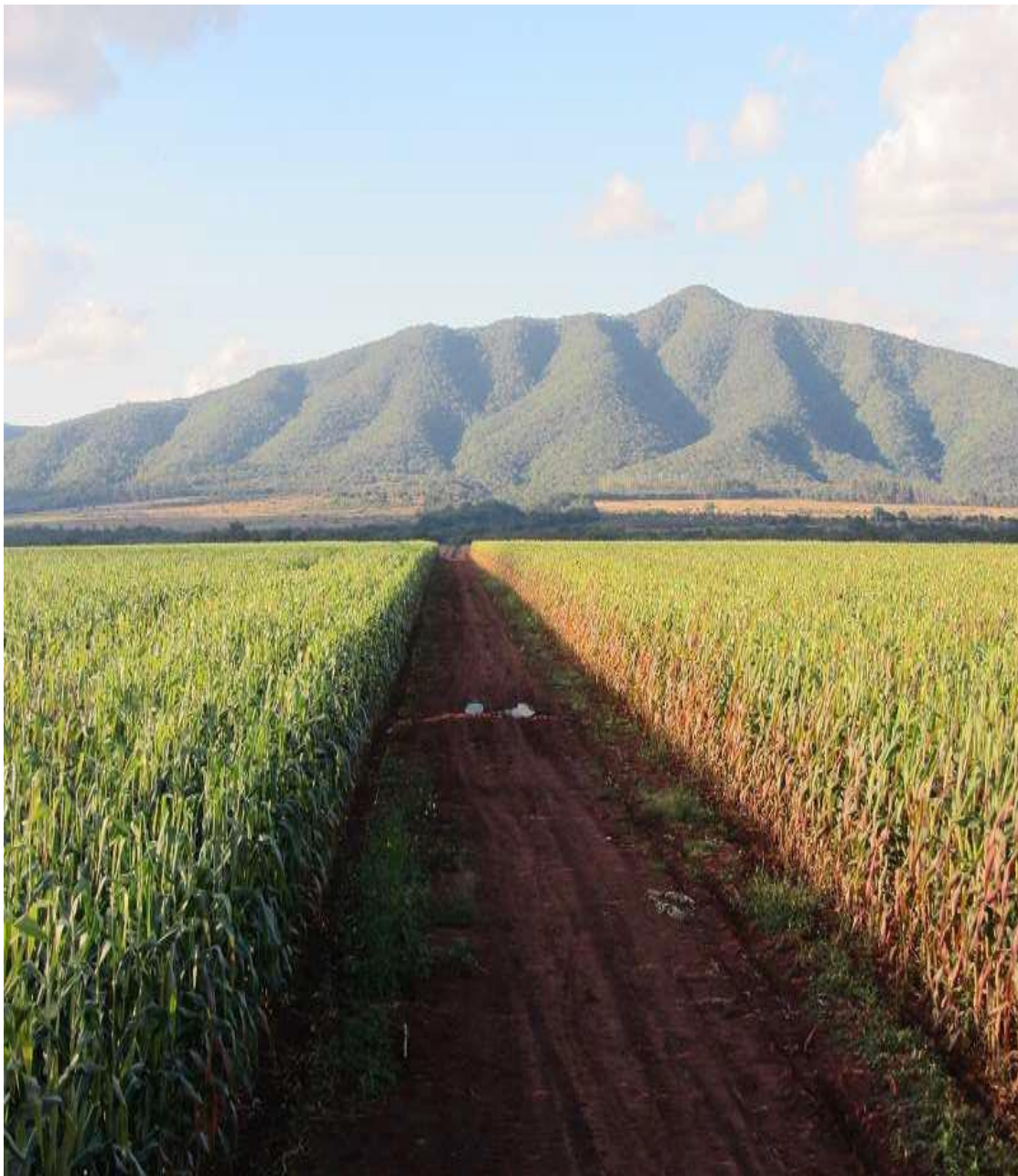


SILVERLANDS NDOLELA LIMITED

INVESTMENT PROPOSAL: CROPPING AND LIVESTOCK

Updated March 2023



Submitted to: Tanzania Investment Centre

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Contents

1 Disclaimer	2
Contents	3
1. Executive Summary	4
2. Group Profile	4
3. The Fund’s Activities in the Agriculture Sector	5
4. The Fund’s Responsible Investment Code	6
5. The Tanzanian Agriculture Sector	10
6. The Investment Objective	12
7. The SNL Farm Assets	13
8. SNL Farm Development Potential	16
9. Projected Financial Performance	20
10. Environment, Social and Governance	22
11. Key Risks	22

1. Executive Summary

Silverlands Ndolela Limited ("SNL") aims to develop Tanzania's flagship integrated agricultural operation focusing on producing seed maize, seed potatoes, avocados, and other crops and beef.

SNL has two properties in South West Tanzania: (1) Title no. 7889 (with an area of 5,340 ha) in the Ndolela locality. This Title is on a 99-year lease, ending in 2098 (the "Ndolela Farm 1"); and (2) Title no. 9209 (a small 32.5 ha property) in the south of the Ndolela locality, on which an existing 85 kW pilot mini Hydro plant is located. This Title is on a 99-year lease expiring in 2103 and was acquired in September 2015 from Baobab Limited (Baobab), a wholly owned subsidiary of Rift Valley Holdings Limited (RVHL) (the "Ndolela Farm 2"). Ndolela Farm 1 and Ndolela Farm 2 shall collectively be known as "Ndolela Farms".

2. Group Profile

2.1. Silverlands Ndolela Limited

SNL is owned by Silverlands Luxemburg (T2) Sarl (Luxembourg) and SilverStreet Private Equities Strategies Soparfi (Luxembourg). The holding companies are 100% owned by Luxembourg-based SilverStreet Private Equities Strategies Sicar (the "Fund"). This \$215 million private equity fund invests across the agricultural value chain in sub-Saharan Africa.

