

ELOTOTO TANZANIA LIMITED
TOUR OPERATION BUSINESS AND DEVELOPMENT PLAN

Prepared on 08th September 2024

© Elototo Tanzania Limited, 2024.

TABLE OF CONTENTS

1. ABOUT US.....	3
2. VISION STATEMENT.....	3
3. MISSION STATEMENT.....	3
4. PRODUCTS AND SERVICES.....	3
5. ORGANISATION STRUCTURE.....	4
6. INVESTMENT IN THE COMPANY.....	4
7. PROJECT CAPACITY.....	5
8. PROJECT TIMELINE.....	6
9. STRATEGIC ADVANTAGE.....	6
10. RISK ANALYSIS.....	7
11. PROJECT FINANCIAL OUTLOOK.....	8
12. PROJECT BENEFITS TO TANZANIA.....	10
13. CONCLUSION.....	11

1. ABOUT US

Elototo Tanzania Limited was incorporated in Tanzania as a limited liability company in 2023. The shareholders and directors are Shabaan Nsato Marijani, Guillem Gomis Oliveres, Omar Mohammed Aljuhani and Daphne Antonia Maria Schreur who are seasoned travelers within East and Southern Africa.

The intention behind formation of the company was to create a foot-hold within the tour operator market so as to tap into a sector of tourism which had shown remarkable growth in the pre-covid era.

The company intends to leverage the unique and complimentary skills, knowledge and experience and connections of the founders to provide unique, once in a lifetime experience in Tanzania and Eastern and Southern Africa at large.

2. VISION STATEMENT

Our vision is to use our experience, connections and partnerships which we have built in and around the travel destinations in the 10 years of experience in the world of safaris, to help our clients experience Tanzania through a transformative, once in a lifetime experience.

3. MISSION STATEMENT

Our experiences are tailored to be conscious to our social impact by having live experiences with the local people in a genuine way, providing direct income for their own benefit; We ensure our trips are environmentally conscious by design, each trip contributes towards conservation projects, making your carbon footprint neutralized. Lastly our experiences are tailored to encourage our client's curiosity during the trip with our Safari Talks to provide context to what is being experienced.

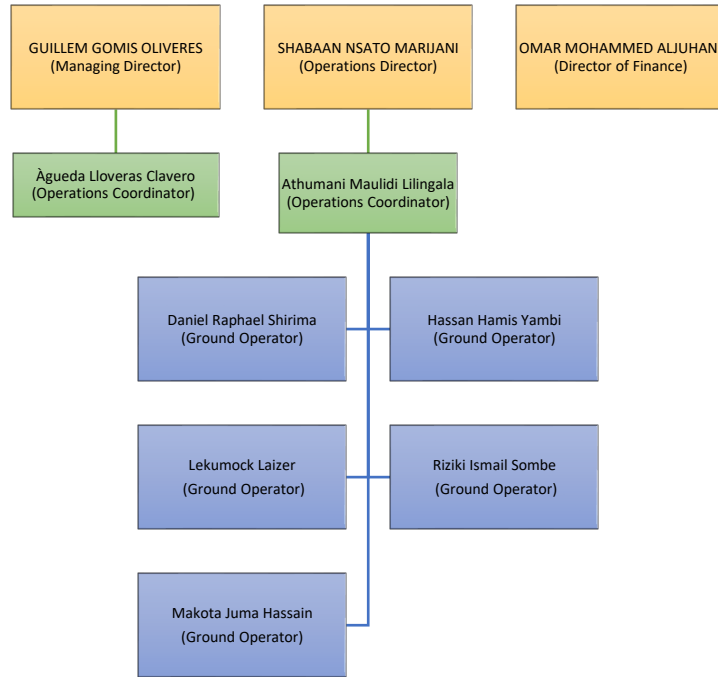
4. PRODUCTS AND SERVICES

Elototo Tanzania Limited is a modern tour operator offering tailor made travel experiences within the United Republic of Tanzania. The company currently offers uniquely tailor-made lifetime experiences such as:

- Multi-day Tours
- Safaris
- Hiking & Camping Tours
- Private Tours

The company currently offers once in a lifetime experience within the Kilimanjaro-Arusha Tourism corridor, with plans to expand to other locations within the United Republic of Tanzania and other locations within Southern Africa.

