

MASTERCOOL INDUSTRIES LIMITED

BUSINESS PLAN FOR NEXT FIVE YEARS TO 2030

Project Type: Industrial and Commercial Warehouses & Factories for Lease

Location: Plot no P35218, Kisarawe II, Kigamboni District, Dar es Salaam, Tanzania

Capital Investment: USD 5,000,000

Prepared by: MASTERCOOL INDUSTRIES LIMITED

Date: October 2025

1. EXECUTIVE SUMMARY

Business Overview

Mastercool Industries Limited was founded in 2015 and quickly vested itself as a well trusted Tanzanian cable production and Real Estate Development.

MASTERCOOL INDUSTRIES LIMITED is a Tanzanian-registered real estate development firm specializing in the construction, leasing, and management of modern industrial and commercial warehouses and factory spaces.

The company will develop a high-quality industrial park strategically located at Plot no P35218, Kisarawe II, Kigamboni District, Dar es Salaam, Tanzania major logistics corridors to serve manufacturers, importers, exporters, and logistics firms.

With a **USD 5 million capital investment**, the project will develop approximately **68,550 square meters** of leasable industrial space over five years. MASTERCOOL aims to meet Tanzania's growing demand for well-planned, secure, and serviced industrial properties that support light manufacturing, distribution, and trade.

Project Concept

The project involves acquiring and development of 68,500 square meter of land at Plot no P35218, Kisarawe II, Kigamboni District, Dar es Salaam, Tanzania.

Company intend to develop modern warehouse clusters and factory shells, and leasing them to medium and large enterprises. The focus will be on build-to-lease rather than build-to-sell, generating long-term recurring income and asset appreciation.

Strategic Objective

To become one of Tanzania's leading industrial property developers, known for reliability, modern facilities, and sustainable returns.

Financial Highlights (USD)

| Item | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------------|------------------|--------|--------|--------|--------|
| Revenue | 0.35M | 1.20M | 2.50M | 3.10M | 3.50M |
| Net Profit | (0.25M) | 0.30M | 0.95M | 1.30M | 1.60M |
| Cumulative ROI | — | 6% | 19% | 32% | 45% |
| IRR (5 years) | 18–22% | | | | |
| Payback Period | 3.8 years | | | | |

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2. COMPANY PROFILE

Registration:

Private Limited Liability Company registered under the Companies Act, Cap 212, Laws of Tanzania with registration number 135973793 of 28 February 2018.

Location:

Region Dar Es Salaam, District Ilala, Ward Vingunguti, Postal code 12109, Street INDUSTRIAL AREA, Road NYERERE ROAD, Plot number 88, Block number 88, House number 88

Vision: To be Tanzania's preferred developer and manager of high-quality industrial and commercial spaces.

Mission: To provide modern, efficient, and affordable industrial property solutions that enhance the productivity of Tanzanian enterprises.

Current Number of Employees at Mastercool Industries Limited.

- 205 Local Staff
- 16 Expatriates
- 56 Casual Labours

Industry: Manufacturing – Plastics/Textiles

Primary Product: Polypropylene (PP) Floor Mats

3. MARKET ANALYSIS

Economic Context

Tanzania's economy has grown at an average of 5–6% annually, driven by industrialization, trade, and infrastructure expansion. The **Dar es Salaam–Morogoro–Dodoma corridor** is rapidly emerging as an industrial belt due to improved logistics, the SGR railway, and the port expansion.

Industrial Real Estate Demand

- Shortage of high-quality, secure, serviced warehouses.
- Rapid expansion of manufacturing, logistics, and distribution sectors.
- Increasing foreign direct investment and regional trade through EAC and SADC.
- Preference for leasing over ownership by international and local firms to preserve capital.

Target Market

- Light and medium manufacturers.
- Import/export and distribution firms.
- Logistics and e-commerce companies.
- NGOs and public agencies needing storage or assembly space.

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Competitor Analysis

| Competitor | Location | Facilities |
|----------------------------|---------------------------|-------------------|
| EPZA Zones | Mabibo, Dar es Salaam | Export-focused |
| Pugu Industrial Park | Pugu Rd, Dar es Salaam | Older facilities |
| Kibaha Industrial Zone | Kibaha, PWANI | Newer development |
| Vungunguti industrial area | Vingunguti, Dar es Salaam | |
| Kigamboni industrial Area | Kigamboni, Dar es salaam | |

Market Gap: High demand for modern, accessible industrial spaces with flexible leasing terms.