The Fund has two investments in Tanzania, SNL and Silverlands Tanzania Limited ("STL"). In October 2012, SNL's sister company, STL, obtained TIC approval for its Poultry and Feed division (TIC Certificate of Incentives No. 010465). In November 2013, STL received TIC approval for its Cropping and Livestock division (TIC Certificate of Incentives No. 010519).

2.2. Business Model

The Fund invests in the agricultural sector across the value chain, including inputs, primary production, processing, protein and food manufacturing business. Our business model incorporates the following:

- Primary Production of agricultural products, including maize, avocados and potatoes;
- Adding value along the value chain, for example, through the processing of farm outputs, Growing seed on the farm or in the production of protein via livestock, and
- Pro-active support for small-scale farmers operating in a similar location. This brings economies of scale, improved security of tenure and complementary profit potential.

3.The Fund's Activities in the Agriculture Sector

3.1. Type of Agriculture Activity

The Fund's commercial farming crop focus is on the major food crops such as maize, wheat, soya beans, sugar, fruit, tea, coffee and aquaculture (see Figure 1 below).

Additionally, investments are targeted along the value chain in the agricultural sector. Investment targets could be derived from the following business areas, amongst others:

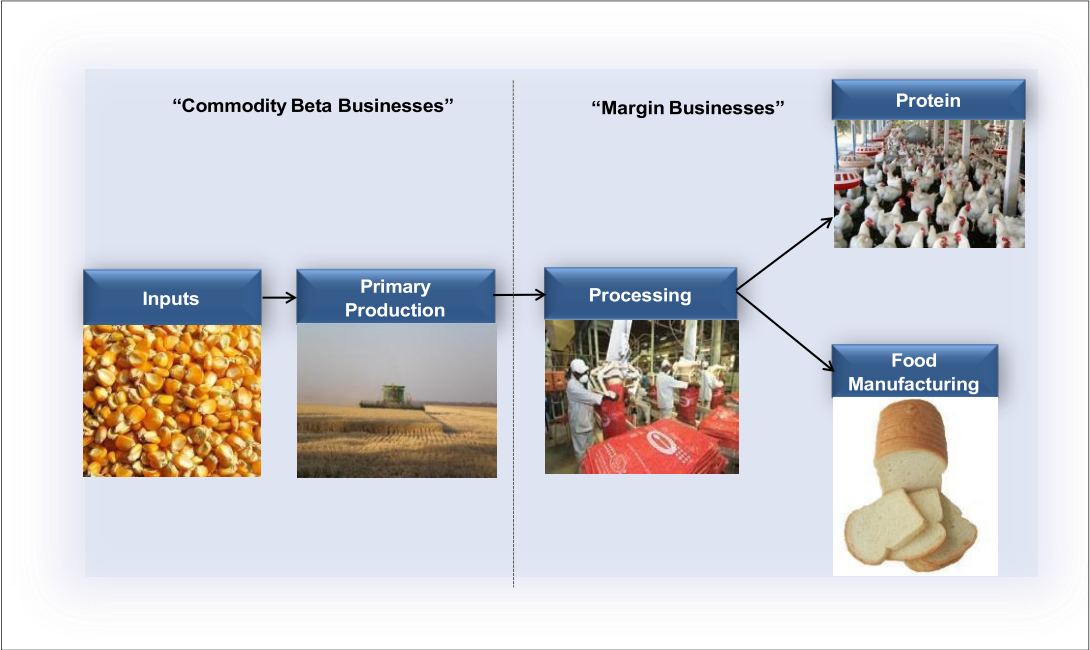
- Farmland and livestock businesses
- Processing of farming outputs
- Marketing of farming outputs
- Input provision: seeds and fertiliser
- Agricultural services and equipment
- Technologies related to the provision of services to farmers



The Fund's team believes that the key to successful farmland businesses is the installation of top management teams and modern farming techniques. Working closely with the community and developing the small-scale farming sector is integral to the strategy.

The following diagram illustrates the agricultural value chain. Concerning the Fund's investment in Tanzania, the initial focus will be on primary production, processing and protein.

