect the latter locations to be developed up to 2028 and creating the most diversified leader and only pan african franchise of racket sports services in Sub Saharan Africa

## 2. THE COMPANY & SITUATION ANALYSIS

# THE COMPANY

## STRATEGY



## DEVELOPMENT SERVICES

We expect to develop services as we open up properties:



ASSET FINANCE

Investing in and developing real estate clubs



CONSTRUCTION SERVICES

Diverse portfolio of urban builds and annexes



CLUB OPERATIONS

Full range of services for Padel, Pickelball and Tennis



SUPPORT SERVICES

Provision of management services to other clubs



ANCILLARY SERVICES

Non core services such as hospitality, leisure and food

& beverage or retail for evolving urban locations to improve returns

### PEOPLE

Recruit sports specialized local staff from Tanzania

Groom such employees with experts in racket sports from expert locations like Spain or Argentina (no.1 locations)

Establish a coaching and academy system with the staff

Employ local staff with expert GM to run the overall service provision and leisure services for community engagement running the clubs.

### PLACE

Intra urban locations that are under utilized amongst various property formats

Strong linkage to our target community between work-residential locations

Availabilities of lounges, changing rooms, entertainment and spectator areas, leisure and F&B areas along with racket sports.

World class and championship Padel, Pickelbal, Tennis clubs

Establishment of racket academies for starters and for schools, universities

### CUSTOMERS

Middle-High income workers along with HNWI and Pro-am players regionally

Corporate customers with Well being programs to enhance work-life productivity

4\*-5\*Hotel customers within a 5km radius whereby transport is offered to experience sports of a different standard

Educational institutions to provide support to the tuition services in sports and personal development towards team sports

Digitalized service POS points and interaction with customers through online experience

### TOUCH POINTS

Create a championship network that will enable African championships to be held amongst different locations

Develop world class padel, pickelball and tennis locations under single championship program for East Africa

Membership by eligibility process to give access to premium status reward based on merit play and enhanced by services

Spectator praise platform to enhance experience and diversify service business

Leisure facilities and F&B experiences for customers and events to drive additional revenue

“WE KNOW HOW TO PLAY”

