

HEDONIST MAFIA ISLAND COMPANY LIMITED

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MAFIA, PWANI

BUSINESS PLAN

Presented To:

TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES AUTHORITY,

P O BOX 938,

DAR ES SALAAM.

PREPARED BY:

HEDONIST MAFIA ISLAND COMPANY LIMITED

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@SEPTEMBER 2025

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This profile is strictly for information only and projections in the pre-feasibility study report have been compiled by the consultant with the close cooperation of the Promoters of the Business, the **HEDONIST MAFIA ISLAND COMPANY LIMITED** and Sector Experts for illustrative purposes and do not constitute actual forecasts

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1.0 EXECUTIVE SUMMARY

COMPANY & PROJECT CONCEPT:

HEDONIST MAFIA ISLAND COMPANY LIMITED is a limited Company incorporated in Tanzania under the Companies Act of 2002. The Company was incorporated 5th August 2025 and bears Certificate of Incorporation 187654416. The company implements a project which is under the tourism sector

HEDONIST MAFIA ISLAND COMPANY LIMITED, a boutique eco-luxury resort integrating wellness, adventure tourism, and sustainability. The resort will attract mid- to high-end tourists through its unique spa facilities, water sports, eco-conscious design, and exclusive jetty access.

HEDONIST MAFIA ISLAND COMPANY LIMITED will be located at PWANI Region, Mafia District, Kilindoni

Company Goals and Objectives:

In Summary, **HEDONIST MAFIA ISLAND COMPANY LIMITED** aims to;

- (a) To operate and manage hotels and other accommodation activities, other reservation service and related activities, motels, restaurants and mobile food service activities, other food service activities, spas, parlours, saunas, cafes, hostels, guest houses, motels, safari and holiday camps, events venues, apartments, coffee shops, tea rooms, snack bars, taverns, beer and liquor stores, beverage serving activities, holiday camps, refreshment rooms in any forms that will seem necessary and beneficial to the company.
- (b) To run the business of construction of buildings, other construction installations, specialized construction activities.
- (c) To construct, purchase or otherwise acquire real or personal property of all kinds and in particular land, buildings, machinery, plant, stores, patents, licenses, concessions, rights of way, light or water, and any rights or privileges which it may seem convenient to obtain for the purposes of or in connection with the business of the company, and to manage, develop, sell, exchange, lease, mortgage, or otherwise deal with the whole or any part of such property or rights.
- (d) To apply for and acquire privileges, licenses, concessions, secret processes and the like which the Directors of the Company may deem to be advantageous for the business of the Company.

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- (e) To sell the undertaking and all or any of the property of the Company for cash or stock, shares or securities of any other company or person or for any other consideration
- (f) Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review the Company policy, allowing flexibility for local requirements

Purpose of Business Plan

This document is prepared to serve the purpose as a Pre-feasibility study report for HEDONIST MAFIA ISLAND COMPANY LIMITED for investment in Tourism found in Mafia. But also, the Pre-feasibility study report shall be submitted to TISEZA for an award of Certificate of Incentives. The implementation of this project will compromise the following activities:

- Construction of a warehouse building which will accommodate the Installation of Machines and Equipment for this project.
- Procurements of Machinery and Equipment's for this project.
- Equipping the project with all necessary modern furniture and facilities

The project will be managed and operated by **HEDONIST MAFIA ISLAND COMPANY LIMITED** is owned by a UKRANIAN members from UKRAINE with the following share distribution

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
ARTUR DEMTSOV	UKRANIAN	90%
ANDRII DEMTSOV	UKRANIAN	5%
MARIANA DEMTSOVA	UKRANIAN	5%

Company Legality, the legal certificates and documents such as Memorandum and Articles of Association, certificate of incorporation, Tax Identification Number. Justify that **HEDONIST MAFIA ISLAND COMPANY LIMITED** is operating within the ambit of the law of the Land

Project Organization Structure, the management of **HEDONIST MAFIA ISLAND COMPANY LIMITED** constituted by the following organization set up: - Board of Directors, General Manager who is responsible on the supervision of the entire operations of the Company, a company accountant, a Production Manager who will

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be directly responsible for all matters pertaining operation of the company as stipulated in MEMARTS.

