



BAJONTA

INTERNATIONAL CHEMICALS CO. LTD

January 2024



BUSINESS PLAN

Bajonta International Chemicals Company Limited
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3 EXECUTIVE SUMMARY

3.1 Company Overview

Bajonta International Chemicals Company Limited is a private company that has established a reputation for scale, reliability, and quality in Tanzania.

The directors have passed a resolution for the company to invest in and finance a pesticide manufacturing plant to capture the opportunity to become the market leader of crop protection products in East Africa.

3.2 Business Opportunity

The global trade market for crop protection is estimated at \$40 billion (TZS92 trillion). The East Africa region has a market of about \$510 million (TZS 1.2 trillion). The Tanzania market is about \$120 million (TZS 276 billion)

The company has identified an opportunity to significantly improve margins by investing in a pesticide manufacturing facility in Arusha, Tanzania. The investment is expected to double gross margins while leveraging the existing clients and distribution networks. Bajonta will also be able to capture the TZS 1.2 trillion regional market with a lower cost structure due to manufacturing and EAC free trade area.

3.3 Investment Plan

The company shall invest TZS 37.667 billion, of which TZS 17.667 billion is CAPEX for building a high-capacity herbicide and insecticide manufacturing and packaging plant, and TZS 20 billion is for WORKING CAPITAL. Funds for CAPEX are expected to be raised in a project finance structure, with an equity contribution of 32% (TZS 5.667 billion) and a 5-year term loan of 68% (TZS 12.0 billion); while funds for the WORKING CAPITAL of TZS 20 billion shall be raised through short term loans and overdrafts from Banks of TZS 13 billion (65%) and equity contribution of TZS 7 billion (35%). In aggregate, the total investment of TZS 37.667 billion shall be raised through equity of TZS 12.667 billion (33.6%) and debt of TZS 25 billion (66.4%)

3.4 Financial Plan

The financial model takes into account the improved margins from manufacturing, cash flow needs, and projects market share growth from 16% to 70%. The results of the model suggest a positive Net Present Value of 1.779 billion at a 13% discount rate. The Internal Rate of Return (IRR) to equity holders is high at 24%

3.5 Socio-economic Impact

More than 80% of Tanzanians are involved in farming. Modern farming requires efficient crop protection. The investment into manufacturing will impact the millions of farmers in Tanzania, lowering the cost base for more affordable and accessible crop protection products.

3.6 Recommendation

The project financing is recommended as the manufacturing plant is a feasible and profitable investment for the company.

4 COMPANY OVERVIEW

4.1 History

Founded in 2024, Bajonta International Chemicals Company Limited is a private company that its main activities is focusing on manufacturing of pesticides.

Bajonta International Chemicals Company Limited is backed with committed extension services, a nationwide distribution network and infrastructure, a team of highly qualified people, quality and affordable products and pack sizes, and timely delivery.

Products are planned to be exported to Uganda, Kenya, Rwanda, Burundi, DRC, South Sudan, Malawi, Zambia, etc

4.2 Vision

To become the leading Pesticides supplier and manufacturer in East, South and Central Africa

4.3 Mission

Our mission is to provide our customers with superior, quality, customized products and services at affordable prices as well as increasing agro-inputs adoption rate and accessibility in the country and region.

4.4 Business Ownership & Directors

The business is owned by two shareholder who are BAJONTA INTERNATIONAL (T) LTD with address P.O. Box 12103, Arusha Tanzania and E-TONG CHEMICAL CO., LIMITED with address FLAT/RM 03 15/F, RIGHTEOUS CENTRE, 585 NATH ROAD, MONGKOK, HONG KONG SAR and the company has 5 directors:

1. GESSO HEGHON BAJUTA
2. SONG YONGPING
3. GEWAY GESSO BAJUTA
4. DUSSEIN GESSO BAJUTA
5. YAN YUXIANG

4.5 Geographical Location

The company HQ is located at Mateves, Olmoti, Next to A-to-Z Textile Factory in the out skates of Arusha City. The proposed manufacturing plant will be built on a plot adjacent to the company HQ.



Figure 1 Locations of Bajonta International

5 OPPORTUNITY

5.1 Global Market Overview

Agrochemicals and pesticides present a significant part of the agricultural sector. Agro-industry plays an important role in the country's economy.