# PRODUCTS & SERVICES



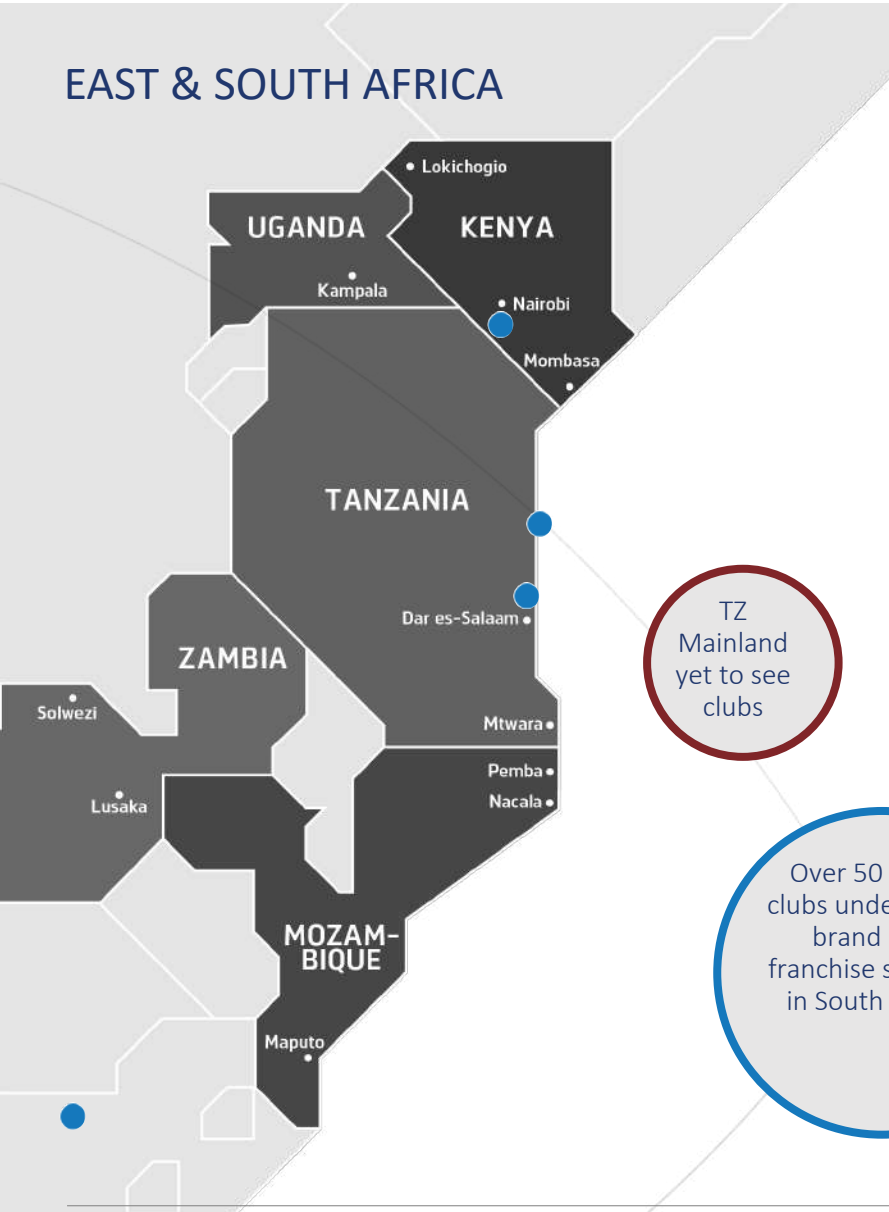
## WHAT WE PROVIDE TO THE COMMUNITY

SERVICE	DESCRIPTION	PEOPLE WHO WILL DELIVER IT	START DATE	LOCATIONS
MEMBERSHIPS	<ul style="list-style-type: none"> <li>Memberships based on Eligibility (bronze to gold)</li> <li>Preferential system with access to partnerships and share memberships within a city or inter city locations</li> <li>Eligibility to championship levels and discounts</li> </ul>	<ul style="list-style-type: none"> <li>GM of the company</li> <li>Online system which automates</li> <li>Registration on boarding by club staff</li> </ul>	July 2024	Dar, Zanzibar, Nairobi  Interlinks with other partner global clubs
ACADEMY	<ul style="list-style-type: none"> <li>Partnerships with schools and universities</li> <li>Sports Schooling programs</li> <li>Summer camps academy outside schooling with Pro's</li> </ul>	<ul style="list-style-type: none"> <li>Professional Coaches</li> <li>Seasonal academies that are organized</li> <li>Organized by franchise partners in Europe also</li> </ul>	Sep 2024	Dar, Zanzibar, Nairobi  Interlinks with other academies and pro networks globally
PERSONAL TRAINING	<ul style="list-style-type: none"> <li>Membership access will give hours of PT to members</li> <li>PT will coach individual and groups on weekly roster</li> <li>Master classes with visiting pro's will be available</li> </ul>	<ul style="list-style-type: none"> <li>Local recruited Coaches which are also trained</li> <li>Pro guests will provide the training</li> <li>1:1 with customers for improved conditioning / training</li> </ul>	July 2024	Dar, Zanzibar
RETAIL	<ul style="list-style-type: none"> <li>Pro shop to access equipment</li> <li>Online store that will drive Racket sports merchandising and equipment</li> <li>Order to purchase system into our warehouse of stock</li> </ul>	<ul style="list-style-type: none"> <li>GM of the company</li> <li>Customer service agents</li> </ul>	Sep 2024	Dar, Zanzibar
FOOD & BEVERAGE	<ul style="list-style-type: none"> <li>Food Points of Sale at the clubs</li> <li>Beverage Points of Sale at the clubs</li> <li>House of food stall outlets capturing best of the city food culture market place</li> </ul>	<ul style="list-style-type: none"> <li>GM will be the one monitoring</li> <li>Outsourced to operators to handle signature sales</li> </ul>	Aug 2024	Dar, Zanzibar  Interlinked with existing restaurants in Dar
EVENTS	<ul style="list-style-type: none"> <li>Access to a large area workable for events</li> <li>Possibility of handling product launches, lunch and dinner events, open air concerts</li> <li>Development of Championship events with event arena</li> </ul>	<ul style="list-style-type: none"> <li>GM of the company</li> <li>General company staff with the F&amp;B outsourced staff who would be able to cater</li> </ul>	Sep 2024	Dar, Zanzibar  Interlinked with event organizers
CHAMPIONSHIPS	<ul style="list-style-type: none"> <li>Provide regional and local championship platform</li> <li>Attract pro-ams so as to elevate the level</li> <li>Interclub regional championships based on membership</li> </ul>	<ul style="list-style-type: none"> <li>Digitalized</li> <li>Partnerships with other championship programs</li> </ul>	Oct 2024	Dar Zanzibar  Interlinked with other clubs regionally

### 3. MARKET ANALYSIS

# PADEL MARKET SIZE

## EAST & SOUTH AFRICA



60 padel clubs  
in pipeline of  
development in  
Kenya  
Mostly present  
in Nairobi

TZ  
Mainland  
yet to see  
clubs

Zanzibar will  
hold up to 6  
padel courts  
adjacent to  
hotels

Over 50 padel  
clubs under white  
brand and  
franchise systems  
in South Africa

## FASTEST GROWING SPORT

Padel Market size was valued at US\$229M in 2022

Expected growth rate is at a CAGR of 13.2%

Expected Market size to reach US\$ 483.6M in 2023

Least development outlook as green field projects to be established is in Africa

Africa has the most number of fastest growing economies which include those in East Africa

>65% population in East and South Africa are aged <30

Highest urbanization rates in Tanzania requiring work – life balance

Urban areas best profile of customers high to middle income

Online and digital sale channels will account for 52% of growth rate globally

Profile of 30's + age group likely to pick up the sport due to ease of play and best spenders

**Sub Saharan Africa is about to catch the development curve of rackets sports especially in Padel and Pickelball**

# WHAT IS PADEL

## INTERACTIVE & DYNAMIC



## ADVANTAGES OF PLAY

- Easier on articulations and less aggressive on the body Easier to play on smaller and bounceable boundaries (like Squash courts)
- 4-team play makes it interactive and socially engaging
- Avoids generating typical Tennis injuries from a lot of running
- Professional network available to tap into
- Allows wider range of age groups with different health conditions to play
- Remains a challenging team sport
- Ability to box development of courts in urban unutilized spaces and smaller spaces
- Set up for constructions is easy with specialized materials and can be uplifted to taken to new locations
- Quality standards can be high in developing markets due to import of high quality materials is functional and modular
- Less technical sport to start than with Tennis

# WHAT IS PICKELBALL

## DYNAMIC & ACCESSIBLE



## ADVANTAGES OF PLAY

- Easier on articulations and less aggressive on the body Easier to play on smaller and bounceable boundaries (like Squash courts)
- 4-team play makes it interactive and socially engaging
- A cross over of beach tennis and ping pong
- Professional network available to tap into
- Even wider range of age groups can play amongst them with different fitness levels (up to 70)
- Remains a stimulating sport
- Ability to multi develop in areas due to size
- Set up is very easy in many formats
- Quality standards can be high in developing markets due to import of high quality materials is functional and modular
- Least technical to play and a good start into racket sports to evolve to
- Has its own sports cult to achieve results

# WHAT IS TENNIS

## INTERACTIVE & DYNAMIC

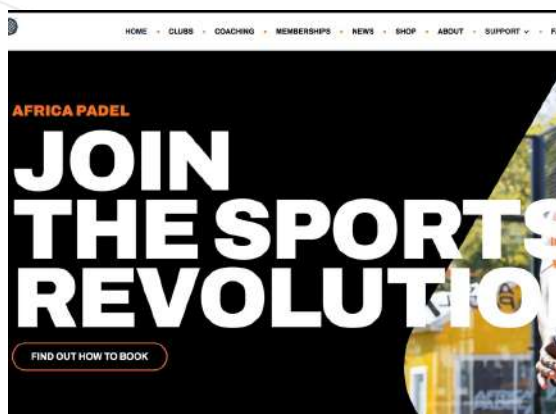


## ADVANTAGES OF PLAY

- Well known sport
- Can play singles and double play
- Large professional network to tap into
- High fitness players required
- Remains a challenging team sport
- Professional setting and if correctly positioned clubs can earn large sums through sponsorship
- Large network of academies globally to tap into
- Quality standards can be high in developing due to the availability of materials
- Technical sport which focusses on specialization in the sport which is good for clubs revenues
- Materials are not containerized but the courts highly customizable
- Club concept is well known worldwide

# COMPETITOR MODEL SEGMENTS

## SUB SAHARAN AFRICA



### FRANCHISE

Competitors mainly Africa Padel which is a South Africa based and only operating in South Africa business. Ability to develop multiple locations at once.

They have a comprehensive service and customer base that spans amongst cities within a country and with multiple clubs in a city to cover their target market.

May develop its clubs in different format of property locations and can be able to harness a large amount of members that can share locations. Ability to drive a strong championship model which is digital.

Retail online presence for apparel, equipment and merchandising with sophisticated digital systems.

They will not have much leisure, events and food & beverage space which attaches to a membership prog.

Due to the network they are required to be digitally integrated and have progressive management systems.



### WHITE BRANDED

Competitors in single countries will have their own brand which set on their own location of the club. They generally do not have a plan of expansion beyond the current locations and white brand based on location.

They will be operating as single and owner operating structures, which at times also coaching also by the same owners.

Management is the owners themselves and will not work on interclub linkage or franchise systems to build a regional network of memberships.