Investment Structure, the project is estimated to cost **Tsh 1,300,000,000/=** , the money covers building structures but also allocated fund include investment in, building structure, Machineries and Equipment, furniture and fittings, pre expenses and working Capital. The equity contributed by the shareholders is **Tsh 1,300,000,000/=** equivalent to 100%. However, a financial policy of the Company state that the profits generated will be re-invested. Forecasted financial Information, the Financial information of **HEDONIST MAFIA ISLAND COMPANY LIMITED** is projected within five years. The company projected profit and Loss, account shows a respectable turnover

2.0 STATEMENT OF PURPOSE

This Profile is drawn for the purpose of seeking a CERTIFICATE OF INCENTIVES from the TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES AUTHORITY (TISEZA), and pre –feasibility study report for Tourism in Mafia.

2.1 PURPOSE OF INVESTMENT

This document is prepared to the serve the purpose as a feasibility study for **HEDONIST MAFIA ISLAND COMPANY LIMITED** for the establishment of Hotels, tours and camps and MAFIA - PWANI. The implementation of the project will compromise of the following

- Attract investors and partners.
- Secure approvals and incentives from TANZANIA INVESTMENT AND SPECIAL ECONOMIC ZONES AUTHORITY (TISEZA)
- Outline financial sustainability and growth roadmap

2.2 INVESTMENT FINANCING PLAN

The company expect to invest **Tsh 1,300,000,000/=** from shareholders' funds. Profits generated from business operation will be re-invested and being used as company directs otherwise complying with the laws and regulation governing the investments. Table below show the assumptions how the investment financing plan will look like.

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TABLE 1

FINANCING

Financing	TSH
Long-term liabilities	
Long-term Equity	1,000,000,000
Owner's equity	
Cash	300,000,000
Contributed asset value	
Total	1,300,000,000

TABLE 2

INVESTMENT BREAKDOWN

COST INVESTMENT STRUCTURE	TSH
Current assets	
Working capital	400,000,000
Property and equipment	
Land	600,000,000
Building	-
Equipment	-
Furniture and fixtures	200,000,000
Leasehold improvements	-
Plant	-
Motor Vehicles	-
Other	100,000,000
Total	1,300,000,000

2.3 SUMMARY OF THE EXPECTED RESULTS

At the end, the project is expected to achieve the following:

- Provide opportunities in tourism
- Import modern machines for the purpose of construction of infrastructures which contribute in advancing of new technology in Tanzania
- Increase 100 direct employment opportunities.
- Direct Domestic investment of more than Tsh 2,000,000,000 within 2023 - 2028.
- Increase tax contribution to the government
- Generate foreign currency

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3. BUSINESS DESCRIPTION

HEDONIST MAFIA ISLAND COMPANY LIMITED is a limited Company incorporated in Tanzania under the Companies Act of 2002. The Company was incorporated 5th August 2025 and bears Certificate of Incorporation **187654416**. The company implements a project which is under the Tourism sector.

3.1 LEGAL STATUS

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and Value Added Tax certificates justify that **HEDONIST MAFIA ISLAND COMPANY LIMITED** is operating within the ambit of the law of the Land.

3.2 MISSION AND VISION

Mission of Hedonist Mafia Island Company Limited

- To deliver world-class hospitality and travel experiences that showcase Tanzania's natural beauty, wildlife, and cultural heritage.
- To promote **sustainable tourism** by protecting the environment, preserving local cultures, and ensuring long-term benefits for host communities.
- To provide safe, reliable, and memorable services that exceed customer expectations while contributing to the country's economic growth.

Vision (Hedonist Mafia Island Company Limited)

- To become **Mafia Island's most iconic eco-resort**, known for redefining the balance between luxury, wellness, and sustainability.
- To be a **global benchmark** in adventure and wellness tourism in East Africa, attracting discerning travellers from around the world.
- To inspire a model of **responsible tourism** that preserves the island's natural beauty, uplifts local communities, and sets new standards for eco-conscious travel.