5. ORGANISATION STRUCTURE



6. INVESTMENT IN THE COMPANY

The company was initially funded through financing from Watatu Travel SL, as illustrated in the table (a) below, further funding shall be through loans from financial institutions as per table (b).

Loan from Watatu Travel SL

<i>NAME</i>	<i>AMOUNT (USD)</i>
Loan Amount	203,813
Repayment Period	10
Interest Rate	12%
Grace Period	3 years

Financing From Financial Institutions

The company has secured a Vehicle Asset Financing (VAF) Loan from CRDB Bank PLC in order to purchase 5 extra 4x4 Toyota Land Cruiser closed top tour cars as per the terms hereunder;

Details of Approved financing from CRDB Bank PLC

NAME OF BORROWER:	ELOTOTO (T) LTD
APPROVED LOAN BALANCE	\$451,275.20
NUMBER OF PAYMENTS PER YEAR	12
GRACE PERIOD (MONTHS)	0
GRACE PERIOD INTEREST CAPITALIZED	0
LOAN AMOUNT + GPI CAPITALIZED	\$451,275
REPAYMENT PERIOD IN YEARS	5
INTEREST RATE (%)	12.5
INSTALLMENT FACTOR	0.022498
INSTALLMENT AMOUNT	\$10,152.76

7. PROJECT CAPACITY

The company currently owns and operates three (3) 4x4 Toyota Land Cruiser closed top tour trucks, with each of these vehicles we are able to operate 4 trips per month, with each tour lasting a minimum of one week serving a minimum capacity of 3 passengers per group.

Therefore, currently the company, using its own assets has the capacity of running 12 tours per month, serving a minimum of 36 passengers per month. Thus, the company has a theoretical capacity of 132 tours per year, serving a minimum of 396 passengers.

Between March 2023 when the company began operations and March 2024, the company has already served 192 clients and has seen exponential growth in the demand for our services. To navigate and capitalize on this, the company initially outsourced ground operations to other tour operators in Arusha as a stop-gap measure.

For a more permanent solution, we have sought and secured funding from CRDB Bank PLC to purchase 5 extra 4x4 tour cars. These will increase the capacity of the company to up to a minimum of 32 tours per month, serving a minimum of 96 passengers per month; giving us a theoretical annual capacity of 352 tours, serving a minimum of 1056 passengers per year and comfortably making us as one of the largest tour operators in the Arusha-Kilimanjaro tourism corridor.

8. PROJECT TIMELINE

<i>SN</i>	<i>ACTIVITY</i>	<i>TIMELINE</i>
1.	Company Incorporation	March 2023
2.	Acquisition of Funding	April 2023
3.	Acquisition of relevant Licenses	April-May 2023
4.	Commencement of Operations	May 2023
5.	Acquisition of second round of funding	September 2024
6.	Acquisition of 5 4x4 Toyota Land Cruisers	September 2024
7.	Expansion of Operations	October 2024

9. STRATEGIC ADVANTAGE

The company holds as its key strategic advantage its connection with the Catalonia autonomous region of Spain. Being one of, if not the only tour operator that caters to Catalonian and Spanish client base. Unlike other tour operators which caters to British and American client-base, our company is uniquely position to appeal to Catalonian and Spanish client base.

The company has native and near native Catalonian and Spanish speaking employees across the board, and specifically caters its experience and markets to the significant Catalonian and Spanish speaking segments to the point that it operates a near monopoly in this area.

Catalonia is important to our company because it is a highly industrialized region, the nominal GDP of Catalonia in 2018 was €228 billion (second after the community of Madrid, €230 billion) and the per capita GDP was €30,426 (\$32,888), behind Madrid (€35,041), the Basque Country (€33,223), and Navarre (€31,389).