Will develop clubs on the basis of individual opportunities as opposed to a full market coverage.

Will provide basic services such as drinks and basic championship system which is localized within a city and for internal members only.

They will not be working with well integrated digital customer facing solutions and will have basic management systems for the operation.



### FAN BASED - UNORGANIZED

These are courts which belong to independent entrepreneurs with very low capital looking to leverage into the White Branded space.

They will set up courts with their own capital and most probably starting with Pickelbal and reconvertung un maintained tennis courts.

The facilities and services are basic or positioned in an area of easy access. They will try to drive a member environment but will be non system driven and definitely not digital.

They will capitalize on digital media to amplify their concept and no frills concept to attract players especially in markets or submarkets where courts are not available. Members will be attracted by Word of Mouth.

They may have a random app or booking system portal, with hardly any digital customer integration and hardly any management systems to measure business performance.

# OPPORTUNITY FOR PADEL SPORTS AFRICA



## COMPETITIVE ADVANTAGE

- No competing established franchise Racket Club platform outside of South Africa and within the Sub-saharan Africa region.
- No regional coverage to tackle customer profile base which fundamentally is calculated from a pop base of 250M people in the East African Community
- City destinations in East Africa are known well for leisure and adequate work-life balance for non citizens which profile into our customer base (over 30'000 people in Dar alone).
- Introduction of a new sport (the fastest growing globally) and the holding the largest network globally to capitalize on for Tanzania and surrounding countries.
- Educational platform to improve coaching in the sports and deliver academies which enhance professional play access to a regional and global network which is not available at present.
- No such real estate development concepts that could be developed alongside hotels, mixed use, residential or commercial real estate facilities which can be rendered on under utilized spaces in buildings and land.
- May develop its clubs in different format of property locations and can be able to harness a large amount of members that can share locations. Ability to drive a strong championship model which is digitalized that is current not available as most clubs are White or Fan based Unorganized types across East Africa.
- There will be a retail online presence for apparel, equipment and merchandising with sophisticated digital systems.
- Community engagement will be at the heart of our competitive advantage with Leisure, Children facilities, Event spaces and Food and Beverage outlets which will define the identity of the club based on the city location.
- Existence of internal strong management operating systems used by 3000 clubs globally will be used, which will enhance data analytics on operations to improve community engagement through driving better membership strategies and championship play opportunities for players based on data.
- Access to customer apps driving CRM for all players and members.
- Easily financeable due to the nature of equipment being packaged for development of clubs (containers and racket equipments).
- Ability to create new concept spaces based different definitions of leisure clubs on un utilized land or existing buildings, for property owners so they can earn rental income or profit with minimum investments, whilst working with specialized operators and ever growing membership/championship system.
- Academic racket sports curricula for educational institutions which will leverage the sport and the use of the existing platform of clubs that are added which will allow for a platform to partner with global academies like Rafa Nadal Academy in Spain amongst others.
- Creation of a social enterprise that is driven by the customers first and players at large of the sport.

"We know how to Play the game. Do you?"

# PADEL SPORTS AFRICA CORPORATE STRATEGY



## PORTER'S 5 FORCES. – THEORY APPLIED

THE MODEL IS WIDELY USED TO ANALYZE INDUSTRY STRUCTURE AND THE SOUGHT AFTER CORPORATE STRATEGY MEASURING COMPETITION INTENSITY, ATTRACTIVENESS AND PROFITABILITY OF AN INDUSTRY OR MARKET FOR AN ENTERING COMPANY BASED ON LOCATION (TANZANIA IS USED IN THIS CASE):

### COMPETITION

NUMBER OF COMPETITORS WITH EQUIVALENT PRODUCTS AND SERVICES CAN LESSEN THE EDGE

### NEW ENTRANTS

IS THIS AN EMERGING SECTOR AND HOW STRONG ARE THE BARRIERS TO ENTRY AS A COMPETITOR

### POWER OF SUPPLIERS

HOW STRONG ARE THE SUPPLIERS IN DRIVING THE COST OF INPUTS HIGH AND HOW MANY SUPPLIERS

### POWER OF CUSTOMERS

ABILITY FOR CUSTOMERS TO INFLUENCE PRICE AND HOW INFLUENTIAL CUSTOMERS ARE ON VALUE

### SUBSTITUTION THREAT

SUBSTITUTE GOODS OR SERVICES THAT CAN BE USED IN PLACE OF OURS WHICH POSE A THREAT

# PADEL SPORTS AFRICA – CORPORATE STRATEGY



## PORTER'S 5 FORCES. – PRACTICE APPLIED FOR TANZANIA

WE ANALYSED THE RACKET SPORTS SECTOR IN TANZANIA (INCL. ZANZIBAR) WITH KNOWN COMPETITORS , SO AS TO DISSECT THE OPPORTUNITY FOR AN EAST AFRICAN FRANCHISE MODEL STARTING WITH TANZANIA AS 1<sup>ST</sup> COUNTRY MARKET IN EAC:

### COMPETITION LOW

THE PADEL AND PICKLEBALL SPORTS SECTOR IS NASCENT IN DAR, ARUSHA BUT MORE SO IN ZANZIBAR WITH 6 LOCATIONS WHICH ARE MOSTLY UNORGANIZED OR WHITE BRANDED WITH LIMITED MARKET PENETRATION DUE TO CONCEPT.

### NEW ENTRANTS - MEDIUM

DUE TO THE GLOBAL GROWTH PATTERN AND REGIONAL ACCELERATION THIS SPACE IS BECOMING OF INTEREST TO FAN BASED PLAYERS (CUSTOMERS) AND ALSO DEVELOPERS WHO DO NOT HAVE THE ABILITY TO UNDERSTAND HOW TO OPERATE SUCH SPORTS DEVELOPMENTS OR CONSIDER IT AS A SUPPORT FACILITY AND NOT A PROFIT CENTRE.

### POWER OF SUPPLIERS - HIGH

DUE TO GLOBAL GROWTH IT IS A SUPPLY MARKET WHICH LOWERS THE PURCHASING POWER ABILITY FOR MANY TO INVEST IN THIS BUSINESS AND ALL EQUIPMENT IS IMPORTED. HENCE IT IS IMPORTANT TO INCREASE BARGAINING POWER OR BECOME A DISTRIBUTOR TO LEVERAGE ON PURCHASE POWER.

### POWER OF CUSTOMERS - MEDIUM

CUSTOMERS HAVE SHOWN NEED FOR FACILITIES BUT DUE TO LACK OF PROPER FRANCHISE PLATFORMS THE POWER OF INFLUENCE IS STILL LOW DUE TO THE DELAYED OFFERING IN MARKET UNLIKE NAIROBI.

### SUBSTITUTION THREAT - LOW

THERE IS NO DIRECT SUBSTITUTE IN THE MARKET AND REGIONALLY DUE TO THE LACK OF COMPARABLE LIFESTYLE BASED CLUBS AROUND RACKET SPORTS ESPECIALLY FOCUSED ON PADEL AND PICKLEBALL WHICH INCORPORATES LEISURE, FOOD & BEVERAGE AND STRONG DIGITAL CHAMPIONSHIP EXPERIENCE.