3.3 PROJECT PROMOTERS

The project will be managed and operated by **HEDONIST MAFIA ISLAND COMPANY LIMITED**. It is owned by UKRANIAN members from UKRAINE with the following share distribution:

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NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
ARTUR DEMTSOV	UKRANIAN	90%
ANDRII DEMTSOV	UKRANIAN	5%
MARIANA DEMTSOVA	UKRANIAN	5%

3.4 OPERATIONS

The project will be managed and operated by **HEDONIST MAFIA ISLAND COMPANY LIMITED**. The Company is finalising the acquisition of operational permits and Tax exemption clearance for machinery and equipment to commence the project implementation. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

3.5 PROJECT LOCATION

The project shall be implemented at constructing hotels and camps, an administration block which will be very spacious to accommodate a project of this nature. The project shall be located at Pwani Region, Mafia District Council, Ward Kilindoni, Postal code 61701, Near Kileleni Hotel.

3.6 POSTAL ADDRESS

HEDONIST MAFIA ISLAND COMPANY LIMITED,

P. O. BOX. 85,

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TANZANIA

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5. TOURISM SECTOR

5.1 TOURISM INDUSTRY IN TANZANIA

Tourism is a vital component of Tanzania's economy, representing approximately 17% of its Gross Domestic Product (GDP) and ranking as the second-largest source of foreign exchange earnings, following the mining industry. The country is globally celebrated for its diverse wildlife safaris, which attract nature enthusiasts from around the world to its renowned national parks and game reserves, such as Serengeti National Park and Ngorongoro Crater. In addition to its rich fauna, Tanzania boasts stunning beaches, particularly on the islands of Zanzibar and Pemba, where visitors can experience vibrant culture, historical sites, and crystal-clear waters perfect for snorkeling and diving. The nation's cultural heritage is showcased through its various ethnic groups, traditional music, and festivals, offering travelers a unique and immersive experience. Furthermore, Tanzania's marine tourism, highlighted by the charming coral reefs of the Indian Ocean, continues to draw adventure seekers eager to explore underwater ecosystems.

Key Features

- **Wildlife Tourism:** Serengeti National Park, Ngorongoro Crater, and Mount Kilimanjaro, with over **25% of land under conservation**.
- **Coastal & Marine Tourism:** Zanzibar, Mafia, and Pemba Islands attract eco- and luxury travelers, especially divers and honeymooners.
- **Cultural Tourism:** Tanzania's **120+ ethnic groups** and growing community-based tourism initiatives showcase traditions, festivals, and crafts.
- **Adventure Tourism:** Hiking, trekking, diving, kitesurfing, and water sports are expanding niches.

5.2 IMPORTANCE OF TOURISM IN TANZANIA

- **Economic Contribution:** Provides ~17% of GDP and ~25% of foreign exchange earnings.
- **Employment:** Over **1.5 million jobs**, directly and indirectly.
- **Foreign Investment:** Entry of major international hotel brands and airlines.
- **Infrastructure Development:** Roads, airports, and utilities improved to support tourism.
- **Cultural Preservation:** Promotes safeguarding of traditions and heritage.

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- **Environmental Conservation:** Park fees and levies fund wildlife and marine ecosystem protection.

5.3 MAJOR CORPORATIONS & PLAYERS IN TANZANIA'S TOURISM INDUSTRY

- **Hotel & Resort Operators:** Serena Hotels, Hyatt Regency (Dar), Four Points by Sheraton (Arusha), Singita Grumeti Reserves, & Beyond.
- **Airlines & Transport:** Air Tanzania (national carrier), Precision Air, Coastal Aviation.
- **Tour & Safari Companies:** Tanganyika Wilderness Camps, Nomad Tanzania, Ranger Safaris, Leopard Tours.
- **Marine & Island Operators:** Mafia Island Lodge, Pole Pole Resort, Zanzibar Collection Hotels, Mnemba Island Lodge.
- **Government & Regulators:** Tanzania Tourist Board (TTB), Tanzania National Parks Authority (TANAPA), Tanzania Investment Centre (TIC), Ministry of Natural Resources & Tourism.

