

ICSI GROUP LIMITED

***PROJECT PROGRESS REPORT FOR THE PERIOD OF DECEMBER 2022
TO JUNE 2023***

SUBMITTED TO TANZANIA INVESTMENT CENTRE

JULY 2023

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

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

1. Planned activities for the period

- i. Finalize construction of a house for hosting director(s) and shareholder(s) visits at Kiroka.
- ii. Set up electricity extension distribution to borehole – Kiroka Estate so as not to rely on solar set up only.
- iii. Plant 200 Hactares of black pepper.
- iv. Acquire 15,000 Hactares of land for future projects whereby a letter has already written to Tanzania Investment Centre for assistance
- v. Build water reservoir large scale Kingoli estate for irrigation under which 200,000L reservoir in Kingoli estate to be filled by river.
- vi. Process transfer of Ngerengere Land to ICSI Group Limited
- vii. Apply water usage permits.
- viii. Restructuring of authorised capital registered with BRELA to match a Project Plan submitted to TIC.
- ix. Change of land use located at Mikese Plot “H” from industrial to farm land. The Land is incapable to use for industrial purposes due to slope gradient.
- x. Get tractor and slasher to Korogwe to assist in maintenance costs in Korogwe estate
- xi. Marking Kingoli estate boundary with roads. Meetings with local council and land office to demarcate boundaries.
- xii. Attend national carbon monitoring scheme governmental seminars. Seminar to be held in Dodoma May-July 2023
- xiii. Acquire work permit 2023-2025; 1 for foreign employee the other for investor.
- xiv. Attend government and local stakeholder environmental seminars ‘my birthday tree’ planting tree activities.
- xv. Additional land visits based on ICSI land requirements
- xvi. Register workplace with OSHA
- xvii. Re-plant dead bio stock during next rainy season (delay in annual rain causing major disruption to our planting schedule)
- xviii. Create investment funds abroad for future projects in country
- xix. Manufacture, send workshop/ storage container to Korogwe
- xx. Transfer ownership registration card from Ngerengere Tractors to ICSI Group Limited.
- xxi. Purchase wood shredder / chipper to assist in mulching
- xxii. Get internship program-initiated Scout for potential new skilled labor
- xxiii. Repair of bridge (Kiroka) which was destroyed by heavy rain
- xxiv. Reinstall missing land beacons in Kingoli & Kiroka by liaising with the land office.

- xxv. Internal Training program Initiated.
- xxvi. Clear land for additional planting at Korogwe

2. Achievements made on the project implementation to-date;

- i. Continue to acquire land for project.
- ii. Installed solar system for remote farms
- iii. Installed boreholes for irrigation at Kingoli and Korogwe estates.
- iv. Conducted soil analysis on existing acquired farms.
- v. Procurement of Tractor and farm machinery
- vi. Employ full time employees for management of farming activities, specific time employees for clearing of farms as well as temporary employees.
- vii. Procure Bio Stock for planting season: Over 80,000 plants have been planted in the last year and a half (mainly teak tree and black pepper).
- viii. Acquire planting base, bio fertilizers.
- ix. Maintain and prune existing teak plantation in Korogwe.
- x. Acquired rented land in Korogwe with existing teak plantation
- xi. Company restructuring to update shareholders' equity.
- xii. Procure Bio Stock for coming planting season
- xiii. Procurement of Tractors/ vehicles and farm machinery.
- xiv. Land clearing
- xv. Maintain and prune existing teak plantation looking to acquire in Korogwe
- xvi. Construction of accommodation facilities
- xvii. Irrigation scheme
- xxviii. Water 1st reservoir Kiroka Estate: water reservoirs ranging from 50-300,000L have been dug out; one has been lined as well.
- xix. Kiroka estate bridge construction Borehole Kiroka
- xx. Solar set up for Korogwe and Kiroka Estate
- xxi. Finalize construction for guest house
- xxii. Build a bridge and new entrance into the estates
- xxiii. Get electricity into the estates
- xxiv. Work on expanding irrigation operations
- xxv. Acquire 15,000 Hactares of land for future projects
- xxvi. Plant 200 Hactares of black pepper; \$500,000 approximate minimum commitment
- xxvii. Procure slasher
- xxviii. Purchase of borehole pumps for Korogwe and Kingoli
- xxix. Additional storage sim tanks for all estates
- xxx. Mass scale irrigation sprinkler system
- xxxi. Land transfer to ICSI Group Limited
- xxxii. Apply water usage permits
- xxxiii. Preliminary investigation into national carbon credit scheme
- xxxiv. Create fire roads
- xxxv. Build large scale water reservoirs at Kiroka and Kingoli Estates
- xxxvi. Mass scale irrigation sprinkler system
- xxxvii. Purchase of brand new mid-sized tractor
- xxxviii. Additional slasher grass cutters

- xxxix. Purchase sub-soiler for land clearing
- xl. Mapping beacons on owned estate.
- xli. Generated building plans Kiroka and Mikese
- xlii. Acquired building permits Kiroka and Mikese
- xliii. Attended government and local stakeholder environmental seminars
- xliv. Started producing in-house seedlings
- xlv. Organic Swiss bio inspector audit
- xlvi. Additional land visits based on ICSI land requirement
- xlvii. Fix old equipment (tractors) purchased from Ngerengere Estate Company Limited
- xlviii. Set up electricity extension distribution to borehole – Kiroka Estate
- xlix. Construct road Kiroka Attend ‘my birthday tree’ tree planting seminar.
 - 1. Manufacture, send workshop/ storage container to Korogwe
 - li. Purchase wood shredder/chipper.