SWOT Analysis

Strengths: Experienced management, strong capital base, strategic location.

Weaknesses: New entrant brand recognition.

Opportunities: Rising demand for industrial space, supportive government policies.

Threats: Inflation, construction cost increases, policy changes.

4. PROJECT DESCRIPTION

Land and Location

The company will acquire **4 acres** near **Kigamboni**—approximately 35 km from Dar es Salaam port—connected to the Morogoro highway and SGR freight terminal.

Project Components

1. Phase I (Year 1–2):

- Acquire land, complete payment on sales.
- Secure Title Deed upon completion of payment for land purchase.
- Construct a walled fence.

2. Phase II (Year 2–4):

- Construct modern quality warehouses and factory units.
- Install utilities and security infrastructure.
- Landscaping, paved driveways, firefighting systems.

3. Phase III (Year 4–5):

- Construct administrative complex.
- Full operational leasing model.

Design Features

- Modular warehouse sizes (500–2,000 sqm units)
- 10–12m roof height for industrial use
- Office mezzanine levels
- Energy-efficient lighting
- Fire safety compliance
- 24-hour security and CCTV

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Lease Model

- Long-term leases (3–10 years)
- Rent per sqm: USD 15 – 30 /month
- Annual escalation: 5%
- Service charge: USD 1 – 3/sqm

5. INVESTMENT COST

We'll assume the project involves land acquisition, infrastructure development, construction, marketing, and administrative setup — typical for either **industrial/commercial or residential** development.

A. Fixed / capital costs (usd 4,200,000 – 84%)

| No. | Description | Estimated Amount (USD) | % of Total Capital | Remarks |
|-----|---|------------------------|--------------------|---|
| 1 | Land Purchase | 1,500,000 | 30% | Already identified |
| 2 | Site Preparation & Infrastructure (clearing, grading, access roads, drainage, utilities connection) | 400,000 | 8% | Essential to make the site ready for development |
| 3 | Construction & Building Works | 1,800,000 | 36% | Civil works, structural, roofing, finishing, etc. |
| 4 | Architectural & Engineering Design Fees | 150,000 | 3% | Design, drawings, approvals |
| 5 | Machinery, Equipment & Tools | 150,000 | 3% | Construction machinery, on-site tools, security, etc. |
| 6 | Legal & Regulatory Costs (permits, licenses, survey, title transfer) | 50,000 | 1% | Includes government fees |
| 7 | Furniture, Fixtures & Office Equipment | 50,000 | 1% | Site office and management setup |
| 8 | Contingency Reserve (10%) | 100,000 | 2% | Cushion for inflation or cost overruns |

Total Fixed / Capital Costs = USD 4,200,000 (≈ 84%)

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B. Working capital requirements (usd 800,000 – 16%)

| No. | Description | Estimated Amount (USD) | % of Total Capital | Remarks |
|-----|--|------------------------|--------------------|--|
| 1 | Project Administration & Management | 150,000 | 3% | Salaries, office expenses, admin staff |
| 2 | Marketing & Sales Promotion | 100,000 | 2% | Advertising, agent commissions, exhibitions |
| 3 | Operational Expenses (utilities, security, transport, maintenance) | 150,000 | 3% | For project operations during construction. |
| 4 | Interest & Loan Servicing Costs | 100,000 | 2% | Applicable if part of capital is financed by debt. |
| 5 | Initial Maintenance / Property Management Fund | 100,000 | 2% | For upkeep of property before full lease/sale. |
| 6 | Working Capital Reserve | 200,000 | 4% | To sustain liquidity and handle delays or gaps. |

Total Working Capital = USD 800,000 (\approx 16%)

C. Summary allocation

| Category | Amount (USD) | % of Total Capital |
|-----------------------|--------------|--------------------|
| Fixed / Capital Costs | 4,200,000 | 84% |
| Working Capital | 800,000 | 16% |
| Total Investment | 5,000,000 | 100% |