3.2. Agriculture Value Chain



4. The Fund's Responsible Investment Code

4.1. Overview

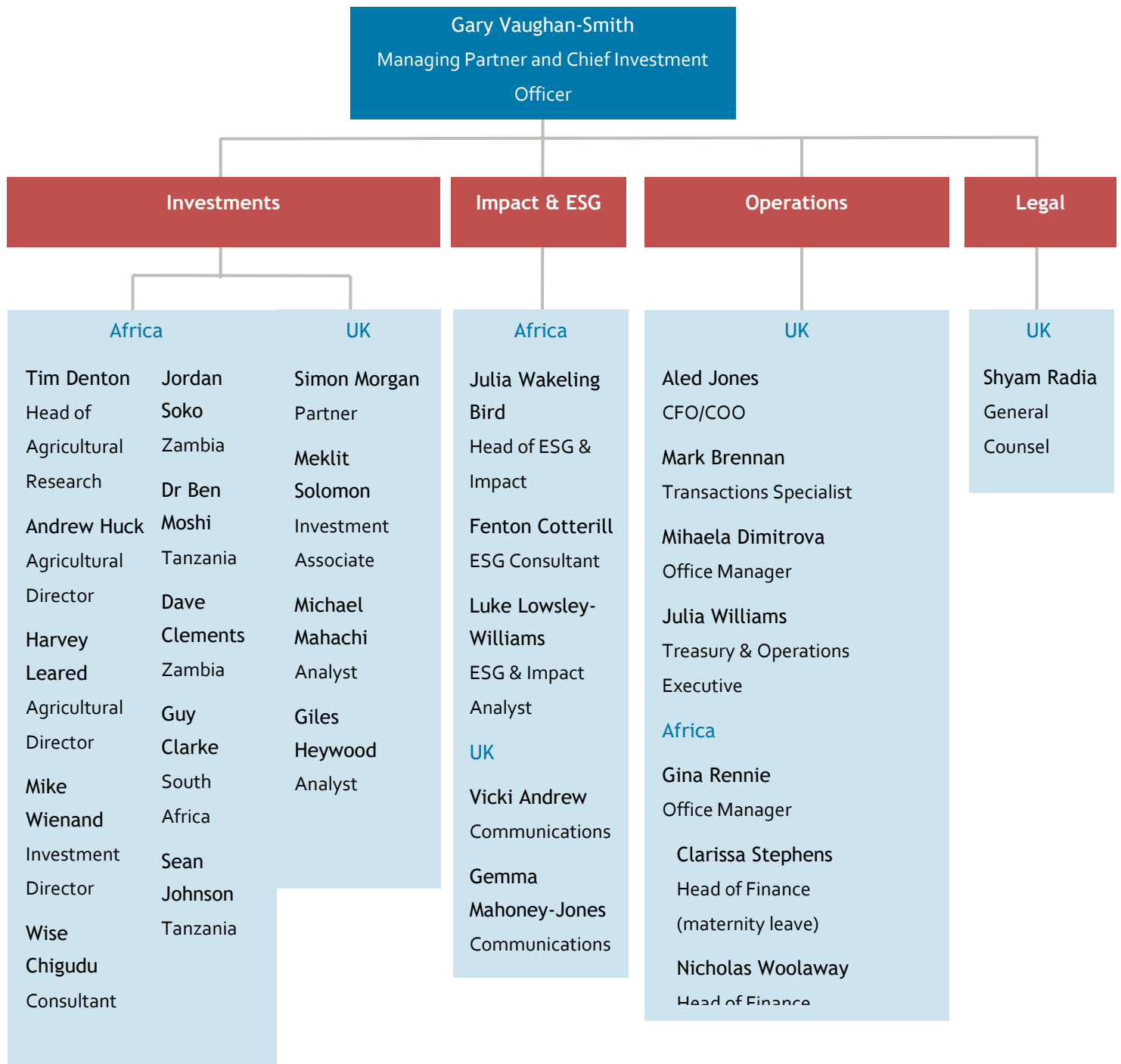
Sustainable private sector development requires responsible business management of environmental, social and governance ("ESG") matters.

The Fund has a documented Investment Code, which defines the Fund's principles, objectives, policies and management systems for sustainable and responsible investment with respect to ESG. It also includes an Exclusion List specifying businesses and activities the Fund will not invest in. The Fund, and the industries in which its capital is invested, will:

- Comply with all applicable laws and regulations (including Luxembourg, Tanzanian and UK laws);
- As appropriate, minimise adverse impacts and enhance positive effects on the environment, workers, and all stakeholders.
- Commit to continuous improvements for the management of the environment, social matters and governance.
- Work to comply with the relevant international best practice standards, with appropriate targets and timetables for achieving them; and

- Employ management systems which effectively address ESG risks and realize ESG opportunities as a fundamental part of a company's value.

4.2. SilverStreet Team



4.3. Team Profiles

GARY VAUGHAN-SMITH – Fund Chief Investment Officer (UK)

Founded SilverStreet in 2007

Gary has broad experience investing in the agricultural sector across Sub-Saharan Africa. Gary was previously at ABN AMRO Asset Management, where he was Head of the Alternative Investment Group for five years, overseeing growth in assets from under US\$50m to over US\$5bn. Gary is a Fellow of the Institute and Faculty of Actuaries. He has a Master's Degree in Finance from Cambridge University in the UK and a BSc (Hons) in Mathematical Statistics from the University of Cape Town, South Africa.

TIM DENTON – Fund Head of Agricultural Research (Zimbabwe)

Joined SilverStreet in 2010

Tim has extensive experience managing large-scale commercial farms and agribusinesses in Sub-Saharan Africa, including poultry, processing, beef, annual crops (seed, grains, legumes) and permanent crops (tea, tree nuts, coffee and sugar cane).

Tim previously spent nine years as COO at Africa Plantations, acquiring plantations in Zambia, Malawi and Tanzania and employing ~ 5,000 people.

Tim was educated at Royal Agricultural College, Cirencester, UK, and is a Member of the Royal Agricultural College.

JULIA WAKELING BIRD – Fund Head of ESG & Impact (South Africa)

Joined SilverStreet in 2015

Julia oversees the management of ESG across the Funds as well as impact assessment and reporting.

The Fund has won several ESG and impact-related awards under Julia's leadership.

Julia previously spent three years as an ESG consultant working primarily on African agricultural projects.

Julia holds a BSc in Ecology and Zoology, a BSc Honours in Plant Ecology and Systematics, and a Masters in Plant Ecology from the University of Cape Town, South Africa.

SIMON MORGAN – Fund Partner (UK)

Joined SilverStreet in 2012

Simon has been involved in transaction execution and representing SilverStreet on portfolio company boards.

Simon previously worked for Standard Bank, where he was responsible for developing the bank's

infrastructure debt and private equity funds business.

Simon holds a Bachelor of Business Science (Finance) degree from the University of Cape Town, South Africa and is a Fellow of the Royal Geographic Society.

MICHAEL WIENAND -Fund Investment Director (Zimbabwe)

Joined SilverStreet in 2012

Michael's career has focused on asset management, private equity, and business development in emerging markets, with sector-specific expertise in agriculture and the metals and mining industries.

Michael's private equity experience covers the entire transaction cycle, including deal sourcing and evaluation, financial modelling and valuation, due diligence process, transaction execution and post-transaction monitoring.

Michael has an Honours Degree in Economics from Rhodes University in South Africa, an MBA from the University of Warwick in the UK, and a CFA charterholder.

MICHAEL MAHACHI – Fund Analyst (UK)

Joined SilverStreet in 2021

Michael was born and raised in Zimbabwe.

Before joining SilverStreet, he worked at AIG and Liberty Mutual in various roles as an actuary in the USA and Ireland.