## 4. INITIAL FINANCIALS

### PERFORMANCE OF DAR ES SALAAM

# INITIAL SET UP INVESTMENT

## DAR ES SALAAM (1) CLUB LOCATION

START-UP PHASE - TANZANIA - FOR CLUB OF 3 PADEL COURTS + 3 PICKLEBALL COURTS				
COST ITEM	QUANTITY	UNIT COST (\$)	TOTAL COST (\$)	NOTES
<b>START-UP TECHNICAL COSTS</b>				
Establishment of the Company		\$ 1,500.00	\$ 1,500.00	Establishment and Registration of the chosen company
Forecast Cost/Revenue Doc - Padel Travel Consulting		\$ 2,200.00	\$ 2,200.00	Forecast Cost/Revenue Doc - Padel Travel Consulting
Rental Fee - Construction Period	4	\$ 2,000.00	\$ 8,000.00	Fee to be paid during the months of setting up the Padel Center
Agency Commission Fee		\$ 0.00	\$ 0.00	Agency brokerage fee (1 month)
Architettura Project / Technical Consultancy		Including in 16	Including in 16	Technical project to be submitted to the municipality
Construction Permits and Licences		Including in 16	Including in 16	Licences and permits issued by competent bodies - estimated
<b>PURCHASE AND SET UP OF AREA</b>				
Metal Roofing	4	\$ 16,000.00	\$ 64,000.00	Design and construction of a roof with steel/iron technostructure for 2 Padel and 2 Pickleball Courts
Preliminaries		\$ 3,400.00	\$ 3,400.00	Includes Mobilisation Permits Architectural Design Supervision
Ground Preparation (Cleaning and levelling)		\$ 6,660.00	\$ 6,660.00	Cleaning and clearing of space for setting up courts and complementary services
Car Park Preparation		Including in 22	\$ 0.00	Asphalting of an area of approximately 300 sqm used as a car park
Club House Gate and Fencing		\$ 20,400.00	\$ 20,400.00	Demarcation of open areas through boundary walls, fences, gates.
Lighting and Electricity System		\$ 4,250.00	\$ 4,250.00	Electrical installation (club house, courts, changing rooms, reception, other already prepared)
Plumbing System		\$ 2,000.00	\$ 2,000.00	Setting up water system for courts, clubhouse, changing rooms, reception, other - Estimate - existing installations to be verified
Sewerage		Included 25	\$ 0.00	Toilet sewers - Estimate - existing installations to be verified
Lighting Connection		included 24	\$ 0.00	Light Connection
Water Connection		Included 25	\$ 0.00	Water connection
<b>COURTS AND BUILDING WORK</b>				
Surface Prep + Concrete Slab - Padel Courts		\$ 41,600.00	\$ 41,600.00	Concrete base on which to install the Padel Courts
Surface Prep + Concrete Slab - Pickleball Courts		\$ 42,400.00	\$ 42,400.00	Concrete base on which to install the Pickleball Courts
Offloading and Storage Costs : Forklift + Workers	3	\$ 200.00	\$ 600.00	Forklifting and unloading are the responsibility of the client
Padel Courts	3	\$ 23,350.00	\$ 70,050.00	Full Panoramic Padel Courts (including 12mm glasses and grass)
Pickleball Courts	3	\$ 6,400.00	\$ 19,200.00	3 Pickleball Courts
Padel and Pickleballs Courts Freight Charges	6	\$ 5,600.00	\$ 5,600.00	Shipping costs from the producer's warehouse to the Club location
Installation Supervision	3	\$ 2,500.00	\$ 7,500.00	2 Supervisor sent by Manufacturer
Supervisors Travel & Accommodation		TBD	TBD	Expenses - Supervisor + Technician
Installation Costs for Padel Courts		TBD	TBD	Courts assembly made by 7/8 local skilled workers
Additional Costs for Ordinary Maintenance (Extra Sand, Glass, Protectors, etc.)	3	\$ 0.00	\$ 0.00	Precautionary/preventative purchase of sand and glass
Warranty and Extension Costs for Padel Courts + Glass + Carpet + Lighting	3	\$ 0.00	\$ 0.00	Subscription to court guarantee extensions for medium- to long-term protection
<b>COMMUNAL AREAS</b>				
40 FT Changing Rooms + Bathrooms	2	\$ 14,800.00	\$ 29,600.00	2 x 40FT Container with Male and Female Changing and Washing Room
20 FT Sports Bar + 2 x Food&Beverage Outlets	3	\$ 6,200.00	\$ 18,600.00	3 x 20FT Food&Beverage Containers
40 FT Reception / Padel Shop	1	\$ 9,900.00	\$ 9,900.00	40 FT Container dedicated to reception (front desk) and Pro Shop
Steel Pergola and Staircases		\$ 14,300.00	\$ 14,300.00	Steel Pergola and Staircases
Internal furniture, display fittings, wallpapers, decorative ft		\$ 4,000.00	\$ 4,000.00	Internal Furniture for Reception & Pro Shop
External Landscaping and Embellishing Logistics, Delivery and Installation Works and Commissioning	1	\$ 6,500.00	\$ 6,500.00	Purchase of staging and decoration elements: artificial grass, carpets, planters, armchairs, parasols, lounge area, hammocks, etc.
<b>BRAND &amp; IT SOLUTIONS</b>				
Website	1	\$ 1,200.00	\$ 1,200.00	Development of an official Club website
Trademark	1	\$ 1,000.00	\$ 1,000.00	Study (concept idea), development (logo) and registration of the club's trade name and logo
IT Devices	1	\$ 1,500.00	\$ 1,500.00	Reception computers and printers
IT Solutions	1	\$ 0.00	\$ 0.00	Only in the case of automation services opening fields/lighting, home automation, video streaming.
			<b>\$ 391,760.00</b>	
Contingencies ( 3 x monthly operating costs)			<b>\$ 29,857.50</b>	3 x monthly operating costs
Deposit for Rental Property			<b>\$ 4,000.00</b>	Any financial guarantees (sureties, etc.) required by the tenant
<b>TOTAL - PRE-OPENING COSTS (excluding VAT)</b>			<b>\$ 425,617.50</b>	

## INITIAL SET UP COSTS

The costs provided here are the initial set up costs for a club concept that is proposed for Dar es Salaam.

We therefore expect each of a similar format to cost US\$71k / court to have the basics set up of each Club we develop.

Therefore if we expect to develop at least 3 locations in Dar es Salaam over time on a similar basis we will have x3 courts with 6 courts each which is an initial investment of circa US\$1.278M, of which US\$425k is already committed to the first club in Dar es Salaam whereby construction is already underway.