Agrochemicals are used in a wide variety of products and play an important role in the world economy. They are constituents of materials, are used in preparations and products, and are embedded in complex physical systems. While agrochemicals are a significant contributor to national economies, agrochemicals management through their life cycle is important to reduce and avoid the possible risks to human health and the environment, together with their identified costs, and to gain excellent benefits for humans. Growth in agrochemicals production and use has slowed in many of the developed countries that previously had a significant role in the market, while it has increased rapidly in several developing countries and transition economies. These countries have a great influence on the global economy and the global growth in the production and use of these agrochemicals and fertilizers.¹

The global chemicals industry has grown rapidly over the past several decades. During the last ten years, this expansion has been driven primarily by rapid growth in developing countries and countries with economies in transition. The global chemicals industry has grown steadily over the past several decades. Chemical industry data cited by OECD indicate that global chemical industry output was valued at US\$ 171 billion in 1970. In 2010, industry sources valued global output at US\$ 4.12 trillion.

A variety of global economic forces influence changes in chemical production, use, and disposal over time. Chemical use is influenced both by countries' domestic needs and by global trade. Factors influencing the location of chemical use in manufacturing include proximity to raw materials, proximity to final markets, labor costs, and a range of other factors.

Agricultural chemicals include pesticides and fertilizers. Some classification systems include them within the category of specialty chemicals.

Herbicides account for the largest percentage of expenditure on pesticides worldwide, due primarily to large expenditure in developed countries and countries with transition economies. Still, their use in these countries is increasing rapidly as well. The global market in herbicides is highly concentrated with a handful of multinational companies accounting for the vast majority of herbicide sales.

Adoption of herbicides in developing countries is often associated with a package of agricultural inputs including fertilizers and insecticides. In some countries, herbicide use has been influenced significantly by the adoption of genetically modified crops that are designed to be grown in combination with specific herbicides.

¹ Developing a business plan for a new start-up: The case of pesticides and fertilizers store
Gjorgji Atanasov

Ten major groups of herbicides are identified based on chemical composition. Some of the most important are: amides, arsenicals, carboxylic acids and derivatives, heterocyclic nitrogen herbicides, organophosphates, urea herbicides, and other herbicides. Herbicides have a range of types of action, including selective and nonselective activity.

According to CropLife International, an industry association, the total value of the global agricultural pesticide market (including herbicides, insecticides, fungicides, and others) was nearly US\$ 38 billion in 2009. Herbicides accounted for the largest proportion of the global market, as shown in Table 1.

Table 1 Global Pesticide Market

	Global sales in 2009 (million US\$)	Percentage of total global pesticide sales
Herbicides	\$ 17,527	46%
Insecticides	\$ 9,411	25%
Fungicides	\$ 9,726	26%
Other	\$ 1,196	3%

Source: CropLife International (2010). *Facts and Figures: The Status of Global Agriculture*.

According to Business Research Company, the global pesticides market size reached a value of nearly \$84.5 billion in 2019, having grown at a compound annual growth rate (CAGR) of 4.2% since 2015, and is expected to grow at a CAGR of 11.5% to nearly \$130.7 billion by 2023.²

FAO estimates that the total traded value of pesticides to be US\$ 40 billion in 2018, growing at an average CAGR of 4.9% since 1990.

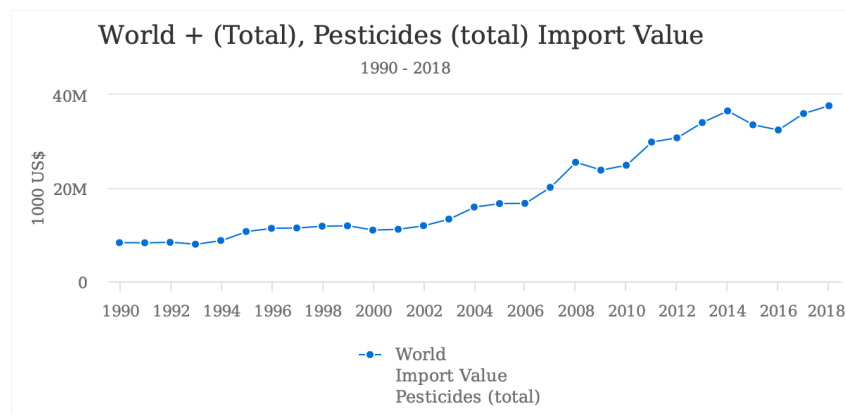


Figure 2 World Pesticides Import Value

5.2 Regional Market Overview

The growth of agricultural production and urbanization in the East Africa is contributing to the increasing demand for pest management products. As the regional agricultural production growth