6. INVESTMENT FUNDS EXPENDITURE BREAKDOWN

A. Fixed / Capital Costs

| Item | Description | Estimated Cost (USD) |
|--------------------------------------|--|----------------------|
| 1. Land Purchase | Acquisition of project land parcel | 1,500,000 |
| 2. Site Development & Infrastructure | Site clearance, access roads, drainage, boundary walls, utility connections (power, water, sewerage) | 450,000 |
| 3. Building Construction | Warehouse/factory buildings, office blocks, loading bays, parking | 1,800,000 |
| 4. Equipment & Fixtures | Electrical systems, lighting, water systems, security systems, firefighting installations | 350,000 |
| 5. Architectural, Engineering & | Design, project management, surveyors, engineers, supervision fees | 200,000 |

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| | | |
|-----------------------------|--|---------|
| Consultancy Fees | | |
| 6. Legal & Regulatory Costs | Land title registration, permits, approvals, environmental assessments | 50,000 |
| 7. Marketing & Launch Setup | Branding, project launch, marketing materials, pre-leasing campaign | 100,000 |
| 8. Contingency Reserve (5%) | For unforeseen capital expenses | 122,500 |

Total Fixed / Capital Costs → USD 4,572,500

B. Working Capital Requirements

| Item | Description | Estimated Cost (USD) |
|--|---|----------------------|
| 1. Administrative & Operating Expenses | Salaries, office rent, utilities, communications, insurance | 150,000 |
| 2. Maintenance & Repairs | Facility upkeep, cleaning, minor repairs | 60,000 |
| 3. Marketing & Leasing Operations | Ongoing promotion, client acquisition, brokerage fees | 50,000 |
| 4. Loan Servicing / Interest Buffer | Initial debt repayment or interest payments (if applicable) | 100,000 |
| 5. Miscellaneous & Reserve | Emergency cash flow, unplanned expenses | 67,500 |

Total Working Capital → USD 427,500

C. Summary Allocation

| Category | Amount (USD) | % of Total Capital |
|--------------------------|--------------|--------------------|
| Fixed / Capital Costs | 4,572,500 | 91.45% |
| Working Capital | 427,500 | 8.55% |
| Total Investment Capital | 5,000,000 | 100% |

7. SOURCE OF FUND

A. Overview

| Item | Amount (USD) | Remarks |
|----------------------------|--------------|--|
| Total Project Capital | 5,000,000 | 5-year investment plan |
| Land Purchase | 1,500,000 | Already paid (Fixed Cost) |
| Remaining Required Capital | 3,500,000 | To finance construction, operations, and working capital |
| Monthly Firm Support | 100,000 | Equivalent to 1,200,000 per year |

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B. Source of Funds

| Source | Estimated Amount (USD) | % of Total | Remarks |
|---|---------------------------|------------|--|
| Owner's Equity / Retained Earnings | 1,500,000 | 30% | Land cost already covered as equity contribution |
| Monthly Firm Support (Over 5 years) | 1,200,000 × 5 = 6,000,000 | — | Working capital inflows; could cover operational needs and some reinvestment |
| Commercial Bank Loan / Mortgage Facility | 2,500,000 | 50% | For construction and infrastructure |
| Other Financing (Leasing / Supplier Credit) | 500,000 | 10% | Equipment leasing and supplier payment credit |

Note: Although the firm's monthly support totals USD 6 million over 5 years, this is operational funding spread over time, not lump-sum capital. It should be categorized as part of **Working Capital inflow** rather than Fixed Capital.

8. EXPENDITURE BREAKDOWN

A. Fixed / Capital Costs (USD 3,500,000)

| Item | Amount (USD) | % | Remarks |
|--|------------------|------------|------------------------------------|
| Land (already paid) | 1,500,000 | 30% | Ownership established |
| Site Development & Infrastructure | 800,000 | 16% | Roads, drainage, utilities |
| Building Construction (warehouses, factories, offices) | 1,400,000 | 28% | Main development cost |
| Equipment, Machinery & Installation | 300,000 | 6% | Specialized fixtures and equipment |
| Total Fixed / Capital Costs | 4,000,000 | 80% | Including land already paid |