The next location will be Zanzibar which will propose a similar investment but probably another US\$425k investment or above if exactly same format is identified as Dar es Salaam, due to increased construction costs of materials.

Therefore, we consider similar development opportunities such as Dar es Salaam but in Arusha, Mwanza and Nairobi, Kigali, Lusaka, Kampala.

These investments will be driven from the HQ out of Tanzania and profits of such investments centralized back to Tanzania as the HQ.

# RUNNING COSTS

## OPERATING COSTS FOR DAR ES SALAAM (1) CLUB LOCATION

## ADDITIONAL INVESTMENTS

As a result of the operation being established, there will be taxable services that will be invoiced that will be considered running costs generating:

1. Employment
2. Local suppliers indirect employment and taxable revenue from our activities
3. National Utility services being used
4. Import of certain equipments

Further to this our total initial investment is the **WORKING CAPITAL REQUIREMENT + INITIAL INVESTMENT =**

**US\$545'047**

**IN THE 1ST YEAR**

**FOR 1 CLUB**

### ANNUAL OPERATING COSTS

COST ITEM	MONTHS	UNITS	UNIT COST / MONTHLY (\$)	TOTAL COST (\$)	NOTES
<b>LEASING AND ACCOUNTING</b>					
Soil Rental	12	1	\$ 2,000.00	\$ 24,000.00	Monthly Soil Rent - 2.840 sqm
Accountant	12	1	\$ 200.00	\$ 2,400.00	Monthly fee to be paid to the accountant
Liability, Theft, Fire Insurance	12		\$ 150.00	\$ 1,800.00	Insurance policy against fire, vandalism, theft, third party liability
Stationery	12	1	\$ 20.00	\$ 240.00	Stationery expenses: pens, notebooks, ream of paper, etc.
<b>UTILITIES</b>					
Electricity Bill ( 1 Court = 8 150w LED Floodlights = 1.2kw/hour)	12	30	\$ 9.00	\$ 3,240.00	80 litres at 60degrees = 0.2kw/shower (1 shower = 25l) = 112 showers per day = 22kw + 3 lighted padel courts x 6h/day = 21.6kw/day + 3 lighted pickleball courts x 4.5h/day = 16kw/day + Catering and General Lighting 18kw. Other Extras= 18Kw. Total = 95kw/day (including fridge, other lights, ...) - Business Cost KW = 0,094
Waste and other taxes	12	1	\$ 100.00	\$ 1,200.00	Waste tax and other taxes - TBD
<b>PERSONNEL</b>					
Operational and Strategic Management Supervision	12	1	\$ 0.00	\$ 0.00	Supervision by Padel Travel Costa del Sol reporting to General Manager + DG back up + guidelines + weekly meetings + attendance 1 time/2 months
Club General Manager Payroll	12	1	\$ 2,000.00	\$ 24,000.00	Employee with payroll - FULL TIME
Management Clerk Payroll - full day - MON-FRI	12	1	\$ 240.00	\$ 2,880.00	Employee with payroll - FULL TIME (Eg. 10-18)
Management Clerk Payroll - half day - MON-FRI	12	1	\$ 180.00	\$ 2,160.00	Employee with payroll - PART TIME (Eg. 18-23)
Management Clerk Payroll - full day - SAT-SUN	12	1	\$ 240.00	\$ 2,880.00	Employee with payroll - FULL TIME (Eg. 09-23)
Coach Payroll - PADEL	12	1	\$ 2,000.00	\$ 24,000.00	Employee with payroll - FULL TIME - depending on the Curriculum
Barista Payroll	12	1	\$ 0.00	\$ 0.00	External Management
Cleaning Clerk - external company	12	1	\$ 200.00	\$ 2,400.00	Considering 2h x 30 days - external company - to be validated
Social Media Manager - external agency	12	1	\$ 200.00	\$ 2,400.00	Freelance - 10h/month - to be validated
Graphic Designer - external agency	12	1	\$ 200.00	\$ 2,400.00	Freelance - 10h/month - to be validated
<b>OTHER COSTS</b>					
Court Maintenance Costs	12	1	\$ 100.00	\$ 1,200.00	Monthly field watering, cleaning and pruning of common areas
Glass Replacement/Repair/Service/Other	12	3	\$ 100.00	\$ 300.00	Estimated 1 glass breakage every 12 months
Management Software	12	1	\$ 50.00	\$ 600.00	Management for courts and classes bookings + account management support
Competition app	12		\$ 0.00	\$ 0.00	Payment only when used - no fixed fees
Rackets	12	1	\$ 600.00	\$ 7,200.00	Order rackets for resale at the Club's pro-shop
Balls	12	1	\$ 450.00	\$ 5,400.00	Order of balls to be resold at the Club's pro-shop
Other shop purchases (t-shirts, grips, wristbands, etc.)	12	1	\$ 500.00	\$ 6,000.00	Order other technical equipment for resale at the Club's pro-shop
Internet Wi-Fi	12	1	\$ 50.00	\$ 600.00	Fibre/Broadband subscription for internal and customer use
Facebook Ad Campaigns	12	1	\$ 50.00	\$ 600.00	Monthly budget for social campaigns to promote Club services and events
Communication Actions (brochures, flyers, etc.)	12		\$ 50.00	\$ 600.00	Monthly budget for offline actions to promote the Club's services and events
Coaching Development Course	1	1	\$ 200.00	\$ 200.00	Coaching Development Course
Bar Purchases (only if in-house management)	12	1	\$ 0.00	\$ 0.00	Still discussing internally on the revenue share modality, control and expected revenue for each outlet.
Awards / Other Tournament Costs	4	1	\$ 120.00	\$ 480.00	Cups, medals, other prizes for social events and tournaments
Staff Uniforms	12		\$ 250.00	\$ 250.00	Uniforms for whole STAFF
<b>Month / Year Total</b>			<b>\$ 9,952.50</b>	<b>\$ 119,430.00</b>	