Michael graduated magna cum laude from The Wharton School of the University of Pennsylvania, receiving a BS in Economics with concentrations in Finance and Actuarial Science. He is a Fellow of the Casualty Actuarial Society.

DR BEN MOSHI – Chairman Silverlands Ndolela Limited (Tanzanian citizen)

Joined Silverlands Ndolela in 2012

Dr Ben is a Non-Executive Director for Silverlands Ndolela Limited and the Community Liaison Officer for this entity.

Dr Ben is an experienced civil servant and has served for over 25 years in the Tanzanian government. Dr Ben has also served as an advisor to several parastatals and private organisations.

ALBERT BARARATA – Finance Manager Silverlands Ndolela Limited (Tanzanian citizen)

Joined Silverlands Ndolela in 2019

Albert Bararata is employed as Finance Manager for Silverlands Ndolela Limited (SNL) responsible for the financial aspects of the Company. Albert is a Certified Accountant (ACPA-PP), his career includes nearly 5 years with Auditing Firm (Ernst & Young) where he gained experience in auditing and audit management major on financial sector, Agriculture and Mining industry. He joined the company in April 2019, having been Financial Controller for one of the Tea leading Company in Tanzania, Unilever Tea Tanzania Ltd where he was responsible for Financial, Controls and Operations aspects of the Company.

GORDON PATERSON – Production Manager Silverlands Ndolela Limited (Tanzanian resident)

Joined Silverlands Ndolela in 2020

Gordon has 38 years' experience in agriculture across Africa. Within SNL Gordon is responsible for all crop production and financial management and he sits on the board of directors for Silverlands Ndolela Limited.

Gordon holds an Diploma in Agriculture from the Royal Agricultural College, Cirencester, England. He is the holder of a Tanzania work and resident permit.

5.The Tanzanian Agriculture Sector

5.1. Background

Agriculture in Tanzania employs around 76% of the workforce and contributes 27% to the country's GDP. This is because Tanzania is dominated by subsistence smallholder farmers, cultivating an average farm size of between 0.9 and 3.0 hectares each. About 70% of Tanzania's crop area is produced by hand hoe, with most of the land cultivated by basic hand implements. It is primarily rain-fed agriculture, with roughly 5.1 million hectares cultivated annually, of which 85% consists of food crops. Women constitute the main part of the agricultural labour force. The major constraint to improving yields is the falling productivity due to outdated technology, insufficient and inferior inputs such as seed, fertilizer and pesticides, and the dependence on unreliable and irregular weather conditions. Both crops and livestock are adversely affected by periodic droughts due to a lack of stored water and irrigation.

Despite this, the growing population and demand for agricultural products has seen agricultural GDP grow at 3.3% per year since 1985, with the main food crops growing at 3.5% and export crops at 5.4% yearly.

Macroeconomic reforms have had a significant impact on the Agriculture Sector. The economic reforms have led to the sector's opening to private investment in production and processing, input importation and distribution and agricultural marketing. Most production, processing and marketing functions have been assigned to the private sector. The Government has retained regulatory and public support functions in a facilitation role.

5.2. Agricultural Investments and their Impact on Economic Growth

Currently, the mechanization rate in Tanzania is very low and has declined from an estimated 32 tractors per 100 sq. km of arable land in 1961 to just 23 in 2005. Similarly, fertilizer consumption is at very low levels. However, there has been an increase from 0.5kgs per hectare in 1961 to 5.8kgs in 2005, but this compares unfavourably to countries such as Thailand which increased from 1.7kg to 120.7kgs per hectare during the same period.

Through private investment into the agricultural sector, with a focus on irrigation development, improving the quality of seed used, and encouraging the uptake of fertilizer and technology amongst farmers, SNL hopes to play a significant part in assisting Tanzania in developing a booming commercial agricultural sector.

<http://www.policyforum-tz.org/files/ReducingpovertythroughKilimoKwanza.pdf>

5.3. Specific Commodities

o Potatoes

Tanzania is the sixth largest producer of potatoes in Africa. These are produced in the Southern Highlands of Tanzania with average yields of 10-25 tonnes per hectare. In the Southern Highlands, farmers grow two crops a year. In Eastern and Northern Tanzania, farmers grow one crop per year. Yields are low due to the low availability of quality seed and limited use of good agricultural practices.

Sources: Researchgate – "Climate change risks and opportunities in potato production in Tanzania" August 2020; TanzaniaInvest.com

o Livestock

Tanzania's livestock production generated USD 4.2 billion in 2018, compared to USD 2.4 billion in 2014, representing an increase of 75%. Out of the total meat production, 55% (USD 2.31 billion) comes from cattle, 21% (USD 0.88 billion) from sheep and goats, 14% (USD 0.59 billion) from pigs, and only 10% (USD 0.42 billion) from chicken.

Sources: TanzaniaInvest.com

o Seed Maize

Recent statistical data recorded the annual demand for seed in Tanzania at 212 274 tonnes, of which only 52 700 tons are available. Of the 52 700 supplied to the local market, 35 422 tons are locally produced, while 16 278 are imported.

Sources: The Citizen, June 2021

o **Avocado Pears**

In Tanzania, avocados are grown in central and highland areas with cool temperatures ranging from 10°C to 23°C, 600 to 3000 heights above sea level and rainfall ranging from 600 to 1600mm. They are primarily grown in Arusha, Kilimanjaro, Mbeya, Songwe and Njombe. Avocado production shows an annual growth rate of around 12%, with annual production at about 37000 tons in 2020. The two largest commercial producers are Africado Limited and Rungwe Avocado.

Avocado exports have increased by 380% over the past five years, with 85% of exports going to the European market.

