

NOVEMBER 2023



BALLYABLE INC. LIMITED

Project Proposal

Development of an Avocado Oil
Processing Plant, in Kagera-Tanzania

PRESENTED TO:

Azania Bank Ltd

PREPARED BY:

Ndaki George

Lead Advisor - Investin

e-mail: ngeorge@a-biss.com

Cell: +255 759316304

TABLE OF CONTENTS

- 1.Executive Summary
- 2.Company and Project Overview
- 3.Market Analysis and Demand
- 4.Avocado Supply Chain and Out-Grower Scheme
- 5.Processing Plant Infrastructure & Operations
- 6.Production Process and Quality Control
- 7.Product Line and Value Addition
- 8.Regulatory Compliance and Certifications
- 9.Business Model
- 10.Risk Analysis and Mitigation
- 11.Monitoring and Evaluation
- 12.Implementation Plan

1. EXECUTIVE SUMMARY

1.1. Company Overview:

Ballyable Inc. Ltd (" *Ballyable* ") is an innovative agricultural company based in Kagera region, Tanzania. Our primary goal is to revolutionize the agricultural value chain by establishing a sustainable edible avocado oil processing plant. Committed to profitability and community empowerment, we aim to make a positive impact on the local economy.

1.2. Project Overview:

The proposed project involves the establishment of a modern avocado oil processing plant in Kagera region, around the Lake Victoria zone, in northern Tanzania. This initiative aims to add significant value to the local avocado produce, creating a sustainable supply chain while uplifting the livelihoods of smallholder farmers through an inclusive out-grower scheme. The processing plant may also explore the potential for other value-added products in future, such as avocado-based dietary supplements, avocado spoons, guacamole and tea powder , diversifying our product line.

1.3. Market Analysis and Demand:

The avocado industry is witnessing remarkable growth driven by increasing consumer demand for healthy and natural products. With a rising preference for avocado oil due to its health benefits and versatile culinary applications, we are strategically positioned to meet this demand. The Kagera region and neighbouring areas offer an ideal climate for avocado cultivation, providing a reliable supply source for the processing plant.

1.4. Supply Chain and Out-Grower Scheme:

Efficient supply chain management will be established to ensure a consistent supply of high-quality avocados for processing. Our out-grower scheme will engage local smallholder farmers, providing them with training, technical support, and a guaranteed market for their produce. This inclusive approach will not only strengthen the supply chain but also have a positive socio-economic impact on the community.

1.5. Processing Plant and Quality Control:

The processing plant will be strategically located and equipped with state-of-the-art machinery to ensure efficient extraction of edible avocado oil while maintaining product quality. Stringent quality control measures will be implemented at every stage of the production process, guaranteeing compliance with industry standards and customer expectations.

1. EXECUTIVE SUMMARY - CONTINUED

1.6. Business Model, Financial Projections and Risk Analysis:

The company's business model is designed to maximize revenue through multiple streams, including sales of premium edible avocado oil, value-added products, and leveraging an efficient out-grower scheme. Meticulous financial projections, encompassing revenue streams, operating expenses, and key profitability metrics, form the cornerstone of our financial strategy.

To secure the necessary capital, we plan to utilize a balanced approach, combining debt financing with equity contributions. This approach will ensure a robust financial structure to support the project's successful establishment and long-term profitability.

Comprehensive risk analysis and mitigation strategies have been identified to address potential challenges, including market risks, operational risks, and financial risks.

1.7. Monitoring and Evaluation:

Key Performance Indicators (KPIs) will be established to track production efficiency, quality standards, customer satisfaction, and financial performance. Continuous improvement initiatives will be implemented based on feedback from employees, customers, and stakeholders to ensure optimal operation.

1.8. Implementation Plan:

The project will be executed in three phases, beginning with project initiation, followed by plant construction and setup, and concluding with operationalization and out-grower engagement. Each phase has defined milestones and activities to ensure a systematic and successful implementation.

This comprehensive business plan outlines Ballyable's strategic approach to establishing a sustainable avocado oil processing plant and business in the Kagera region, Tanzania. It is our firm belief that this venture will not only lead to long-term success for the company but also have a positive and lasting impact on the local community and environment.