² <https://www.thebusinessresearchcompany.com/report/pesticides-market#:~:text=The%20global%20pesticides%20market%20size,nearly%20%24130.7%20billion%20by%202023.>

continues, mostly led by small holder farmers, there is a need to develop highly targeted, accessible and affordable pest management products.

The East African regional market has limited installed production capacity for pesticides and is currently dominated by imports. Looking at the value of pesticides imported by the countries, as reported by FAO, as a proxy for market size, results in a regional market size of US\$ 510 million (TZS 1.2 trillion), growing at an average CAGR of 6.8%.

This high growth rate compared to global growth indicates that the regional market is set to expand further and is ripe for investment.

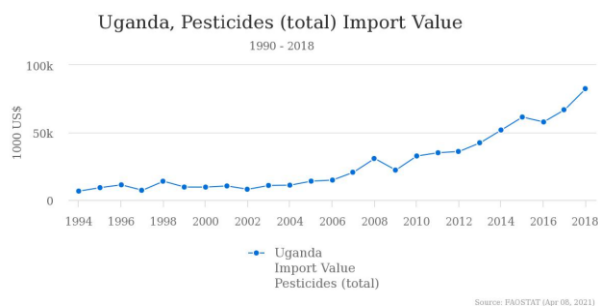


Figure 3 Uganda Pesticides Import Value is estimated at US\$ 90 million (TZS 207 billion)

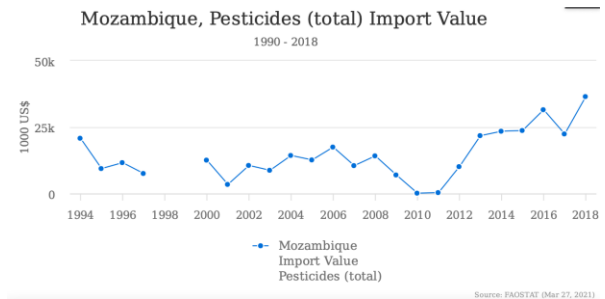


Figure 6 Mozambique Pesticides Import Value is estimated at US\$ 40 million (TZS 92 billion)

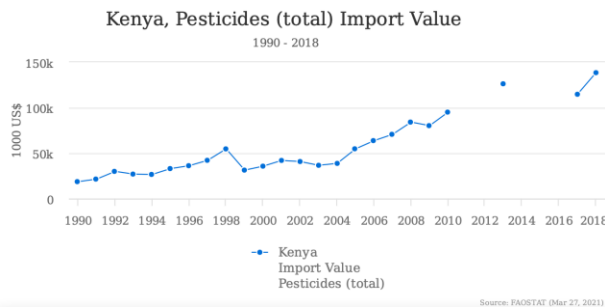


Figure 4 Kenya Pesticides Import Value is estimated at US\$ 140 million (TZS 322 billion)

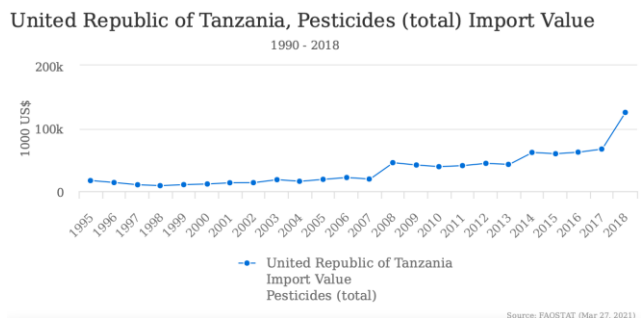


Figure 7 Tanzania Pesticides Import Value is estimated at US\$ 120 million (TZS 276 billion)