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Sources: Tridge – Seasonal Market Report July 2020 Tanzania Horticultural Association Sept 2020, Tan trade, Tanzania Avocado profile

6. The Investment Objective

SNL will become Tanzania's flagship integrated agricultural operation, focusing on primary production and beef. The Company will increase the scale of the group's cropping operations, improve synergies with the existing sister company (STL) operations and should result in improved margins for the combined businesses. The SNL business hopes to benefit from positive emerging trends in Tanzania, including a growing population, higher incomes, and a requirement for increased maize, soya and animal feed supplies to sustain the population's appetite for protein products.

The investment into the SNL has so far focused on the following:

- Developing up to 2,000 ha of Irrigation on the farm.
- Increasing the cropping area of the farm.
- Strengthening the management of the farm, resulting in improved efficiencies and the introduction of modern production technologies.
- Boosting yields on the farm through technology and input spend.
- Upgrading the farm's infrastructure.
- Introducing international best practice ESG standards.

7.The SNL Farm Assets

7.1. SNL Farm Overview

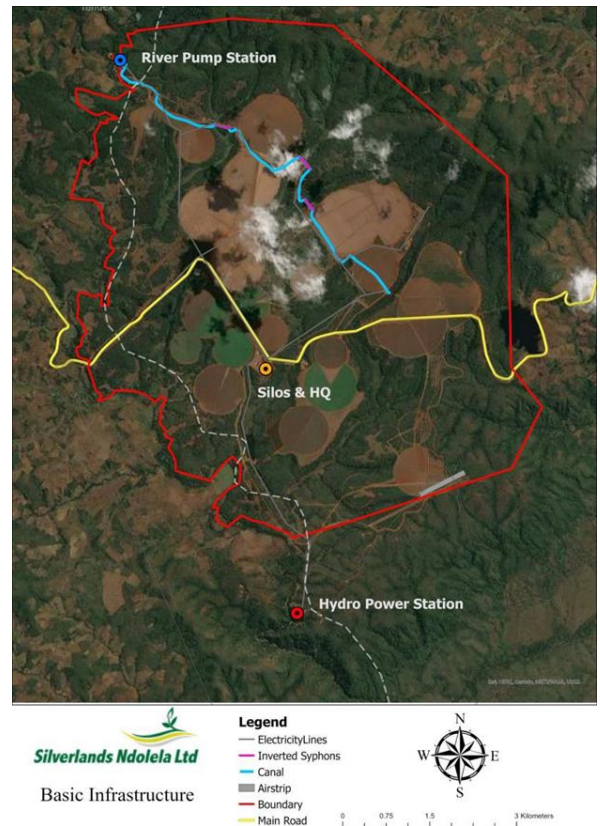
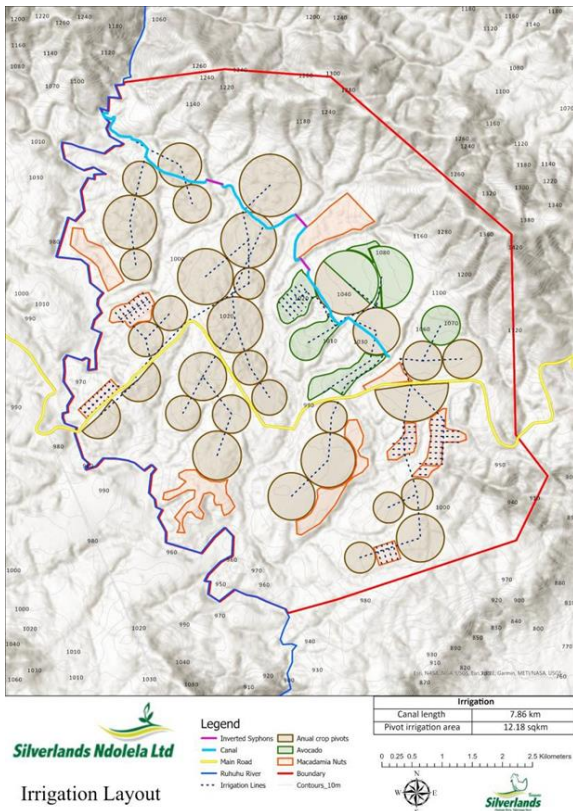
The Ndolela Farms are ~92 km from Songea, 225 km from Mbeya and ~82 km from Lake Malawi.

Location of Ndolela in Tanzania



7.2. Land and Title Deeds

Ndolela Farm (title no. 7889) is 5,340 ha in total area, of which 251ha is irrigable. Ndolela Farm is located in South West Tanzania, on the boundary between the Iringa and Ruvuma Provinces. In a straight line, the farm is ~92 km from Songea, 225 km from Mbeya and ~82 km from Lake Malawi. The straight line distance from Ndolela Farm to the STL-owned Makete and Ifunda farms is 100 km and 204 km, respectively. The distance by road from Ifunda Farm to Ndolela is ~300 km. The map below shows the location of Ndolela Farm 1 and Ndolela Farm 2.



7.3. Improvements

From the time of the initial investment, the following improvements have been made

- 16,000-tonne silo complex with cob dryer and framed sheds for workshops and storage. The silos are used for the storage of grain on Ndolela Farm 1
- Construction of office, workshop, and housing on Ndolela Farm 1
- The establishment of a 754 kW hydropower plant on Plot 1 Mahanje Village, with supporting infrastructure, has been completed and commissioned on Ndolela Farm 2

7.4. Operations

The property is run as a commercial farm involved in row cropping, avocado pear production and cattle ranching.

1 221.5 ha is used for row cropping under pivot, and 201 ha for avocado pears under pivot. This area is due to be expanded to 227.5 ha by December 2022. There is 251 ha under dragline or other Irrigation for pastures and further avocado plantings.

The maize yield was 4.47 tons/ha for summer seed maize, and 4.88/ha for winter seed maize and the seed bean harvest was 1.12 tons/ha in 2021.

The soya yield was 2.06 tons/ha; the Seed sunflower yield was 0.65 tons/ha, and ware potatoes 38 tons/ha. The farm intends to plant 227.5 ha of avocado in 2022/23.