2. COMPANY AND PROJECT OVERVIEW:

2.1. Company Description:

Ballyable Inc. Limited is a visionary agricultural company based in Kagera region, in the Northern part of Tanzania. With a profound commitment to sustainable agriculture, our mission is to establish a pioneering avocado oil processing plant. By integrating innovative technology and community empowerment, we aspire to lead the way in value-added agricultural ventures.

2.2. Vision and Mission:

- **Vision:** To emerge as a beacon of sustainable agriculture in the Kagera region, catalysing economic growth and community prosperity through edible avocado oil processing.
- **Mission:** To set up a cutting-edge avocado oil processing facility, harnessing the region's agro-climatic advantage, and uplifting local smallholder farmers through an inclusive out-grower program.

2.3. Project Overview:

The proposed project entails the creation of a state-of-the-art avocado oil processing plant in the Kagera region, Northern Tanzania. This initiative is poised to enhance the value of avocados grown locally and those sourced from neighbouring country regions around Lake Victoria area, establishing a sustainable supply chain while elevating the livelihoods of smallholder farmers through an inclusive out-grower scheme. In future, the processing plant will explore avenues for value-added products, encompassing avocado-based cosmetics and dietary supplements.

3. MARKET ANALYSIS AND DEMAND:

3.1. Avocado Industry Trends:

The avocado industry is currently experiencing an unprecedented surge in demand, driven by a global shift towards healthier dietary choices. Consumers are increasingly recognizing the numerous health benefits associated with avocados, leading to a consistent upward trajectory in consumption.

This trend is further bolstered by the versatility of avocado oil, which is gaining popularity as a nutritious cooking oil, a component in skincare products, and as a dietary supplement. The industry's resilience and growth potential are underscored by its ability to cater to multiple sectors, from culinary to cosmetic, making it a dynamic market to engage with.

3. MARKET ANALYSIS AND DEMAND-CONTINUED

3.2 Market Potential and Demand:

The Kagera region, coupled with areas bordering the neighbouring country of Burundi, offers an ideal climate for avocado cultivation. This strategic advantage places us in a favourable position to cater to the processing plant's raw material needs. Furthermore, the global demand for edible avocado oil is expected to see a steady increase over the next decade, presenting an opportune moment for market entry.

3.3 Competitive Analysis:

While the avocado processing industry in the region is still nascent, we anticipate potential competitors in the future. As such, we aim to differentiate ourselves by prioritizing product quality, operational efficiency, and sustainable sourcing practices. By establishing strong relationships with local avocado farmers and implementing robust logistics and procurement strategies, we intend to solidify our position in the market.

4. AVOCADO SUPPLY CHAIN AND OUT-GROWER SCHEME:

4.1. Supply Chain Management:

An efficient and streamlined supply chain is pivotal for the success of the processing plant. We envisage establishing enduring partnerships with local avocado farmers, implementing advanced procurement and logistics strategies to ensure a consistent supply of premium-grade avocados.

This entails robust planning and forecasting mechanisms to synchronize production cycles with market demand. Additionally, we will employ modern inventory management techniques to minimize wastage and optimize stock levels.

4.2. Out-Grower Scheme:

Our out-grower scheme will be the cornerstone of our community-centric approach. By engaging local smallholder farmers, we aim to foster a mutually beneficial relationship. This program will encompass training, technical support, and a guaranteed market for their produce. Through this inclusive approach, we anticipate not only strengthening the supply chain but also making a tangible socio-economic impact on the community.

5. PROCESSING PLANT INFRASTRUCTURE & OPERATIONS:

5.1. Plant Location and Layout:

The strategic selection of the plant's location is paramount to its operational efficiency. After meticulous analysis, we have identified an optimal site near major avocado-producing areas, ensuring easy accessibility and proximity to our primary raw material source. The layout of the processing plant will be meticulously designed to facilitate a seamless workflow, encompassing processing, packaging, and storage facilities.

5.2. Processing Equipment:

The heart of the operation lies in our state-of-the-art processing equipment. We are committed to investing in cutting-edge machinery that not only ensures the efficient extraction of edible avocado oil but also prioritizes product quality. Continuous monitoring and maintenance schedules will be implemented to guarantee operational excellence.