3. Corporate Information

S/No	Information	Description	Current Project Status
1.	Shareholders' information	Current shareholders' names, nationality and percentage of ownership	Shareholder Nationality Ownership (%) Jamila Taj Schmid Tanzania 0.009 Forestry Holding AG Swiss 3.05 Life Forestry Switzerland AG Swiss 41.7
2.	Company Communication information	Email address	icsitanzania@gmail.com
		Mobile number	0684543550
		Land Line Telephone Number	N/A
		Physical Address: (Plot No., Block No., Street, District and Region).	Farm Number 458 & 459 Mkono wa Mara, Morogoro
3.	Contact Person	Name	JAMILA TAJ SCHMID
		Position	Director
		Communication details (Email, Mobile and telephone)	icsitanzania@gmail.com 0784574870
4.	Incorporation	Certificate of Incorporation No.	141-423-827

5.	TIN Information	TIN Certificate No.	141-423-827
6.	Project Objective	Project Core Activity:	Mixed crop farming
7.	Capacity	Project Capacity per Year	i. It's a long-term investment intend to harvest teak trees after 20 years and spices after two years
8.	Direct Employment	Foreign-Men	1
		Foreign-Women	0
		Local-Men	17
		Local Women	2
9.	Indirect Employment	Estimated Total No.	50 employees
		Type/areas of Indirect Employment	<ul style="list-style-type: none"> a) The Company use local men and women for slashing and preparation of farms. b) There is use of local transport to carry inputs such as fertilizer and chemicals. c) Staffs are sent to local medical clinics.

4. Project Financial Expenditure to-date (TZS)

	LOCAL (TZS) December 2022 to June 2023	TOTAL (TZS) January 2020 to June 2023
Land and Buildings	4,176,700.00	1,954,189,460
Plant and Machinery	4,589,145.00	223,868,370
Vehicles/Aircrafts	0.00	440,638,365
Furniture	90,000.00	6,910,000
Office Equipment	2,798,000.00	19,987,928
Insurance Cover	295,000.00	2,242,000
Pre-operational expenses	0.00	15,956,015
Operational expenses	482,078,602.86	2,367,454,102
Working sub-total Capital	0.00	102,088,169
GRAND TOTAL	494,027,448	5,133,244,409

5. Project Financing

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

The project is being financed through Equity via allocated share capital; allocating shares to foreign investment parent company Forestry Holdings AG & Life Forestry Switzerland AG when funds are acquired through wire transfer.

	AMOUNT (TZS)	SOURCE COUNTRY
Local Equity	1,000,000	Tanzania
Foreign Equity	4,932,500,000	Switzerland
Total Investment	4,933,500,000	

6. Problems and Solution

Dec 2022 – June 2023

I. Problems

- i. Boundaries of land/ beacons procured are not properly marked by the Land Commissioner's office, leading to the local community intruding into our property and causing un-necessary legal fees to resolve such matters.
- ii. Land office using GPS coordinates out of date.

II. Solutions

- i. Government to implement a change in the Land Act and get all legal surveyed land marked properly so all local communities are aware of the boundaries to land EVEN IF NOT CURRENTLY IN USE.
- ii. The government & land office must all migrate to one GPS system that is up-to date with International standards so that titles and certificates of occupancy read the correct updated GPS coordinates

7. Future Plans

July – Dec 2023

- i. Finalize construction for guest house
- ii. Plant 200 Hactares of black pepper
- iii. Project Work on expanding irrigation operations
- iv. Acquire 15,000 Hactares of land for future projects

- v. A letter written to TIC for assistance of Ngerengere (Mkono wa Mara) Land transfer to ICSI Group Limited name (TITLE DEED)
- vi. Acquisition for a title deed
- vii. Apply water usage permits
- viii. Apply & pay for permits for 2023
- ix. Create fire roads
- x. Maintenance and Expanding Irrigation scheme (Korogwe)
- xi. Distribution of water around the planted areas of the estate Mikese plot H land use
- xii. Get Mikese Plot H changed to farm land use rather than industrial due to incapacity to use this plot for industrial use due to slope gradient.
- xiii. Marking Kingoli estate boundary with road
- xiv. Meetings with local council and land office to demarcate boundary (letter submitted to relevant authority July 2023)
- xv. Re-plant dead bio stock during next rainy season (delay in annual rain causing major disruption to our planting schedule)
- xvi. Create investment funds abroad for future projects in country (with assistance to EU partners) On-going Delay in foreign director permit due to certificate of incentives shares structure Additional land visits based on ICSI land requirements Continual on-going

8. Recommendations and any other comments.

TIC to facilitate investors without undue delays ie we have faced delays in renewal of Permits and process of Derivative Rights