5.4 PROJECT JUSTIFICATION

a) Alignment with National Tourism Growth

The Government of Tanzania has prioritized **tourism diversification**, encouraging investment beyond traditional safari destinations such as Serengeti and Ngorongoro. Mafia Island, being less developed than Zanzibar, offers **untapped potential** for luxury and eco-conscious travelers. Establishing Hedonist Mafia Island Hotel supports the national agenda by:

- Expanding **coastal and marine tourism**.
- Promoting **eco-tourism and wellness travel**, a rapidly growing niche globally.
- Attracting **high-spending international tourists**, thereby increasing foreign exchange earnings.

b) Market Opportunity

- **Demand Growth:** The number of international arrivals to Tanzania has been rising steadily, with a strong increase in tourists seeking **exclusive, less crowded destinations**. Mafia Island offers a pristine alternative to Zanzibar.
- **Gap in Supply:** Existing Mafia Island facilities are mainly small-scale dive lodges, with **limited luxury offerings**. The proposed boutique resort fills this gap by combining **luxury accommodation, spa wellness, and adventure tourism**.

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- **Sustainability Demand:** Global travelers are increasingly prioritizing **eco-conscious stays**. By incorporating solar energy, bio-sewage treatment, and use of local materials, the project aligns with this market shift.

c) Economic Contribution

- **Job Creation:** Stage 1 employs **25+ staff**, increasing to **35+** at Stage 2, plus indirect jobs in transport, supply chains, and excursions.
- **Local Development:** Sourcing food, crafts, and services from Mafia Island residents will stimulate **community income**.
- **Foreign Exchange:** Luxury tourists (spending an average of \$150–300/day) contribute significantly to foreign exchange inflows.
- **Infrastructure Spillovers:** The construction of roads, jetty, and utilities for the resort will also benefit local communities.

d) Sustainability & Environmental Justification

- Use of **solar power** and **water desalination** reduces reliance on fossil fuels and enhances resilience.
- **Eco-sewage systems** safeguard Mafia Island's fragile marine ecosystem.
- **Community partnerships** ensure the project enhances, rather than disrupts, local culture and environment.

e) Financial Justification

- **Strong Profitability:** Projected net profit of **TZS 1.89 billion by Year 5** with reinvestment strategy that ensures organic growth.
- **Payback Period:** 3–4 years post-Stage 1 completion.
- **Scalable Model:** Stage 2 expansion will be financed by profits, reducing dependency on debt.

The project is justified on **economic, environmental, and strategic grounds**. It addresses a market gap, aligns with Tanzania's tourism development goals, generates sustainable profits, and uplifts the Mafia Island community while protecting its unique natural heritage.

6.0 MANAGEMENT AND ADMINISTRATION

6.1 MANAGEMENT

The management team of **HEDONIST MAFIA ISLAND COMPANY LIMITED** is planned to be constituted by the following members

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6.1.1 ***Board of Directors***

HEDONIST MAFIA ISLAND COMPANY LIMITED will be managed by the board of Directors which is the apex body for strategic decision making of the project. Directors of the Company are the ones who having shares in **HEDONIST MAFIA ISLAND COMPANY LIMITED** , The Company which shall manage this project.

6.1.2 General Manager

Immediate after Board of Director the shall be a General Manager who will be responsible to take care of mater pertaining operation and managing daily activities of the project as well as other staffs welfares and report them to the board of directors