5.3. Operations Workflow:

A well-defined operations workflow will be established to synchronize each stage of the process. This includes detailed procedures for cleaning, sorting, and de-pulping avocados, as well as the subsequent oil extraction process. Stringent adherence to hygiene and quality control standards will be paramount at every step.

6. PRODUCTION PROCESS AND QUALITY CONTROL:

6.1. Avocado Processing:

The avocado processing phase is a critical juncture in our operations. It encompasses meticulous cleaning, precise sorting, and methodical de-pulping of avocados. We will employ the latest technology to ensure efficiency and maintain product integrity.

6.2. Oil Extraction Process

The edible oil extraction process will employ the cold-pressing technique. This gentle method ensures that the oil retains its maximum nutritional value, capturing the essence of fresh avocados. This commitment to quality will be the hallmark of our brand.

6.3. Quality Control Measures:

Stringent quality control measures will be implemented at every stage of production. Regular testing for purity, freshness, and absence of contaminants will be conducted. Our dedicated quality assurance team will oversee these processes, ensuring compliance with industry standards and customer expectations.

7. PRODUCT LINE AND VALUE ADDITION:

7.1. Avocado Oil and Byproducts:

In addition to edible avocado oil, we envision a range of value-added products derived from avocados. This may include avocado-based dietary supplements, avocado spoons, guacamole, tea powder, and other innovative formulations. These offerings will not only diversify our product line but also capture a broader market.

7.2. Value Addition Strategies:

Our value addition strategies will encompass a holistic approach. We will incorporate eco-friendly packaging materials, emphasizing sustainability and environmental consciousness. Additionally, we will actively promote the health benefits of avocado oil, leveraging its rich composition of protein, minerals (zinc and Selenium), and Vitamins A, C & E.

Furthermore, we will engage in community development initiatives, fostering a sense of shared responsibility and reciprocity. This will not only add intrinsic value to our products but also strengthen our brand's reputation.

8. REGULATORY COMPLIANCE AND CERTIFICATIONS:

8.1. Licensing and Permits:

We are committed to upholding the highest standards of legal and regulatory compliance. We will actively pursue and obtain all necessary licenses and permits for the operation of the processing plant. This includes adhering to local, regional, and national regulations, ensuring seamless and lawful operations

8.2. Quality Certifications:

To affirm our dedication to producing the highest quality avocado oil, we will pursue internationally recognized quality certifications. These may include **ISO** and **HACCP** certifications, further validating our commitment to excellence.

8.3. Environmental Compliance:

Environmental stewardship is a cornerstone of our operations. We will implement eco-friendly practices, encompassing waste management, energy conservation, and sustainable sourcing, to minimize our environmental footprint. This proactive approach is aligned with our vision for a sustainable and responsible business model.

9. BUSINESS MODEL:

9.1. Revenue Model:

Our revenue model is structured around multiple streams generated from the processing and value addition of avocados. These streams include:

- **Avocado Oil Sales:**

The primary revenue source will be derived from the sale of premium-grade avocado oil to distributors, retailers, and consumers, both in domestic and potential international markets.

- **Value-Added Products:**

In a long run, in addition to avocado oil, we anticipate revenue from value-added products, including cosmetics and dietary supplements, which will cater to specific market segments seeking avocado-based solutions for skincare and health.

- **Out-Grower Scheme:**

While not a direct revenue stream, the out-grower scheme will contribute to cost savings and enhance overall operational efficiency. By engaging local smallholder farmers, we secure a steady supply of avocados at competitive prices.