B. Working Capital Requirements (USD 1,000,000)

| Item | Amount (USD) | Remarks |
|--|------------------|-----------------------------|
| Operating Expenses (staff, utilities, maintenance) | 600,000 | Average USD 10,000/month |
| Marketing & Leasing Costs | 150,000 | Advertising, brokerage fees |
| Loan Interest & Debt Service Reserve | 150,000 | 3–5% interest provision |
| Contingency & Emergency Fund | 100,000 | 2% of total project cost |
| Total Working Capital | 1,000,000 | 20% of total capital |

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C. Summary Allocation

| Category | USD | % of Total Capital |
|------------------------------|------------------|--------------------|
| Fixed / Capital Costs | 4,000,000 | 80% |
| Working Capital Requirements | 1,000,000 | 20% |
| Total Investment | 5,000,000 | 100% |

5. Financing Flow Plan

| Year | Funding Source | Annual Inflow (USD) | Key Expenditure |
|--------|--|---------------------|----------------------------|
| Year 1 | Equity + Loan Drawdown | 2,000,000 | Land, initial construction |
| Year 2 | Bank Loan + Monthly Support | 1,000,000 | Site works & utilities |
| Year 3 | Monthly Support + Revenue Reinvestment | 1,000,000 | Completion & leasing phase |
| Year 4 | Revenue + Monthly Support | 500,000 | Expansion & maintenance |
| Year 5 | Revenue + Monthly Support | 500,000 | Operating sustainability |

9. MARKETING AND LEASING STRATEGY

- **Branding:** Position Mastercool Industries Limited as a modern, reliable, and flexible industrial landlord.
- **Channels:** Corporate partnerships, real estate agents, online portals, trade fairs.
- **Incentives:** Initial rent discounts and flexible deposits for early tenants.
- **Target Occupancy:**
 - Year 2: 50%
 - Year 3: 75%
 - Year 4: 90%+

10. OPERATIONS PLAN

Management Structure

- Managing Director
- Finance & Administration Manager
- Project Engineer
- Marketing & Leasing Officer
- Facility Manager
- Security, maintenance, and support staff

Facility Management

- Regular maintenance of utilities and landscaping.
- In-house management for transparency and quality control.
- Outsourced security, waste, and cleaning services.

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11. FINANCIAL PLAN

Capital Investment (USD)

| Item | Amount |
|---|------------------|
| Land acquisition & permits | 800,000 |
| Construction (25,000 sqm @ \$120/sqm) | 3,000,000 |
| Infrastructure (roads, utilities, drainage) | 600,000 |
| Machinery & equipment | 150,000 |
| Professional fees | 150,000 |
| Marketing & admin setup | 100,000 |
| Working capital reserve | 200,000 |
| Total Project Cost | 5,000,000 |

Financing Mix

- Equity (shareholders): USD 3,000,000 (60%)
- Debt (bank loan): USD 2,000,000 (40%) at 10% interest, 7-year term.

Projected Income Statement (USD)

| Year | Revenue | Operating Cost | EBITDA | Net Profit |
|------|-----------|----------------|-----------|------------|
| 1 | 350,000 | 400,000 | (50,000) | (250,000) |
| 2 | 1,200,000 | 750,000 | 450,000 | 300,000 |
| 3 | 2,500,000 | 1,300,000 | 1,200,000 | 950,000 |
| 4 | 3,100,000 | 1,500,000 | 1,600,000 | 1,300,000 |
| 5 | 3,500,000 | 1,600,000 | 1,900,000 | 1,600,000 |

5-Year Net Profit Total: USD 4.9 million

Average Profit Margin: 35–45%

12. 9. RISK ANALYSIS & MITIGATION

| Risk | Description | Mitigation |
|--------------------|-------------------------|--|
| Construction delay | Supply or permit issues | Pre-approved contractors, phased contracts |
| Market risk | Lower occupancy rates | Aggressive marketing, flexible leases |
| Inflation | Rising costs | Fixed-price contracts where possible |
| Financing risk | Interest rate increases | Fixed-rate term loans |
| Regulatory | Land or zoning changes | Early legal compliance, EPZA liaison |

