

BONDENI FLOWERS

TANZANIA INVESTMENT CENTRE PROGRESS REPORT July 2023

SUMMARY

Bondeni Flowers Ltd is a flower growing company that produces fresh cut flowers for export to Europe, Japan and more recently China and the United States of America. Flowers are produced at three separate sites, Main division, Machame division and Michiru division. Michiru division was established after the Amalgamation of Michiru Ltd with Bondeni flowers Ltd on 5th of September 2022. Currently we have 60 hectares of flower production, with a plan to increase to 80 hectares.

PLANNED ACTIVITIES

The next years the investments will continue with the focus on water storage, irrigation and fertilisation automation, efficiency improvement and certification, plant propagation and product development. Investments in LED lights and studies are done for future use of solar power. Focus will also be on compost production and integrated pest management.

ACHIEVEMENTS

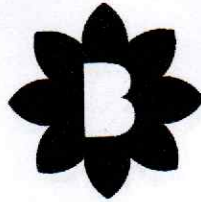
The project, since inception, has invested a considerable amount of money in buildings, equipment, vehicles, irrigation, administration and in the expansion of the cut flower production. The company has done a substantial amount of Capital Expenditure during the last two years and is working to capitalise on this expansion with additional production. This will generate additional much needed foreign income for Tanzania. New markets have been developed with our marketing partners and efforts are made to expand the customer bases. Full Environmental, Agricultural, and Social certification has been achieved. (MPS ABC, GAP and SQ)

SHAREHOLDERS INFORMATION

The current shareholders information is as follows:

1. Name: WIEBE BERKHOUT. Nationality: DUTCH. 3000 Shares.
2. Name: ADAM NORMAN LINDSAY. Nationality: BRITISH. 3000 shares
3. Name: ROWIN HENDRIK JACOB DE VRIES. Nationality: DUTCH. 3000 shares
4. Name: WEFLOWER B.V. Nationality: DUTCH. Shareholding: 653879 shares
5. Name: BATE AREND KONING Nationality: DUTCH. Shareholding: 500 shares





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6. Name: LEON WILLEM MICHAEL DE VRIES Nationality: DUTCH. Shareholding: 500 shares

COMPANY COMMUNICATION

E-mail address: wiebe@bondenimachame.co.tz

Mobile number: 0757 405 361

Physical address: Mbosho Farm, Hai, Kilimanjaro. Part of registered land CT No 1125.

CONTACT PERSON

Name: Wiebe Berkhout.

Position: General Manager.

E-mail: wiebe@bondenimachame.co.tz

Mobile number: 0757 405 361

INCORPORATION

Certificate of Incorporation No: 54616.

TIN INFORMATION

TIN Certificate No: 105-179-995.

PROJECT OBJECTIVE

The Project core activity is the production of fresh cut flowers for exportation.

CAPACITY

In the year 2022 the project exported 38.8 million stems. In 2023 it is expected to export 45 million stems. Once the expansion is complete the project target will be 50 million stems per annum.

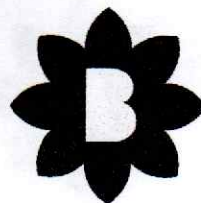
DIRECT EMPLOYMENT

Currently the project employs 1164 people; 4 foreign men, 300 local men and 860 local women.

INDIRECT EMPLOYMENT

The current estimated number of indirect employees is approximately 75 people. These people are mainly utilised in the construction side and contract labour side of the project.





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PROJECT FINANCIAL EXPENDITURE TODATE (USD)

The projects financial expenditure to date on assets is as follows:

1. Buildings & Storage \$ 629,578.
2. Plant, Machinery & Farm Equipment \$ 1,177,885
3. Irrigation Equipment \$ 1,440,134
4. Office Equipment & Furniture \$ 98,091.
5. Motor Vehicles \$ 266,444
6. Electrical Equipment \$ 431,102

This comes to a total of \$ 4,043,234

PROJECT FINANCING

The project is currently self-financing, however, in 2020 a loan of Euro 200,000 was acquired from A.J.M VAN ROESSEL BEHEER B.V Interest rate 7% per annum, of which € 70.000 has been repaid. With the Amalgamation of Michiru Limited a foreign loan of USD 1,261,638.70 from WeFlower Bv, Interest rate 6%, has been taken over by Bondeni flowers. Both loans have been fully registered with the Bank of Tanzania.

The foreign equity in the company currently stands at Euro 2,355,719 (USD 2,591,290).

PROBLEMS & SOLUTIONS

The worldwide Covid 19 pandemic, has had a seriously negative impact on our business mainly due to unavailability of flights and the effect the pandemic has had on our markets, with lockdowns and closures of non-essential businesses.

After the pandemic the market has recovered and has made it possible for the company to expand with the inclusion of Michiru division and increase the production and export value. Challenges are the availability and storage of water, irregular power from the national grid, Import of goods, availability of air cargo.

FUTURE PLANS

As already mentioned, the project intends to increase its flower production base. In order to do this, considerable investment needs to be made in infrastructure, more efficient production practices while ensuring this is done in a socially qualified environmentally friendly way.