9. BUSINESS MODEL - CONTINUED:

9.2. Financial Projections and Metrics:

- **Financial Projections:**

A detailed financial forecast spanning five years has been meticulously prepared. This forecast encompasses:

- **Revenue Projections:**

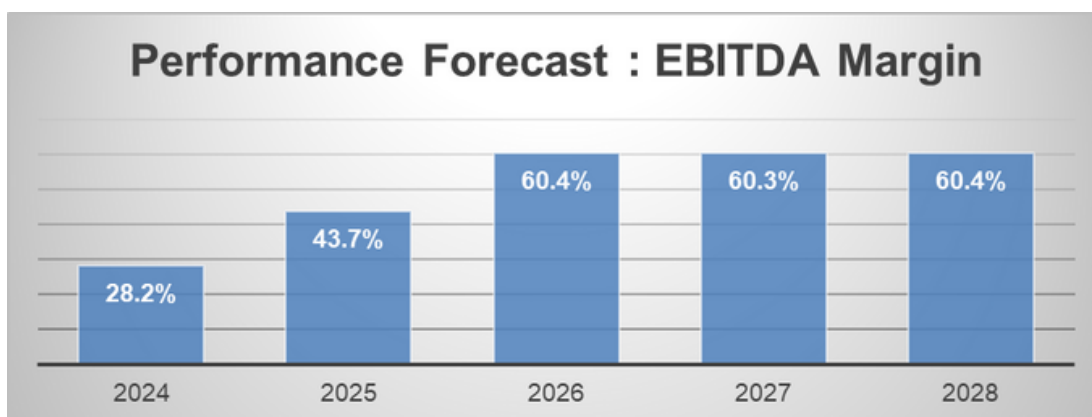
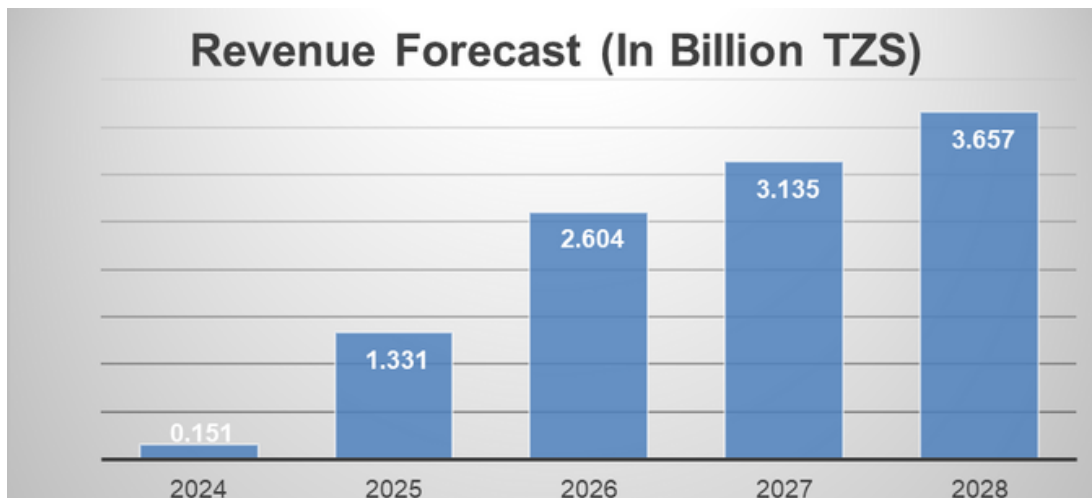
Our revenue projections are based on a meticulous analysis of market trends, production capacity, and anticipated demand. We anticipate a steady increase in revenue over the next five years, driven by expanded production capacity and strategic market penetration efforts.

- **Cost Structure:**

A comprehensive breakdown of all operational costs, including raw material procurement, labour, utilities, marketing expenses, and other miscellaneous costs is included in the Financial Model statement extracts, annexed to this plan.

- **Profitability Metrics:**

Key profitability metrics, Gross margin, EBITDA margin, and return on Equity (ROE), will be closely monitored. These metrics serve as vital indicators of the financial health and sustainability of the processing plant. Regular reviews and adjustments will be made to optimize financial performance (See projections below).



- **Other key Metrics and assumptions are highlighted further below:**

- Gross Merchandise Value (GMV) of 10.9 Billion over a 5 Year period.
- Project Valuation Estimating a Net Present Value (NPV) of TZS 3.07 Billion (Discounted at 15%) at the end of the 5th year.
- Net Working Capital Turnover Ratio: 5.4

9. BUSINESS MODEL-CONTINUED:

9.3. Debt Financing Plan:

In order to secure the necessary capital for the establishment and operationalization of the processing plant, we are considering a combination of debt financing and equity participation.