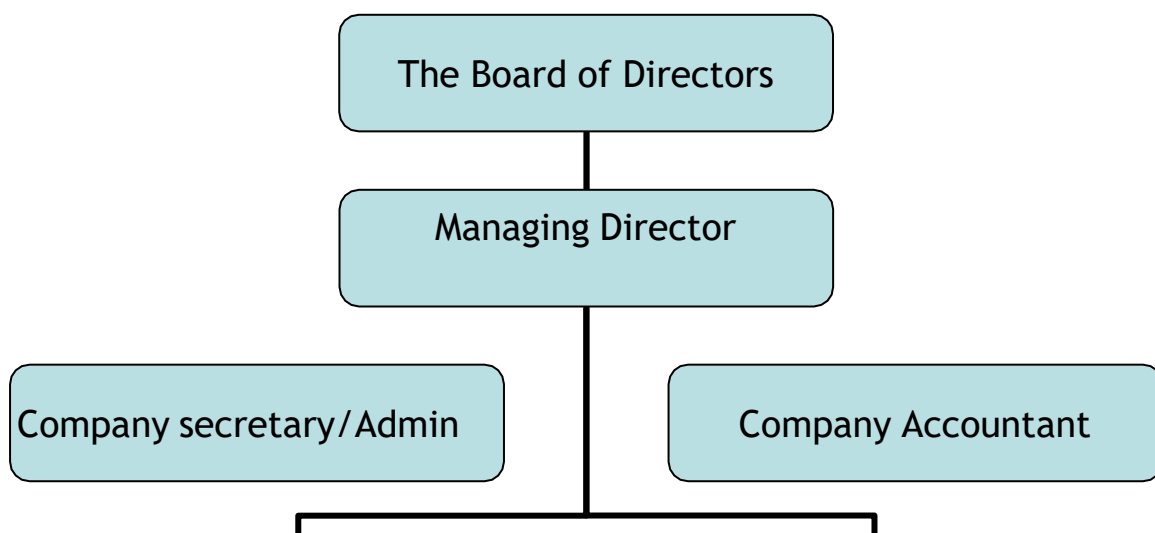
6.1.3 Accountant

An accountant will be employed who expected to have good experience in accounting system as well as he will be responsible in managing cash of **HEDONIST MAFIA ISLAND COMPANY LIMITED** but also keeping books of accounts properly

6.1.4 Confidential Agreements

HEDONIST MAFIA ISLAND COMPANY LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our products, operating systems, policies and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

6.1.5 Organisational Structure



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	Pre-Startup EST	2025	2026	2027	2028	2029	Total
Cash on Hand (beginning of month)	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 4,924,000	\$ 11,164,000
CASH RECEIPTS							
Cash Sales			\$ -	\$ -	\$ -	\$ 1,210,000	\$ 1,210,000
Collections fm CR accounts		\$ -	\$ -	\$ -	\$ -	\$ 532,400	\$ 532,400
Estimated Capital for startup	\$ 500,000		\$ -	\$ -	\$ -	\$ -	\$ 500,000
Loan							\$ -
TOTAL CASH RECEIPTS	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ 1,742,400	\$ 6,666,400
Total Cash Available (before cash out)	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 6,666,400	\$ 17,830,400
CASH PAID OUT							
Purchases other fixed		\$ -	\$ 7,200	\$ 7,920	\$ 8,712	\$ 9,583	\$ 33,415
Purchases vehicles		\$ 80,000	\$ -	\$ 41,000	\$ -	\$ -	\$ 121,000
Gross wages (exact withdrawal)		\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 255,000
Payroll expenses (taxes,		\$ 4,500	\$ 20,400	\$ 20,400	\$ 20,400	\$ 20,400	\$ 86,100
Supplies (office & oper.)		\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464	\$ 6,105
Repairs & maintenance		\$ 1,250	\$ 1,375	\$ 1,513	\$ 1,664	\$ 1,830	\$ 7,631
Advertising		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Car, delivery & travel		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,635	\$ 10,989
Accounting & legal		\$ 4,500	\$ 4,950	\$ 5,445	\$ 5,990	\$ 6,588	\$ 27,473
Rent		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Telephone & internet		\$ 120	\$ 132	\$ 145	\$ 160	\$ 176	\$ 733
Utilities		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Insurance		\$ 21,200	\$ 21,412	\$ 21,626	\$ 21,842	\$ 22,061	\$ 108,141
Taxes (real estate, etc.)		\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 1,200
Interest		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Miscellaneous		\$ 200	\$ 220	\$ 242	\$ 266	\$ 293	\$ 1,221
SUBTOTAL	\$ -	\$ 241,110	\$ 230,339	\$ 273,282	\$ 234,400	\$ 236,710	\$ 1,215,840
Loan principal payment		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,431,681
Capital purchase (land)		\$ 100,000					\$ 4,829,946
Capital purchase (excavators)		\$ -	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ 9,538,892
Owners' Withdrawal			\$ -	\$ -	\$ 10,000,000	\$ 12,500,000	\$ 18,736,684
TOTAL CASH PAID OUT	\$ -	\$ 1,091,110	\$ 1,980,339	\$ 1,123,282	\$ 10,984,400	\$ 13,486,710	\$ 36,753,042
Cash Position (end of month)	\$ 500,000	\$ (591,110)	\$ (80,339)	\$ 2,216,718	\$ (6,060,400)	\$ (6,820,310)	\$ (18,922,642)

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