# INITIAL PROFIT & LOSS STATEMENT

## DAR ES SALAAM (1) CLUB LOCATION

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>INSTITUTIONAL PARTNERSHIPS</b>						
Agreements with Disabled Associations (deaf-mutes, down syndrome)	none considered for now	0.00	0.00	0.00	0.00	0.00
Agreements with Schools and other Educational Institutions	none considered for now	0.00	0.00	0.00	0.00	0.00
<b>MEMBERSHIPS</b>						
Membership - GOLD		7,200.00	7,920.00	8,712.00	9,583.20	10,541.52
Membership - SILVER		3,600.00	3,960.00	4,356.00	4,791.60	5,270.76
Membership - BRONZE		7,200.00	7,920.00	8,712.00	9,583.20	10,541.52
<b>COURT RENTAL</b>						
Court Rental Fee - Padel		168,000.00	184,800.00	203,280.00	223,608.00	245,968.80
Court Rental Fee - Pickleball		63,000.00	69,300.00	76,230.00	83,853.00	92,238.30
<b>PADEL LESSONS</b>						
Individual lessons		9,600.00	10,560.00	11,616.00	12,777.60	14,055.36
Lessons in pairs		12,000.00	13,200.00	14,520.00	15,972.00	17,569.20
Lessons x 3		10,800.00	11,880.00	13,068.00	14,374.80	15,812.28
Lessons x 4		9,600.00	10,560.00	11,616.00	12,777.60	14,055.36
<b>OTHER INCOME</b>						
Racket Rental		6,600.00	7,260.00	7,986.00	8,784.60	9,663.06
Tournaments		8,000.00	8,800.00	9,680.00	10,648.00	11,712.80
Food & Beverage Outlets - Revenue Share						
Food & Beverage Outlets - Rent		14,400.00	15,840.00	17,424.00	19,166.40	21,083.04
Padel accessories (rackets, grips, balls, wristbands, t-shirts...)		21,060.00	23,166.00	25,482.60	28,030.86	30,833.95
<b>SPONSORSHIP</b>						
Gold Sponsor		14,400.00	15,840.00	17,424.00	19,166.40	21,083.04
Silver Sponsor		14,400.00	15,840.00	17,424.00	19,166.40	21,083.04
Bronze Sponsor		13,200.00	14,520.00	15,972.00	17,569.20	19,326.12
<b>ANNUAL OPERATING REVENUE</b>		<b>383,060.00</b>	<b>421,366.00</b>	<b>463,502.60</b>	<b>509,852.86</b>	<b>560,838.15</b>
<b>LEASING AND ACCOUNTING</b>						
Soil Rental		24,000.00	25,200.00	26,460.00	27,783.00	29,172.15
Accountant		2,400.00	2,520.00	2,646.00	2,778.30	2,917.22
Liability, Theft, Fire Insurance		1,800.00	1,890.00	1,984.50	2,083.73	2,187.91
Stationery		240.00	252.00	264.60	277.83	291.72
<b>UTILITIES</b>						
Electricity Bill ( 1 Court = 8 150w LED Floodlights = 1.2kw/hour)		3,240.00	3,402.00	3,572.10	3,750.71	3,938.24
Waste and other taxes		1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
<b>PERSONNEL</b>						
Operational and Strategic Management Supervision		0.00	0.00	0.00	0.00	0.00
Club General Manager Payroll		24,000.00	25,200.00	26,460.00	27,783.00	29,172.15
Management Clerk Payroll - full day - MON-FRI		2,880.00	3,024.00	3,175.20	3,333.96	3,500.66
Management Clerk Payroll - half day - MON-FRI		2,160.00	2,298.00	2,381.40	2,500.47	2,625.49
Management Clerk Payroll - full day - SAT-SUN		2,880.00	3,024.00	3,175.20	3,333.96	3,500.66
Coach Payroll - PADEL		24,000.00	25,200.00	26,460.00	27,783.00	29,172.15
Barista Payroll		0.00	0.00	0.00	0.00	0.00
Cleaning Clerk - external company		2,400.00	2,520.00	2,646.00	2,778.30	2,917.22
Social Media Manager - external agency		2,400.00	2,520.00	2,646.00	2,778.30	2,917.22
Graphic Designer - external agency		2,400.00	2,520.00	2,646.00	2,778.30	2,917.22
<b>OTHER COSTS</b>						
Court Maintenance Costs		1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Glass Replacement/Repair/Service/Other		300.00	315.00	330.75	347.29	364.65
Management Software		600.00	630.00	661.50	694.58	729.30
Competition app		0.00	0.00	0.00	0.00	0.00
Rackets		7,200.00	7,560.00	7,938.00	8,334.90	8,751.65
Balls		5,400.00	5,670.00	5,953.50	6,251.18	6,563.73
Other shop purchases (t-shirts, grips, wristbands, etc.)		6,000.00	6,300.00	6,615.00	6,945.75	7,293.04
Internet Wi-Fi		600.00	630.00	661.50	694.58	729.30
Facebook Ad Campaigns		600.00	630.00	661.50	694.58	729.30
Communication Actions (brochures, flyers, etc.)		600.00	630.00	661.50	694.58	729.30
Coaching Development Course		200.00	210.00	220.50	231.53	243.10
Bar Purchases (only if in-house management)		0.00	0.00	0.00	0.00	0.00
Awards / Other Tournament Costs		480.00	504.00	529.20	555.66	583.44
Staff Uniforms		250.00	262.50	275.63	289.41	303.88
<b>ANNUAL OPERATING COSTS</b>	yr 1 working capital >	<b>119,430.00</b>	<b>125,401.50</b>	<b>131,671.58</b>	<b>138,255.15</b>	<b>145,167.91</b>
<b>PRE-OPENING STARTUP COST</b>		<b>\$ 425,617.50</b>				
<b>EBITDA</b>		<b>425,617.50</b>	<b>263,630.00</b>	<b>295,964.50</b>	<b>331,831.03</b>	<b>371,597.71</b>

## INITIAL SET UP COSTS

Further to this our total initial investment is \$545'047 to which the pay back of the investment given the positive EBITDA's shown suggests a pay back in:

**Year 2**

Whereby on an operational lease with our landlords at minimum of 5 years PL but can go up to ten years suggests that the cumulated positive cash flows will be equivalent to:

**US\$1'678'694**

Further to which the Return on Investment from 1 Club investment of this concept as presented in this presentation will be equivalent to a ROI multiple of:

**x3.08 times the investment  
over 5 years  
per Club of similar format**

	425,617.50	263,630.00	295,964.50	331,831.03	371,597.71	415,670.23
<b>EBITDA</b>						
Depreciation (annual rate)		85,123.50	85,123.50	85,123.50	85,123.50	85,123.50
<b>EBIT</b>		178,506.50	210,841.00	246,707.53	286,474.21	330,546.73
Financial expenses		0.00	0.00	0.00	0.00	0.00
<b>BAI</b>	425,617.50	178,506.50	210,841.00	246,707.53	286,474.21	330,546.73
Taxes 30%		53,551.95	63,252.30	74,012.26	85,942.26	99,164.02
<b>Post-tax and depreciation profit</b>	> positive profit to cash flow	<b>124,954.55</b>	<b>147,588.70</b>	<b>172,695.27</b>	<b>200,531.94</b>	<b>231,382.71</b>