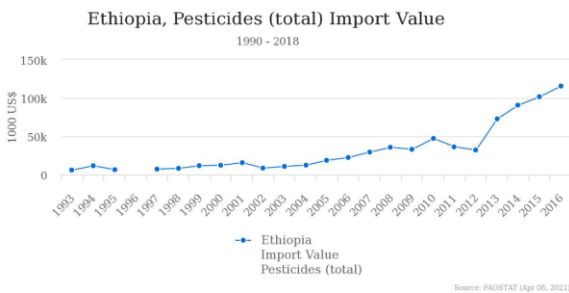


Figure 5 Ethiopia Pesticides Import Value is estimated at US\$ 120 million (TZS 276 billion)

5.3 Tanzania Market Overview

Registered pesticides in Tanzania

There has been a considerable increase in registered pesticides in Tanzania over the last decade, tripling in total number since 2007. The number of provisional registrations declined considerably. While the number of restricted pesticides grew, its fraction of the total number of registered pesticides declined. Most of the increase in restricted pesticides were herbicides.³

Table 2 Number of Pesticide Products registered in Tanzania

Pesticide group	2007			2011			2015		
	Full	Prov.	Restr.	Full	Prov.	Restr.	Full	Prov.	Restr.
Insecticides	76	124	18	358	74	22	502	54	20
Herbicides	36	53	1	205	22	17	313	20	24
Fungicides	35	51	5	247	23	5	344	19	6
Acaricides	13	11	13	33	8	13	38	8	13
Plant Growth Regulators	2			7			11		8
Nematicides		4	1	3	4		3		
Rodenticides	2	2		5	3		4	2	
Avicides		1		1	1				1
TOTAL	164	246	38	859	135	57	1,215	103	72
GRAND TOTAL		448			1,051			1,390	

Full = full registration for general use (5 years, renewable); Prov. = provisional registration for general use (2 years, non-renewable);

Restr. = restricted registration for specific uses/users (2 years, renewable).

Sources: TPRI (2007, 2011, 2015).

Data on pesticide import values are regularly published by the Tanzania National Bureau of Statistics (NBS, undated). A steady rise in import values is seen, increasing 4-fold from 8 million US\$ in 2005 to 34.3 million US\$ in 2013, which is consistent with the increases in volume imported over approximately the same period.

³ Wageningen University, Pesticides in SAGCOT

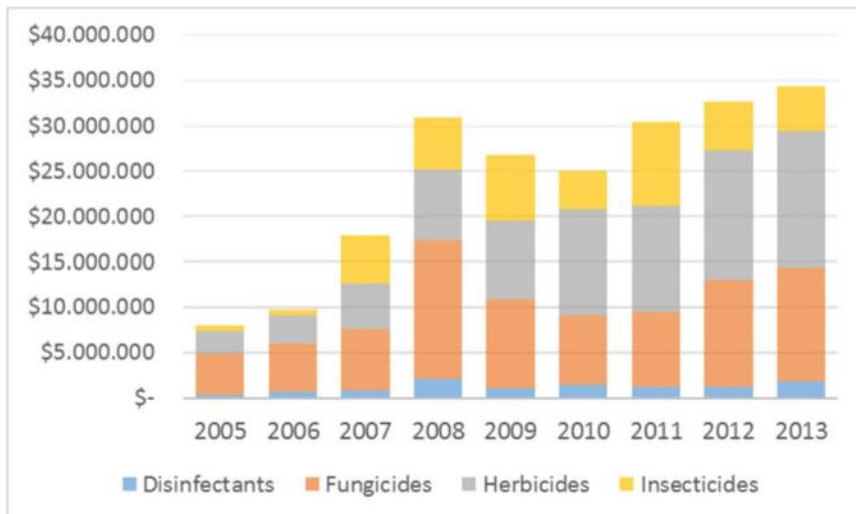


Figure 8 Pesticide imports into Tanzania (import value in US\$) (Source: NBS, undated)

Pesticide use intensity

While no trends in pesticide use at the region or district level have been published, pesticide import data are available for longer time period (see above). We therefore compare pesticide imports (as a proxy for pesticide use) with total crop production and areas planted over the same period. Data for the 27 main crops⁴ included in the Country Stat database of the NBS were used. Horticultural crops are not included in this dataset. Trends over time in total production and area planted were compared with total pesticide imports.