The region also boasts a population of 8,016,606 as of 2023, The city of Barcelona occupies the eighth position as one of the world's best cities to live, work, research and visit in 2021, according to the report *The World's Best Cities 2021*, prepared by Resonance Consultancy;

The city also one of the European bases of "reference for start-ups" and the fifth city in the world to establish one of these companies, behind London, Berlin, Paris and Amsterdam, according to the Eu-Starts-Up 2020.

This means that as a company we have a large yet untouched, wealthy, metropolitan, industrialized area to draw upon by marketing to and tailoring experiences toward them, taking into account the specific socio-cultural elements associated with the Catalonian language and identity.

Having this proven business strategy means that the company can explore and expand towards other under-addressed cultural identities within Spain such as Basque, Navarre and Andalusia before expanding to the entirety of Spain and eventually the entire Latin/Spanish speaking community worldwide. Suffice to say, the capacity for grow still remains very attractive.

10. RISK ANALYSIS

RISK	DESCRIPTION	LEVEL	MITIGATION
STRATEGIC	-Increase of Competition -Saturation of the market -Change in Client preference	Medium	-Expansion to other Niches -Diversification of Experiences -Anticipation of changes in tastes
FINANCIAL	-Debt Management -Cash flow management	High	-Robust financial discipline -Keeping financial and debt ratios in check through constant monitoring and evaluation
COMPLIANCE	-Bureaucracy -Changes in Legislation and Rules -Changes in Policies	Medium	-Robust corporate compliance structure -Keeping abreast of developments in legislation, rules. -Engaging stakeholders on policy issues.
OPERATIONAL	-Seasonal flow of visitors -Fleet Management -Employment relations	Medium	-Effective Planning -Robust fleet management practices -Effective employment and labour relation policies
REPUTATIONAL	-Competition -Poor reviews	Low	-Robust customer care policy and practice -Differentiation and agility in positioning

11. PROJECT FINANCIAL OUTLOOK

The company has been active and operational on the ground since March of 2023 and to that effect it has acquired a realistic outlook of the financial landscape, a realistic look on the cash flow and route towards growth, sustainability and profitability. Below is a snapshot of its audited financial statements for the year ended 31st December, 2023.

Table A: Consolidated Statements of Profit and Loss for the year ended December, 2023

SN	Description	Amount in TZS
Income		
1	Turnover	175,709,104.00
2	Direct Costs	190,754,462.47
3	Gross Profit (Loss)	(15,045,358.47)
Expenses		
1	Professional/Consultancy fees	5,824,436.00
2	Salaries and wages	25,928,411.00
3	Technical fees	1,529,572.00
4	Repairs and maintenance	896,000.00
5	Advertising and promotion	2,832,000.00
6	Transport and handling charges	66,500.00
7	Depreciation	17,595,956.00
8	Operating lease rentals	1,798,000.00
9	Other expenses	5,664,553.00
	Total Expenses	62,135,428.00
	Profit/Loss before Interest and Tax	TZS (77,180,786.47)

Table B: Consolidated Statement of Financial Position for the period ended 31st December, 2023

SN	Description	Amount in TZS
Assets		
1	Property, Plant and Equipment	244,404,179.00
2	Trade and Other receivables	33,974,789.00
	Total Non-Current Assets	278,378,968.00
3	Tax receivable	300,000.00
4	Cash and Bank balances	10,225,337.00
	Total Assets	288,904,305.00
Equity		
1	Share Capital	-
2	Retained Earnings	-77,180,787.00
	Total Equity	-77,180,787.00

Liabilities	
1	Loans and Borrowings 249,750,398.00
2	Trade and other payables 38,539,568.00
3	Other Current Liabilities 77,795,126.00
	Total Liabilities 366,085,092.00
	Total Equity and Liabilities TZS 288,904,305.00

On the basis of the foregoing financial statements as a company we are confident in extrapolating financial projections for the upcoming 5 years as per the tables below;