## 5. HR STRUCTURE

# STRUCTURE

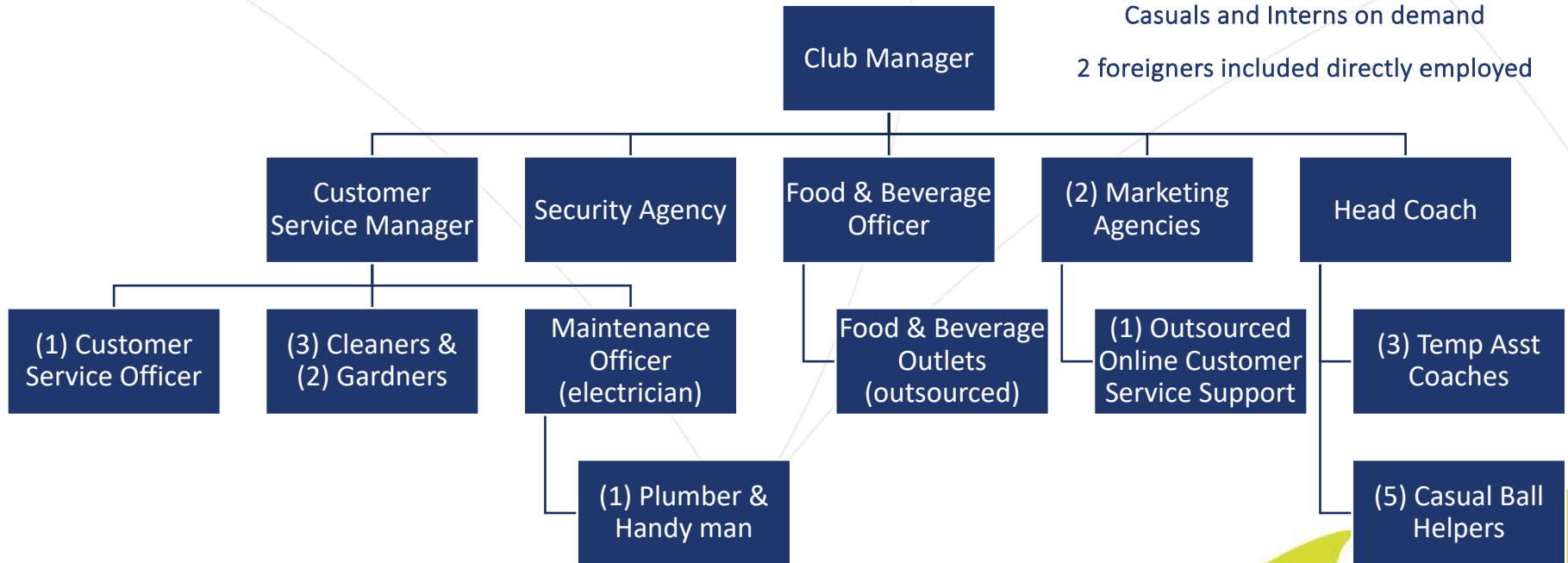
## (1) CLUB STRUCTURE DIRECT EMPLOYMENT

14 direct reports employed

3 outsourced agencies

Casuals and Interns on demand

2 foreigners included directly employed

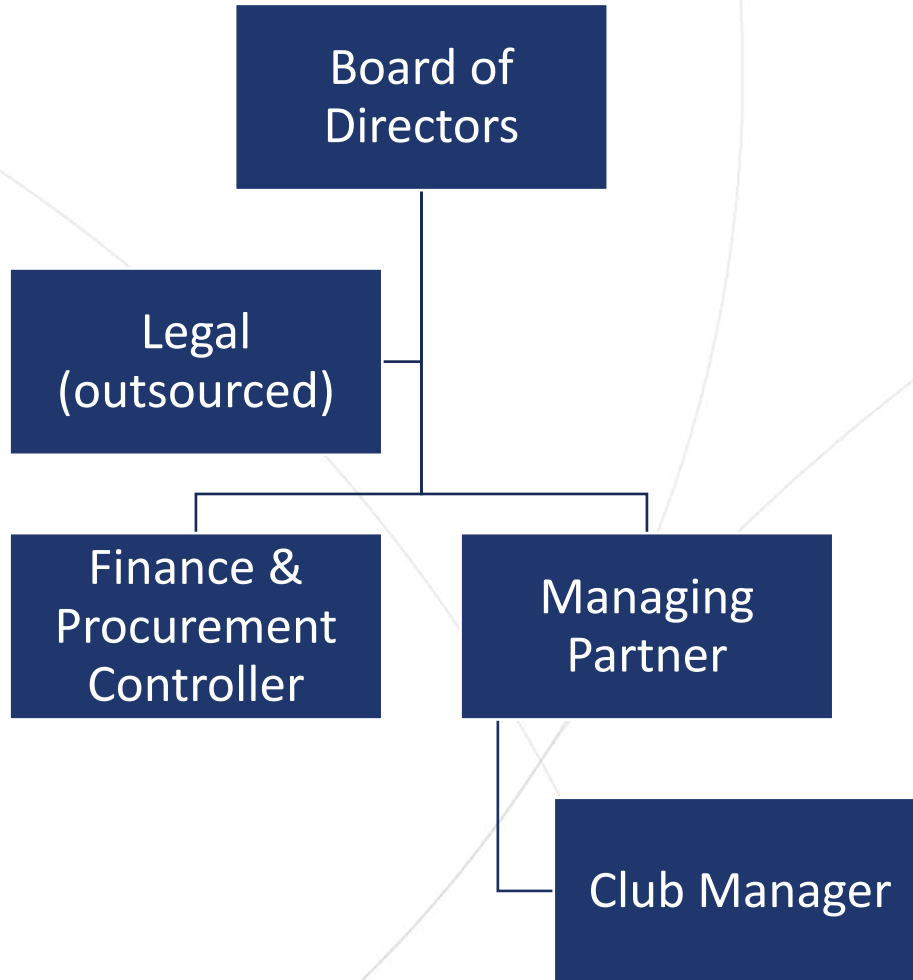


This is for a normal operation whereas in a tournament or championships the number of interns/temps on customer service will increase and also on Food & Beverage supervision along with Casual Ball Helpers.