Debt Amount and Tenure:

We plan to seek a debt facility of TZS 500 Million to fund various phases of the project, including procurement of the processing plant, plant site construction, and initial working capital requirements. The proposed tenure for the debt facility is 5 years, with structured repayment schedules aligned with the project's cash flow projections.

Use of Funds:

The allocated funds will be utilized for:

- Procurement of Processing plant -58%
- Plant site Construction and Setup -23%
- Working Capital for Initial Operations -18%

The debt financing plan will be complemented by equity contributions from the company's founders and potential investors, ensuring a balanced and sustainable financial structure.

10. RISK ANALYSIS AND MITIGATION:

10.1. Market Risks:

To mitigate market risks, we have conducted extensive market research and analysis. Diversification of our customer base, including exploration of international markets, will provide stability. Additionally, establishing long-term contracts with reliable buyers will serve as a safeguard against market fluctuations.

10.2. Operational Risks:

A robust operational framework will be established to minimize potential downtime and disruptions. Preventive maintenance schedules, employee training programs, and safety protocols will be in place to mitigate human-related operational risks. This proactive approach will ensure smooth and uninterrupted operations.

10.3. Financial Risks:

A comprehensive financial risk assessment has been conducted, encompassing sensitivity analysis and stress testing. Adequate financial reserves and risk mitigation strategies have been identified to address potential financial challenges. This prudent approach safeguards our financial stability.

11. MONITORING AND EVALUATION:

11.1 Key Performance Indicators (KPIs):

A set of carefully chosen Key Performance Indicators (KPIs) will be established to track various aspects of our operations. These may include production efficiency, quality standards, customer satisfaction, and financial performance. Regular reviews and adjustments will ensure optimal operation.

11.2. Continuous Improvement Strategies:

Feedback loops will be established to gather input from employees, customers, and stakeholders. This valuable information will be used to implement continuous improvement initiatives across all aspects of our operation. This dynamic approach ensures that we remain agile and responsive to evolving market needs.

12. IMPLEMENTATION PLAN:

12.1. Phase 1: Project Initiation (Q4 2023):

- Securing Funding and Finalizing Land use formalities: The first phase will focus on securing the necessary funding for the project. Simultaneously, we will finalize use formalities of the selected land for the processing plant, ensuring legal and regulatory compliance.
- Conducting Detailed Engineering and Design Studies: Thorough engineering and design studies will be conducted to lay the foundation for the plant's construction. This phase will involve engaging with experts and consultants to ensure optimal design and functionality.
- Procuring Processing Equipment and Establishing Infrastructure: Strategic procurement of state-of-the-art processing equipment will be a priority. Additionally, we will initiate the establishment of necessary infrastructure, including utilities and support facilities.

12. IMPLEMENTATION PLAN-CONTINUED:

12.2. Phase 2: Plant Construction and Setup (Q1-Q3 2024):

- Commencing Construction of the Processing Plant: The second phase will mark the commencement of construction activities. This will be carried out with meticulous attention to detail, ensuring that the plant is built to the highest standards of quality and safety.
- Recruitment and Training of Personnel: A skilled and motivated workforce is essential for the success of the processing plant. Recruitment and training programs will be initiated to equip our team with the necessary skills and knowledge.
- Developing Relationships with Local Avocado Farmers: Building strong relationships with local avocado farmers will be instrumental in securing a consistent supply of high-quality avocados. This phase will involve outreach, collaboration, and the establishment of mutually beneficial agreements.

12.3 .Phase 3: Operationalization and Out-Grower Engagement (Q4 2024):

- Commencing Trial Runs and Testing: The third phase will kick off with trial runs and testing of the processing plant's operations. This will serve to fine-tune processes, identify potential improvements, and ensure seamless integration of all components.
- Engaging Smallholder Farmers through the Out-Grower Scheme: The out-grower scheme will be fully operationalized, providing training, technical support, and a guaranteed market for smallholder farmers. This phase will be marked by active engagement and capacity-building efforts.
- Full-Scale Production and Market Penetration: With the plant fully operational and the out-grower scheme in place, we will transition into full-scale production. Simultaneously, we will intensify our market penetration efforts, targeting local, regional, and potentially international markets.