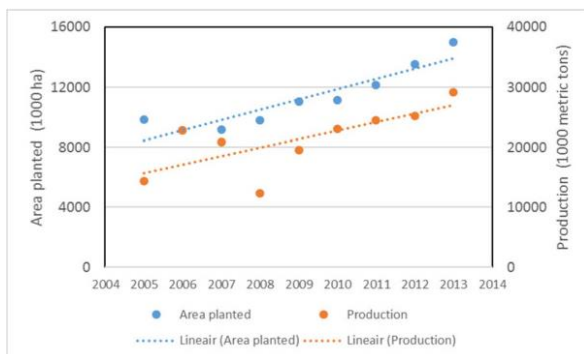


Figure 9 Pesticide use vs Area planted in Tanzania

⁴ The crops in the Production Core data set of the Tanzania NBS are: Barley, Beans (dry), Maize, Rice (paddy), Sorghum, Millet, Wheat, Seed cotton, Cassava, Sesame seed, Sunflower seed, Potatoes, Sweet potatoes, Pyrethrum (dried), Coffee (green), Tobacco leaves, Cashew nuts (with shell), Groundnuts (with shell), Tea, Pigeon peas, Cow peas (dry), Bambara beans, Oil palm fruit, Bananas, Peas (dry), Soybeans & Sisal.

For deeper analysis, TPRI data for 2020 (for products to be manufactured at the new facility) was used to estimate current market share of Bajonta International in Tanzania and target market share after the factory is operational. This resulted in the current market share of Bajonta being 16% with the target to grow to installed capacity of 68% of the current pesticide market in Tanzania.

Table 3 Bajonta International current and target market share. Source: (TPRI Import Data and Bajonta internal Data)

PRODUCTION GROWTH METRICS						
<i>Liters</i>	2021	2022	2023	2024	2025	2026
Herbicides						
1 2, 4-D Amine 720g/L	300,000	400,000	500,000	600,000	600,000	600,000
2 Chlorothalonil 720g/l	100,000	150,000	200,000	200,000	200,000	200,000
3 Paraquat chloride 276g/l + Paraquation 200g/l	250,000	300,000	500,000	500,000	500,000	500,000
4 Glyphosate + Isopropyl Ammonium salt 480g/l	500,000	600,000	700,000	800,000	900,000	1,000,000
5 propanil 200g/l + Thiobencarb 400g/l	40,000	40,000	40,000	40,000	40,000	40,000
6 oxfluorfen 240g/l	40,000	40,000	40,000	40,000	40,000	40,000
7 Bromoxynil 225g/l + MCPA 225g/l	30,000	30,000	30,000	30,000	30,000	30,000
8 Pendimethalin 500g/l	50,000	50,000	50,000	50,000	50,000	50,000
9 Flumetralin 125g/l + Butralin 1801g/l	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL HERBICIDES PER YEAR	1,410,000	1,710,000	2,160,000	2,360,000	2,460,000	2,560,000
Insecticides						
1 Dichlorovos 500g/l	40,000	40,000	40,000	40,000	40,000	40,000
2 Deltamethrin 25g/l	40,000	40,000	40,000	40,000	40,000	40,000
3 Permethrin 380g/l	100,000	100,000	100,000	100,000	100,000	100,000
4 Abamectin 20g/l	150,000	200,000	250,000	250,000	250,000	250,000
5 Primiphos methyl 500g/l	40,000	40,000	40,000	40,000	40,000	40,000
7 Profenofos 720g/l	350,000	400,000	500,000	500,000	700,000	700,000
8 Chlorpyrifos 400g/l	100,000	100,000	100,000	100,000	100,000	100,000
9 cypermethrin 100g/l + Chloropyrifos 350g/l	250,000	300,000	400,000	500,000	500,000	500,000
TOTAL INSECTICIDES PER YEAR	1,070,000	1,220,000	1,470,000	1,570,000	1,770,000	1,770,000
TOTAL PESTICIDES PER YEAR	2,480,000	2,930,000	3,630,000	3,930,000	4,230,000	4,330,000
Production capacity utilization	57%	68%	84%	91%	98%	100%