Electricity generated by the Hydro is sufficient to irrigate between 850 and 1 000 hectares in the peak winter irrigation period. Tanesco power has been installed; all the pivots can run simultaneously with this additional power.

Currently, the cattle herd comprises approximately 572 head.

7.5. Agriculture Power and Water Rights

There are sufficient water rights to irrigate approximately 1 700 hectares. The Lake Nyasa Basin Water Board has provisionally granted the following Water Permits.

- Permit No. 15100381 - To abstract Water 86,400m³/day from Ruhuhu River at Ndolela Farm, Mahanje Village, for Irrigation
- Permit No. 15100426 - To abstract Water 181,440m³/day from Ruhuhu River at Mahanje Village for Power Generating 80KW
- Permit No. 15100427 - To abstract Water 13,926m³/day from Ngobongo River at Mahanje Village for Irrigation
- Permit No. 15100428 - To abstract Water 3,290m³/day from Masigira River at Mahanje Village for Irrigation
- Permit No. 15100509 - To abstract Water 15m³/day from Ngobongo River at Mahanje Village for Domestic
- The property is connected to Tanesco, which supplements the Hydropower plant. Tanesco supply has been connected to pump station 10.
- Power is supplied by a 754KW hydropower plant installed on the Ruhuhu River on Plot 1 Mahanje Village and generators.

7.6. Hydro Electric plant

A Hydroelectric plant was constructed and commissioned in 2017, with its design rating as follows:

- Rated Nett Head: 65 m
- Design Flow: 1550 l/sec
- Turbine mechanical output at design flow: 792 kW
- Turbine peak mechanical efficiency: 80.2 %

7.7. The Staffing Requirement

SNL employs between 100-450 staff, including seasonal and contractor employees and three expatriates, to assist in implementing and managing the cropping and livestock operations and training staff.

8. SNL Farm Development Potential

8.1. Strategy

SNL is developing a large-scale, highly mechanized irrigated cropping operation, which will experience economies of scale and synergies with the existing STL business.

SNL's strategy has evolved from an initial focus back in 2014 targeting soya and barley production to one which focuses on the following:

- High-value seed crops where prices are contracted in dollars or euros before planting;
- Becoming the region's largest producer of hybrid maize and sunflower seed for local and export markets;
- Growing seed beans for export and seed potatoes for local purchase;
- Establishing a +400ha avocado plantation and export business; and

The business has previously been challenged by technical aspects of farming in the invested locations, low yields, high input costs, the impact of the Russia/Ukraine conflict and limited access to additional capital. These issues are now well understood, and performance should improve in 2023.

8.1.1. Maize and Bean Seed Production

SNL has allocated 3,200 ha of irrigated crop row areas for the production of seed crops. SNL will now focus only on varieties that suit conditions and result in good yields and profitability.

8.1.2. Seed Potatoes

East Africa has a population of >160m. Beyond a limited area at altitude in Kenya, the Southern Highlands of Tanzania is the only climatic zone suited to seed potato production in the region. The strategy is to dominate seed potato production in East Africa. Currently, parent seed is imported from Holland; in the future, tissue-cultured plants will be imported, and 1st generation tubers will be produced on the farm.

8.1.3. Avocado Development

A successful intercropping policy was employed for the first two years. The interrow crops provided protection, weed control and mulch.

8.2. Infrastructure Development

Key infrastructure development has included:

- Constructing a new mini Hydro plant on the Ruhuhu River
- Constructing management housing, a workshop, a storage shed and silos
- Upgrading the access road
- Fencing the boundaries

8.3. Irrigation Development

A total area of 2,000 ha is under Irrigation, together with the associated infrastructure and equipment. Water is abstracted from the flow of the Ruhuhu River and is used for row cropping, with the balance to irrigated pastures for cattle.

8.4. Cattle Feedlot

SNL purchased a herd of 475 cattle from Kisimbaguri Estates Limited and STL. The herd now consists predominantly of improved F1, F2, and F3 Boran and Santa Gertrudis crosses. All veterinary procedures are done in-house, which has resulted in the herd developing a high level of resistance to local diseases.

The table below shows the cattle currently owned by SNL

Cattle Type	SNL
Cow	127
Bull	7
Calves	55
Heifer	76
Weaners	107
Steers	200
Total	572
Total livestock on acquisition	475
Growth %	20%

SNL has entered into the cattle feedlot business in the Ndolela locality. Ndolela Farm 1 is an excellent site for this development due to its more extensive area not being planted for crops.

8.5. Synergies

The Ndolela Farms provide a significant opportunity for the Fund) to add to its existing Cropping and Livestock business in Tanzania to provide inputs to the STL's Poultry Division and sell other products to commercial buyers.

The intention is for SNL to develop a large scale highly mechanized irrigated cropping operation, which will experience economies of scale and synergies with the existing Fund businesses such as shared overheads, raw materials sourcing and rearing cattle for finishing. This will require

investment in a top-quality management team, infrastructure, irrigation equipment and machinery.

There is a good market for the crops grown on the farm, with commercial maize going to the STL Poultry Division. There are also potential opportunities to produce high-value tree crops such as citrus fruit or macadamia nuts which the Fund will investigate.

SNL will have material synergies with the existing STL business, including:

- Raw Materials Sourcing: Ndolela Farm 1 will contribute commercial maize requirement of the STL poultry division. This will likely result in a more efficient raw materials procurement process for the poultry business. In addition, the construction of storage silos on Ndolela Farm will facilitate the efficient sourcing of maize and soya beans from small-scale farmers in this area, cutting out intermediaries and reducing the landed cost of raw materials for the poultry business.
- Economies of Scale: The newly established business will add scale to the existing cropping operations, and purchasing inputs in bulk for all these farms will likely blend down the landed cost for inputs (e.g. lime, fertilizers, and chemicals).
- Cattle: there may be synergies between the Ndolela Farm1 and the Makete Farm owned by STL, in that steers from Ndolela Farm could be sent to Makete Farm in the rainy season for fattening on the grass and pastures there before slaughter.