ANNEX 1: FINANCIALS-(EXTRACTS)

Financials

	Historical		Forecast				
	2022	YTD 2023	2024	2025	2026	2027	2028
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Statement of Profit or Loss							
Revenue	-	-	201,600,000	1,330,560,000	2,603,790,509	3,135,267,807	3,657,209,133
Less: Cost of Sales(COGS)	21,050,000	-	95,929,333	569,610,539	831,702,131	1,025,420,137	1,206,984,004
Gross Profit	(21,050,000)	-	105,670,667	760,949,461	1,772,088,378	2,109,847,670	2,450,225,129
<i>Gross Margin % of Revenue</i>	<i>0%</i>	<i>0%</i>	<i>52%</i>	<i>57%</i>	<i>68%</i>	<i>67%</i>	<i>67%</i>
Other Income	-	-	-	-	-	-	-
Less: Overheads	13,927,800	1,902,773	48,893,500	180,129,200	199,782,880	220,663,586	242,729,945
EBITDA	(34,977,800)	(1,902,773)	56,777,167	580,820,261	1,572,305,498	1,889,184,084	2,207,495,185
Less: Depreciation	1,810,000	1,583,750	61,885,781	61,885,781	61,885,781	61,885,781	61,885,781
EBIT	(36,787,800)	(3,486,523)	(5,108,615)	518,934,480	1,510,419,716	1,827,298,303	2,145,609,404
Less: Interest	-	-	82,130,870	70,512,961	50,485,117	30,457,272	10,429,428
Less: Tax	-	-	-	108,354,611	437,980,380	539,052,309	640,553,993
Net Income(Profit after tax)	(36,787,800)	(3,486,523)	(87,239,484)	340,066,909	1,021,954,220	1,257,788,721	1,494,625,983
<i>% of Revenue</i>	<i>0%</i>	<i>0%</i>	<i>-43%</i>	<i>26%</i>	<i>39%</i>	<i>40%</i>	<i>41%</i>
Cash Flow							
EBITDA	(34,977,800)	(1,902,773)	56,777,167	580,820,261	1,572,305,498	1,889,184,084	2,207,495,185
Interest	-	-	82,130,870	70,512,961	50,485,117	30,457,272	10,429,428
Tax	-	-	-	108,354,611	437,980,380	539,052,309	640,553,993
Working Capital (increase)/ decrease	-	-	52,984,000	(13,305,600)	(19,514,880)	14,350,336	(28,630,768)
Cash flow from operations	(34,977,800)	(1,902,773)	27,630,297	388,647,090	1,064,325,121	1,334,024,839	1,527,880,995
Capex							
Structures& Infrastructure	-	-	121,600,000	-	-	-	-
Land & Buildings	-	-	-	-	-	-	-
Capital Equipment	-	-	484,000,000	-	-	-	-
Motor Vehicle	-	-	-	-	-	-	-
Fixed assets Disposal proceeds	-	-	-	-	-	-	-
Capex Total	55,480,000	-	605,600,000	-	-	-	-
Cash flow before financing	(90,457,800)	(1,902,773)	(577,969,703)	388,647,090	1,064,325,121	1,334,024,839	1,527,880,995
Funding							
Grant Funding	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	709,493,500	-	-	-	-
Issuance of equity	96,620,800	-	-	-	-	-	-
Share premium	-	-	-	-	-	-	-
Total	96,620,800	-	709,493,500	-	-	-	-
Cash Flow Available for Debt Service	6,163,000	(1,902,773)	131,523,797	388,647,090	1,064,325,121	1,334,024,839	1,527,880,995
Debt Service							
Repay ment of long-term debt	-	-	(41,898,700)	(166,898,700)	(166,898,700)	(166,898,700)	(166,898,700)
Total Debt Service	-	-	(41,898,700)	(166,898,700)	(166,898,700)	(166,898,700)	(166,898,700)
Cashflow Available for Equity	6,163,000	(1,902,773)	89,625,097	221,748,390	897,426,421	1,167,126,139	1,360,982,295
Distribution of dividends	-	-	-	-	-	-	-
Repay ment of equity	-	-	-	-	-	-	-
Net increase/(decrease) in Cash	6,163,000	(1,902,773)	89,625,097	221,748,390	897,426,421	1,167,126,139	1,360,982,295
Beginning cash	-	6,163,000	4,260,227	93,885,324	315,633,715	1,213,060,136	2,380,186,274
Ending cash	6,163,000	4,260,227	93,885,324	315,633,715	1,213,060,136	2,380,186,274	3,741,168,570
Balance Sheet							
Current assets	6,163,000	4,260,227	40,901,324	275,955,315	1,192,896,616	2,345,672,418	3,735,285,482
Long-term assets	53,670,000	52,086,250	595,800,469	533,914,688	472,028,907	410,143,126	348,257,344
Total Assets	59,833,000	56,346,477	636,701,793	809,870,002	1,664,925,523	2,755,815,545	4,083,542,826
Current liabilities	-	-	-	-	-	-	-
Long Term liabilities	-	-	667,594,800	500,696,100	333,797,400	166,898,700	(0)
Total Liabilities	-	-	667,594,800	500,696,100	333,797,400	166,898,700	(0)
Share capital	96,620,800	96,620,800	96,620,800	96,620,800	96,620,800	96,620,800	96,620,800
Advance towards Sharecapital	-	-	-	-	-	-	-
Foreign exchange reserve	-	-	-	-	-	-	-
Retained Earnings	-	(36,787,800)	(40,274,323)	(127,513,807)	212,553,102	1,234,507,322	2,492,296,043
Profit for the year	(36,787,800)	(3,486,523)	(87,239,484)	340,066,909	1,021,954,221	1,257,788,722	1,494,625,983
Total Equity	59,833,000	56,346,477	(30,893,007)	309,173,902	1,331,128,123	2,588,916,845	4,083,542,826
Total Equity and Liabilities	59,833,000	56,346,477	636,701,793	809,870,002	1,664,925,523	2,755,815,545	4,083,542,826