Table C: Projected Profit and Loss Statements 2024-2028

Item	Year				
	2023	2024	2025	2026	2027
Revenue (TZS)	175,709,104	291,677,112	379,180,246	473,975,308	592,469,135
Operating Expenses (TZS)	252,889,890	366,690,340	440,028,408	440,028,408	440,028,408
Profit before depreciation and interest (TZS)	- 77,180,786	-75,013,227	- 60,848,162	33,946,899	152,440,726
Accumulated Depreciation (TZS)	17,595,956	26,393,934	34,312,114	44,605,748	57,987,473.
Net Profit (TZS)	- 94,776,742	-101,407,161	-95,160,276	-10,658,849	94,453,253
Tax (30%) (TZS)	- 28,433,022	-30,422,148	-28,548,082	-3,197,654	28,335,976
Profit after Tax (TZS)	- 66,343,719	-70,985,013	-66,612,193	-7,461,194	66,117,277
Accumulated profit (TZS)	0	0	0	0	66,117,277

Table D: Projected Cashflow Statements 2024-2028

Sources (TZS)	Years				
	2023	2024	2025	2026	2027
Profit before interest and depreciation	- 77,180,786	-75,013,227	-60,848,162	33,946,899	152,440,726
Loans	249,750,398	1,470,054,320	1,719,804,718	1,449,761,518	1,179,718,318
Equity	0	0	0	0	66,117,277.42
Total Sources	172,569,612	1,395,041,092	1,658,956,555	1,483,708,417	1,398,276,321
Applications					
Capital Expenditure	252,889,890	366,690,340	440,028,408	440,028,408	440,028,408
Working Capital	167,840,901	366,690,340	440,028,408	440,028,408	440,028,408
Tax	0	0	0	0	28,335,976
Total Applications	420,730,791	733,380,680	880,056,817	880,056,817	908,392,793

12. PROJECT BENEFITS TO TANZANIA

The operations of the company in implementing this project offers several benefits to the economy of the United Republic of Tanzania as further explored below;

Contribution to the Foreign Currency Reserves

As the primary source of our clients are foreigners coming to experience tourism in Tanzania, all the income generated comes in the form of United States Dollars, our latest audited financial statements, covering the period ending December, 2023 indicate that already USD 64,670 has been brought in by way of sales alone.

This is on top of USD 203,813 which was injected as capital investment in the business. Our records further indicate a sum of USD 19,607 which have been spent as park fees, license and permit fees to the Ministry of Tourism. Given the fact that our business has grown exponentially in this period, we expect the same figures to grow tenfold in the coming years.

Local Employment Creation

The company currently employs 7 Tanzanian citizens in various roles, primarily as tour guides and ground operators, financial statements ending December, 2023 indicate that a sum of TZS 25,928,411.00 has been spent towards salaries and wages for local employees this number is expected to grow significantly from 2024 onwards, as more employees are will be brought in to manage the growing company.

Contribution towards Tax Collection to the Government

The company though its activities contribute and is expected to continue to significantly contribute towards the government's revenue collection through both direct and indirect taxes.

For instance, our records indicates that up to December, 2023 the company has paid VAT on goods and services procured in Tanzania to the tune of TZS 29,000,000 this amount will continue to grow significantly as the demand for our services continue to grow.

Contribution towards Local Communities

A central component of our tours and trips involves integration of local communities, this is to ensure that they also get an opportunity to participate in and benefit from the global tourism industry and to ensure that these communities derive financial benefits from being the stewards and guardians of these natural resources.

Promoting Tanzania as a Premier Tourism Destination

Elototo Tanzania Limited, through its strategic partnerships with Watatu Travel SL and With Travel, its close connection with the Catalan community as well as the Spanish community at large aims to raise the profile of Tanzania and all the opportunities for fantastic experiences.

We intend to achieve this by way of referrals and targeted advertisement particularly to niche and underserved areas of which is the focus of services. This will undoubtedly raise the profile of tourism in Tanzania which will ultimately add to the revenue generated as a result.

13. CONCLUSION

On the basis of the strategic, fiscal and economic outlook of the project as discussed above, we as a company are of the opinion that the project being undertaken present unique advantages to a wide spectrum of stakeholders in the tourism industry in Tanzania. We therefore are of the opinion that the project at hand meets the financial, strategic and economic conditions to seek and obtain government support and facilitation via TIC where possible.



.....
Shabaan. N. Marijani, Director,
Elototo Tanzania Limited