8.6. Capital Development

US\$ 18.5 million has gone into the Ndolela Farms over the last eight years, financed by the Fund through a combination of equity and shareholder loans.

Description	Ndolela Farm Division
Date of purchase	2015
Investment to date (capex)	US\$22m
Ownership	100%
Location	Southern Highlands, Tanzania
Area under title	5,373ha
Arable area – irrigated	1,529ha
Arable area – dryland	-
Irrigation source	Ruhuhu river
Total annual rainfall	1,424mm
Key crops	Seed maize, sunflower, beans and avocados
Other crops	Potential for macadamia and bananas
Infrastructure	800kW hydro power, dryer, 8km canals, 16kt silos & housing, airstrip
Staffing	649 (permanent and seasonal)
Operations Director	Gordon Paterson
Bank Security	Mortgages over land, biological assets and moveable assets held as security

8.7. Capital Expenditure

The initial capital expenditure budget used to acquire the Ndolela Farms is shown below.

Ndolela African Plantations Limited				
Summary Capital Expenditure	FY 2015	FY 2016	Total	%
	US\$	US\$		US\$
Farm Acquisition	2,916,968	-	2,916,968	16%
Livestock	115,021	-	115,021	1%
Due Diligence	114,666	215,150	329,816	2%
Irrigation Development	3,835,956	2,496,177	6,332,132	34%
Power Supply	397,512	1,025,470	1,422,982	8%
Infrastructure Development	252,319	1,923,000	2,175,319	12%
Land Clearing and Development	495,695	135,000	630,695	3%
Soya Processing Equipment	-	400,000	400,000	2%
Cropping Equipment	2,263,973	1,946,048	4,210,021	23%
Total	10,392,110	8,140,845	18,532,955	100%

The main contributors to development capital expenditure are irrigation development (34%), farm acquisition (16%), cropping equipment (23%), infrastructure (12%) and investment into hydropower (8%).

Current capital expenditure is US\$21 million; therefore, as of 31 December 2022, the Company had completed capex expenditure on the project's first phase.

Details USD	Opening Balance	Additions	Transfer	Disposals	TOTAL Cost 31/12/2022
Land	2 683 041	-	-	-	2 683 041
Buildings	3 232 068	35 412	37 149	-	3 304 629
HDV Vehicles	1 347 858	243 449	3 983	-	1 595 290
MV-Passengers	127 739	51 372	-	-70 225	108 885
Furniture/Equipment	112 144	12 976	-	-	125 120
Plant & Machinery	11 051 832	501 843	153 741	-	11 707 417
Other Equipment	56 896	-	-	-	56 896
Farm Infrastructure	465 127	872	-	-	466 000
Bear Plants - Avocado	552 656	316 287	185 812	-	1 054 755
Total	19 629 363	1 162 211	380 685	-70 225	21 102 033

Forecast Capital expenditure for the next ten years is summarized below. Phase two is mainly replacement and maintenance expenditure, as investment capital was completed at the end of 2022. The total capital expenditure requirement is US\$ 3.1 million.

Activity	Item	Farm	Amounts in US\$'000'										
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
Land preparation	Tractors	Ndolela										250	
Planting	Tractors	Ndolela	150	150	150	150	116		150	150	150	150	
	Planters	Ndolela				80			100				100
	Contract drone	Ndolela			25	35	30			30			
Spreading	Agri-Inject	Ndolela	5	5	5	5	5	5	5	5	10	10	
Avocado Irrigation/development		Ndolela			150	150	150	86	150	150	150	150	
Total Capex Expenditure			155	155	330	420	301	91	405	335	560	410	

9. Projected Financial Performance

Despite the challenges faced since inception, the EBITDA for SNL in 2028 is expected to exceed US\$4m. Up to this point, the Company has been in a loss-making position.

The Company expects to achieve seed maize yields of 6.7t/ha. SNL was a greenfield development on uncleared land which came into production in 2017. Yields at the Ndolela Farms are expected to progressively approach those of STL over time as the soils improve. Average seed bean yields are expected to improve to 2.5t/ha over the long term.

Long term seed sunflower yields are projected at 1.0t/ha.

Ware and seed potatoes expected to yield 20t/ha

Avocado yields are expected to reach 7.0t/ha by 2028.

The business has a significant portion of revenues denominated in foreign currency. Seed maize is sold to major seed companies like SeedCo, Monsanto (Bayer Life Science) and Zamseed in a combination of Tshs and US\$. Avocados and beans will be exported and sold in USD or Euros. Sunflower will be sold in a mix of USD, and Tshs, whilst potatoes will be sold in Tshs.