ANNEX 1: FINANCIALS-(EXTRACTS-CONTINUED)

Sources and Uses of funds

<u>Sources</u>	TZS	%
Shareholder loan	181,000,000	26%
Shareholder loan	28,493,500	4%
External Debt	500,000,000	70%
Total	709,493,500	100%

<u>Uses</u>	TZS	%
Capex		
Structures	121,600,000	17%
Capital equipment	484,000,000	68%
Bottle Inventory	55,000,000	8%
Operating Expenses(2024)	-	-
Overheads		
Staff costs	-	-
General & Administration costs	48,893,500	7%
Other Costs	-	-
Total	709,493,500	100%

Metrics

Liquidity

Fixed Asset Coverage Ratio (avg)	Num#	n/a
Receivables (avg)	Month(s)	1
Inventory (avg)	Month(s)	-
Payables (avg)	Month(s)	-
Net WC (avg)	TZS	1,211,147,473
Net WC Turnover Ratio (Y2+)	Num#	5.4

Profitability

Gross Margin	%	67%
EBITDA	TZS	2,207,495,185
EBITDA Margin	%	60%
Net Profit Margin	%	41%
ROE	%	1547%

Valuation

Project IRR	%	122%
NPV	TZS	3,076,674,801

Solvency

Min Interest Coverage Ratio (M12 of Y1+)	Num#	7.0
Avg DSCR (M12 of Y1+)	Num#	7.3
Min DSCR (M12 of Y1+)	Num#	1.8
Max Deb/EBITDA (M12 of Y1+)	Num#	0.3
Max Debt Outstanding	TZS	726,086,358

Marketplace business metrics

Gross Merchandise Value (GMV)	TZS	10,928,427,448
-------------------------------	-----	----------------

ANNEX 2: SUMMARISED INVESTMENT THESIS

I. Statement of Investment Objective, Sector, and Products:

Ballyable Inc. Ltd is dedicated to revolutionizing the agricultural value chain by establishing an Avocado Oil Processing Plant in the Kagera region, Tanzania. Our primary objective is to contribute to sustainable economic development by focusing on the value addition of avocados. The sector of investment is agribusiness, with a specific emphasis on avocado farming and processing. Our flagship product will be premium-grade edible virgin avocado oil, with potential diversification into value-added products such as dietary supplements.

