

Annexure 2

TANZANIA INVESTMENT CENTRE DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. **Planned Activities for the period** – Setup a customer facing Craft Brewery with an integrated “tasting room” and restaurant to create a fully immersive beer tasting/learning experience.
2. **Achievements made on the project implementation to date:** Project completed and began operations in Feb 2021. Since then, awarded FIVE medals at African Beer Cup (Africa's largest beer competition) since launch date. Participated in lengthy Technical Committee meetings with TBS (over two years, 2020-2022), and successfully introduced a brand new standard specifications for “CRAFT BEER TZS 3067:2022”. A 500% increase in tax revenue since prior years. Successfully trained Tanzania's first FEMALE craft brewer (a skill that did not exist in Tanzania, and was trained under South African expatriate expertise).

(i.e. from the date the project was approved to the date of writing the report)

Describe the status of activities that have already been undertaken e.g. construction of buildings, acquisition of supplies, installation of equipment, etc. All of the above, including importation and setup of plant and machinery

3. Provide updated information on the following aspects;

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Chintu Patel & Palak Patel (spouse) (UK citizens, TZ Resident 15+ years) 60% Bjoern Graser (German) 20% Mario Delicio (German) 20%
2.	Company Communication Information	Email address	cheers@craftydees.com
		Mobile Number	+255 774 144 144
		Land Line Telephone Number	N/A
		Physical Address (Plot No., Block No, Street, District and Region)	Office: 1979 Chaza Lane, Oysterbay Project: 1829/12 Chole Road, Masaki

3.	Contact Person	Name	Chintu Patel
		Position	Founder & MD
		Communication Details (Email, Mobile and telephone)	Listed above
4.	Incorporation	Certificate of Incorporation No.	128156
5.	TIN information	TIN Certificate No.	131-940-505
6.	Project Objective	Project Core Activity	Producing Craft Beer
7.	Capacity	Project Capacity per Year	40,000 – 60,000L per annum
8.	Direct Employment	Foreign-Men	0
		Foreign-Women	0
		Local-Men	10
		Local-Women	8
9.	Indirect employment	Estimated Total No.	4
		Type/areas of Indirect Employment	Security, Staff Food

4. Project Financial Expenditure todate (USD):

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings		\$70,000	70,000
Plant and machinery	\$270,000	\$50,000	300,000
Vehicles/Aircrafts		\$35,000	
Furniture		\$20,000	20,000
Office equipment			
Insurance Cover			
Pre-operational expenses		\$30,000	30,000
Working sub-total capital		\$50,000	20,000
GRAND TOTAL	\$270,000	\$255,000	\$525,000

5. Project Financing

Explain how the project is being financed e.g. equity, loans, sources of loans, conditions, etc. See table below. All

	Amount (USD)	Source Country
Local Equity	\$255,000	Tanzania
Local Loans	N/A	
Foreign Equity	\$270,000	Germany
Foreign Loans	N/A	
Total Investment	\$525,000	

6. Problems and Solution

Explain problems, which the management is encountering in executing the project and the steps being taken to solve them.

We have encountered numerous challenges, some of which were highlighted in our previous submission of the progress report May 2021. No comments since.

We wish to meet with senior TIC officers to discuss in detail and close a long standing issue regarding project location which has remained unresolved since Aug 2021. Since there has been no communication regarding the subject, and we have remained quiet as well. This issue can single handedly result in a sudden and catastrophic failure of the project hence we patiently wait for this meeting in hope to permanently resolve the matter and reinstate our investors' confidence.

7. Future Plans

Explain future plans for the next coming six months and planned financial Commitments

We are watching the uptake of our product, and have entered various international beer competitions to prove that we are making world-class beer. We are currently only at 25% of our capacity utilization as Craft Beer is a niche product and appeals to a very small fraction of the premium beverage segment. A lot still needs to be done to create awareness and educate the consumers on the unique selling proposition of our product. We have pre-ordered a small packaging system which will enable us to put our beverage into retail sized packaging, in hope to increase the plant utilization, revenue, which ultimately results in higher tax collections. We are also looking into diversifying our product mix, by potentially introducing an Apple Cider, or another flavored alcoholic or non-alcoholic drink which can appeal to the broader audience, all in hope of getting better plant utilization.

8. Recommendations and any other comments

No comments as all concerns highlighted in previous progress report.