9.1. Forecast income statement for Ndolela Farms

SNL IS Summary	Actual 31-Dec-21 US\$	Forecast 31-Dec-22 US\$	Budget 31-Dec-23 US\$	Budget 31-Dec-24 US\$	Budget 31-Dec-25 US\$	Budget 31-Dec-26 US\$	Budget 31-Dec-27 US\$	Budget 31-Dec-28 US\$	Budget 31-Dec-29 US\$	Budget 31-Dec-30 US\$	Budget 31-Dec-31 US\$	Budget 31-Dec-32 US\$
Total Revenue	3,919	3,586	7,086	8,536	9,741	11,115	11,585	12,137	12,761	13,321	12,767	12,867
Total Costs of Sales	(3,797)	(3,909)	(5,247)	(5,671)	(6,461)	(7,000)	(7,263)	(7,403)	(7,547)	(7,692)	(7,627)	(7,743)
Gross Profit	122	(323)	1,839	2,865	3,280	4,115	4,322	4,734	5,214	5,629	5,140	5,124
% age of Revenues	3%	-9%	26%	34%	34%	37%	37%	39%	41%	42%	40%	40%
Other Income	(96)	183	246	356	503	503	503	503	503	503	503	503
Overheads	(1,400)	(1,102)	(1,159)	(1,209)	(1,333)	(1,360)	(1,387)	(1,415)	(1,443)	(1,472)	(1,501)	(1,531)
% age of Revenues	36%	31%	16%	14%	14%	12%	12%	12%	11%	11%	12%	12%
EBITDA	(1,374)	(1,242)	926	2,012	2,450	3,258	3,438	3,822	4,274	4,660	4,141	4,096
% age of Revenues	-35%	-35%	13%	24%	25%	29%	30%	31%	33%	35%	32%	32%
Depreciation	(792)	(869)	(868)	(909)	(909)	(909)	(909)	(909)	(905)	(905)	(905)	(905)
EBIT	(2,166)	(2,112)	58	1,104	1,541	2,350	2,529	2,914	3,369	3,755	3,237	3,191
% age of Revenues	-55%	-59%	1%	13%	16%	21%	22%	24%	26%	28%	25%	25%
Finance Costs	(1,413)	(1,591)	(1,657)	(1,652)	(1,612)	(1,555)	(1,505)	(1,344)	(834)	(834)	(834)	(834)
PBT	(3,578)	(3,702)	(1,599)	(548)	(71)	794	1,025	1,569	2,535	2,921	2,403	2,357
% age of Revenues	-91%	-103%	-23%	-6%	-1%	7%	9%	13%	20%	22%	19%	18%
Tax	728	(10)	(37)	(44)	(51)	(58)	(60)	(155)	(66)	(69)	(66)	(67)
Net (Loss)/Profit	(2,850)	(3,712)	(1,636)	(593)	(122)	736	964	1,415	2,469	2,852	2,336	2,290
% age of Revenues	-73%	-104%	-23%	-7%	-1%	7%	8%	12%	19%	21%	18%	18%

9.2. Forecast Cashflow Statement

The ten-year forecast cash flow statement for SNL is shown below. The average working capital required for the period is US\$24 million, with an additional capital expenditure of US\$5.5 million. The Company currently has borrowings with a local bank CRDB PLC, and the farm is lodged with the bank as security for the loan.

Cashflow Summary	Dec-21 USD	Dec-22 USD	Dec-23 US\$	Dec-24 US\$	Dec-25 US\$	Dec-26 US\$	Dec-27 US\$	Dec-28 US\$	Dec-29 US\$	Dec-30 US\$	Dec-31 US\$	Dec-32 US\$
Total Cash Sales	4 365 050	3 820 560	6 698 319	8 814 147	10 212 624	11 604 520	12 074 495	12 625 957	13 250 255	13 809 376	13 993 490	13 369 795
Total Production Cost Budget	1 940 842	2 155 598	2 606 284	4 077 854	4 207 111	5 059 213	5 272 035	5 371 833	5 475 667	5 579 016	5 472 076	5 527 612
Total Overheads Budget	1 058 313	951 112	1 089 252	1 208 794	1 332 970	1 359 629	1 386 822	1 414 558	1 442 849	1 471 706	1 501 140	1 531 163
(Increase)/Decrease in Working Capital	1 719 972	776 810	3 208 082	2 231 234	2 264 323	2 346 899	2 424 254	2 472 739	2 522 194	2 572 638	2 624 091	2 676 573
AMCOS Beans Trading	228 220	-	-	-	-	-	-	-	-	-	-	-
Total Capex Budget	857 721	170 797	307 741	200 000	500 000	750 000	750 000	-	750 000	750 000	750 000	750 000
Total Interest Budget	1 640 078	537 601	681 887	743 756	703 925	647 136	3 515 489	802 522	75 796	2 994 539	291 852	75 796
Total Tax Budget	62 584	152 750	36 661	44 460	51 219	58 088	60 439	154 540	66 321	69 118	66 349	66 849
Total Expenditure Budget	7 507 732	4 744 669	7 929 908	8 506 097	9 059 548	10 220 966	13 409 039	10 216 192	10 332 827	13 437 017	10 705 508	10 627 993
Available Balance at the Beginning of the Month	(1 446 360)	(2 854 344)	(3 874 467)	(4 369 118)	(4 620 746)	(4 073 987)	(3 346 730)	(5 029 477)	(5 619 713)	(2 702 284)	(2 329 925)	958 056
Thirty Pary Facility Receipt	1 734 698	19 126	-	-	-	-	-	-	-	-	-	-
CRDB Loan	-	(115 139)	(263 062)	(559 677)	(606 317)	(656 297)	(348 203)	-	-	-	-	-
Overdraft repayment	-	-	1 000 000	-	-	-	-	(3 000 000)	-	-	-	-
CRDB - CMA	-	-	-	-	-	-	-	-	-	-	-	-
Available Balance at End of Month	(2 854 344)	(3 874 467)	(4 369 118)	(4 620 746)	(4 073 987)	(3 346 730)	(5 029 477)	(5 619 713)	(2 702 284)	(2 329 925)	958 056	3 699 859

10. Environment, Social and Governance

The SNL is managed in compliance with Tanzanian law and the Fund's regulations. Accounts are audited annually by PriceWaterhouseCoopers. The corporate social responsibility review report is conducted annually. SNL has had a positive impact on the local community as various employment positions have been created through the provision of training for all staff. Thorough environmental impact assessments will be undertaken where required under the strictest international guidelines.

11. Key Risks

Drought

Unpredictable rainfall patterns and drought conditions may negatively impact seed maize production on the farm. The current irrigation programme and the hydroelectric plant rely on a consistent water flow from the Ruhuhu River.

Remote Location

SNL Farms are in a remote location, making it difficult to transport equipment, farm vehicles, machinery, etc. Attracting key and skilled management has been a challenge due to the location of the farms.

Commodity Prices

Commodity prices have been negatively impacted over the past year due to the Russia/Ukraine war. Inputs are priced high, resulting in increased costs of production. The Company is also vulnerable to changes in domestic and international prices and cannot manage these price swings.