II. Investment Costs and Sources of Finance:

The Avocado Oil Processing Plant's estimated initial investment stands at TZS 710 Million, with additional investment required during the expansion phase. Financing will be a mix of debt from financial institutions and equity contributions from Ballyable Inc. Ltd's founders and potential investors. This strategic blend ensures a robust financial structure to support the project's success.

III. Job Creation:

Anticipated employment opportunities include 30 direct jobs within the plant and 300 indirect jobs through our out-grower engagement program, benefiting local smallholder farmers.

IV. Investment Funds Expenditure Breakdown:

Investment funds will be allocated for:

- Land Acquisition/Improvements
- Procurement of Processing Equipment
- Plant Construction and Setup
- Working Capital for Initial Operations
- Marketing and Market Penetration Efforts

V. Sources of Supply of Inputs:

Avocado sourcing will leverage our commercial orchid estate and an out-grower scheme, ensuring a robust and diverse supply chain.

VI. Marketing Plan:

Our marketing strategy will establish a strong brand presence for premium edible virgin avocado oil, employing traditional and digital channels. Emphasis on health benefits and eco-friendly packaging will be integral to our approach.

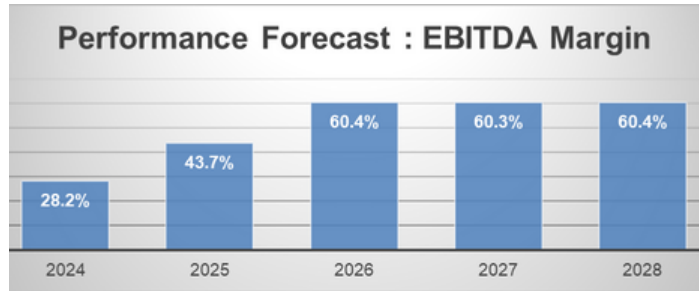
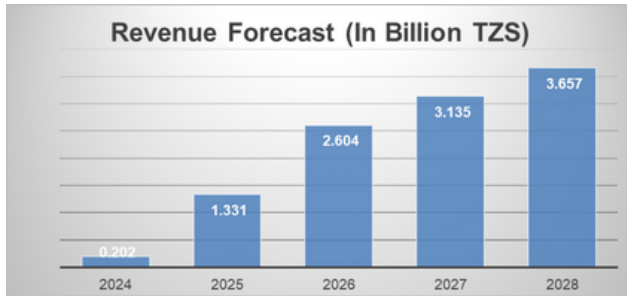
VII. Implementation Schedule:

1. Project Initiation (Q4 2023): Securing funding, finalize land improvements, conducting detailed engineering studies.
2. Plant Construction and Setup (Q1-Q3 2024): Commencing construction, recruit and train personnel, develop relationships with local avocado farmers.
3. Operationalization and Out-Grower Engagement (Q4 2023): Commencing trial runs, engaging smallholder farmers, full-scale production, and market penetration.

ANNEX 2: SUMMARISED INVESTMENT THESIS- CONTINUED

VIII.5-Year Financial Projections:

Our financial projections span revenue growth, operating expenses, and key profitability metrics. Monitoring will include gross margin, net profit margin, and return on investment (See summary below)



- **Other key Metrics and assumptions are highlighted further below:**

- Gross Merchandise Value (GMV) of 10.9 Billion over a 5 Year period.
- Project Valuation Estimating a Net Present Value (NPV) of TZS 3.07 Billion (Discounted at 15%) at the end of the 5th year.
- Net Working Capital Turnover Ratio: 5.4

IX. Project Capacity:

The Avocado Oil Processing Plant is designed to process more than 73,000 liters of edible avocado oil annually, ensuring scalability.

X. Expansion Plan:

Beyond the initial phase, Ballyable Inc. Ltd envisions an expansion plan to increase processing capacity by 143% within a 5 year period.

Additional investments will be directed towards enhancing infrastructure, improving the production site(adding a pack house), expanding and advancing the processing line(bottling line , waste management line, value addition line), improving distribution (through acquisition of distribution trucks), and extending support to a larger network of smallholder farmers.