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13. FINANCIAL PROJECTION

7-Year Projected Profit & Loss Statement (USD)

| Year | Revenue | Operating Expenses | EBITDA | Depreciation | EBIT | Tax (30%) | Net Profit |
|------|-----------|--------------------|-----------|--------------|-----------|-----------|------------|
| 1 | 0 | (200,000) | (200,000) | 0 | (200,000) | 0 | (200,000) |
| 2 | 0 | (300,000) | (300,000) | 0 | (300,000) | 0 | (300,000) |
| 3 | 800,000 | (280,000) | 520,000 | (100,000) | 420,000 | (126,000) | 294,000 |
| 4 | 1,200,000 | (420,000) | 780,000 | (100,000) | 680,000 | (204,000) | 476,000 |
| 5 | 1,248,000 | (437,000) | 811,000 | (100,000) | 711,000 | (213,000) | 498,000 |
| 6 | 1,298,000 | (454,000) | 844,000 | (100,000) | 744,000 | (223,000) | 521,000 |
| 7 | 1,350,000 | (472,000) | 878,000 | (100,000) | 778,000 | (233,000) | 545,000 |

Revenue growth reflects 4% annual rent escalation.

7-Year Projected Balance Sheet (USD)

| Year | Land | Buildings & Equipment | Cash & Working Capital | Total Assets | Liabilities | Equity |
|------|-----------|-----------------------|------------------------|--------------|-------------|-----------|
| 1 | 1,500,000 | 1,000,000 | 2,300,000 | 4,800,000 | 0 | 4,800,000 |
| 2 | 1,500,000 | 3,000,000 | 500,000 | 5,000,000 | 0 | 5,000,000 |
| 3 | 1,500,000 | 2,900,000 | 794,000 | 5,194,000 | 0 | 5,194,000 |
| 4 | 1,500,000 | 2,800,000 | 1,270,000 | 5,570,000 | 0 | 5,570,000 |
| 5 | 1,500,000 | 2,700,000 | 1,768,000 | 5,968,000 | 0 | 5,968,000 |
| 6 | 1,500,000 | 2,600,000 | 2,289,000 | 6,389,000 | 0 | 6,389,000 |
| 7 | 1,500,000 | 2,500,000 | 2,834,000 | 6,834,000 | 0 | 6,834,000 |

Depreciation reduces asset value; profits add to equity each year.

Key Indicators

| Metric | Value |
|------------------------------------|---------------|
| Total Investment | USD 5,000,000 |
| Annual Rent (Yr 4 Full Occupancy) | USD 1.2M |
| Operating Margin | ~60% |
| Average Annual Net Profit (Yr 3-7) | USD 467,000 |
| 7-Year Cumulative Net Profit | USD 2.33M |
| ROI (7 years) | ≈ 46% |
| Payback Period | ~7 years |
| IRR (Estimated) | 10-12% |

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14. IMPLEMENTATION SCHEDULE

| Activity | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|----------------------------|--------|--------|--------|--------|--------|
| Land acquisition & permits | • | | | | |
| Design & approvals | • | | | | |
| Phase I construction | • | • | | | |
| Phase II construction | | • | • | | |
| Phase III & admin block | | | • | • | |
| Leasing & marketing | | • | • | • | • |
| Full operation | | | • | • | • |

15. SUSTAINABILITY AND CSR

- **Energy efficiency:** Solar lighting, insulation, LED systems.
- **Water conservation:** Rainwater harvesting, efficient plumbing.
- **Environmental compliance:** EIA approval and green landscaping.
- **Community benefits:** Employment for 150+ workers during construction, 40 permanent jobs post-completion.

16. EXIT STRATEGY

- Long-term lease income model:** Maintain rental income for steady cash flow.
- Asset refinancing:** Use rental income to refinance and expand additional sites.
- Real Estate Investment Trust (REIT) participation:** Option to list or sell part of the portfolio to institutional investors by Year 5.

Capital appreciation: Expected property valuation increase of 30–40% by 2030.

17. CONCLUSION

MASTERCOOL INDUSTRIES LIMITED's 5-year development plan is strategically aligned with Tanzania's industrialization vision and Dar es Salaam's logistics growth. The project is financially sound, socially impactful, and offers investors a strong, sustainable return through recurring rental income and asset value growth.