# STRUCTURE



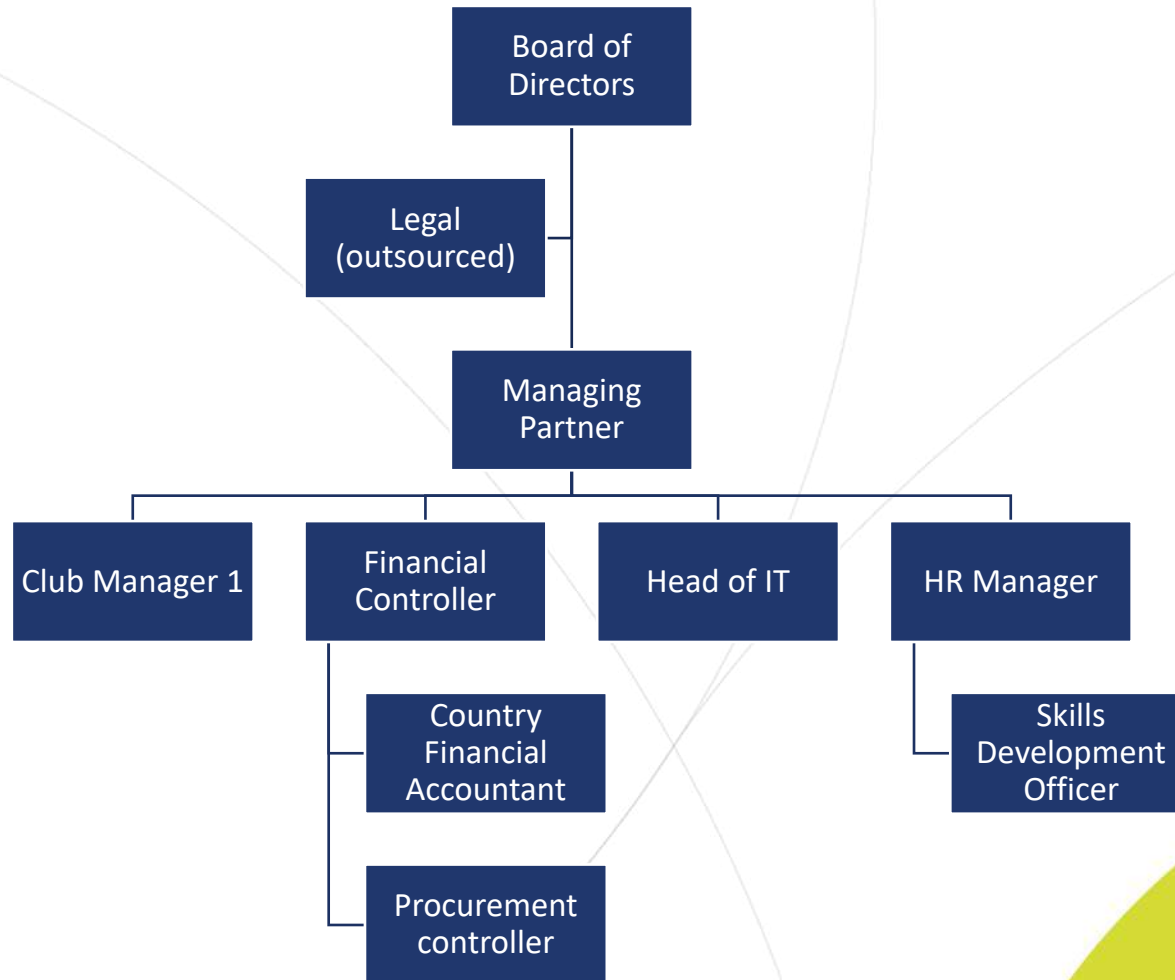
## INITIAL SENIOR MANAGEMENT



2 foreigner directly employed

# STRUCTURE

## MEDIUM TERM - SENIOR MANAGEMENT (+3 CLUBS)



3 foreigner directly employed

## 6. DEVELOPMENT VISUALS

DAR ES SALAAM (1) CLUB

# LAND DEMARCATION

C.12'000 SQM – MASAKI'S 1ST PADEL SPORTS AFRICA CLUB



# VOLUMETRY OF SPACES

ON C.12'000 SQM



# CLUB DESIGN CONCEPT



# CLUB DESIGN CONCEPT

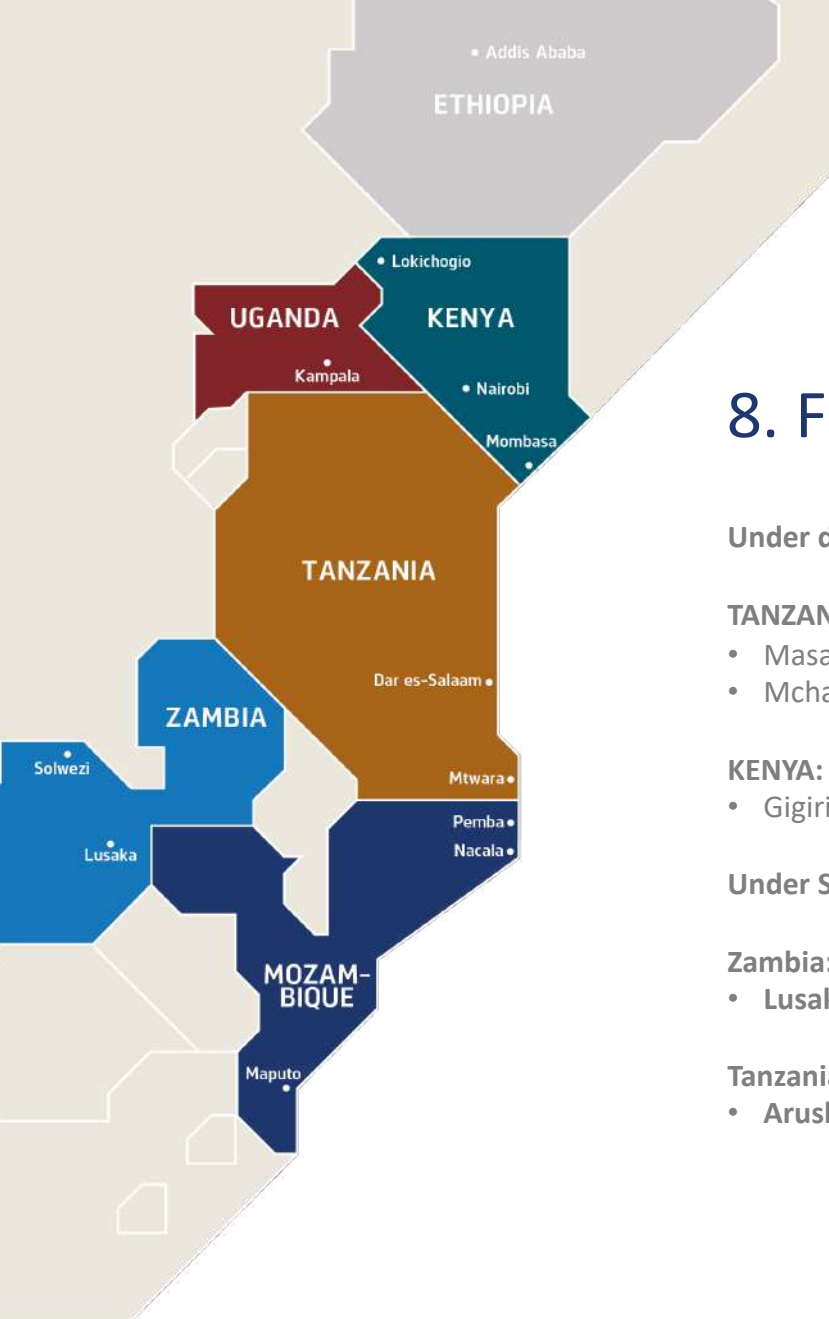


# CLUB DESIGN CONCEPT



# CLUB DESIGN CONCEPT





## 8. FUTURE DEVELOPMENTS

### Under development

#### TANZANIA:

- Masaki, Dar es Salaam
- Mchamba Wima, Zanzibar

#### KENYA:

- Gigiri, Nairobi

### Under Selection:

#### Zambia:

- Lusaka

#### Tanzania:

- Arusha

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