6 PRODUCTS & DISTRIBUTION

6.1 Products & Brands

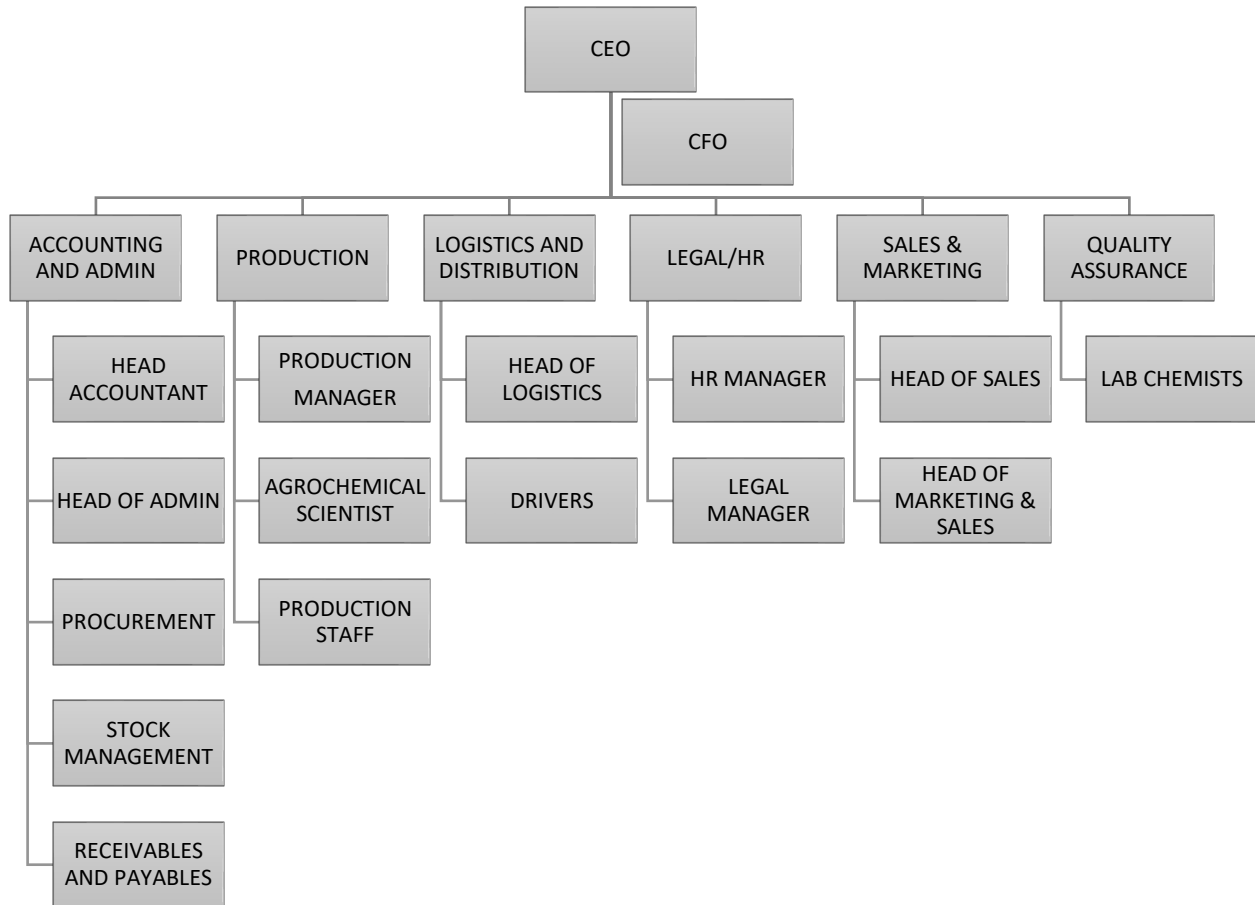
Bajonta International Chemicals Company limited has registered close to 50 brands in Tanzania and currently imports branded, packaged products from China. The products below are targeted for manufacturing and packaging in the new facility.

6.2 Distribution

The company has an existing logistics for distribution trucks reaching across the country. Customers are offered transport to their location. The company also has extensive networks of agro-dealers across the country. Furthermore, Bajonta has deep relationships with large cooperative unions for bulk supply contracts for their member farmers.

7 GOVERNANCE AND ORGANIZATIONAL PLAN

7.1 Organizational Structure



The company will leverage the existing staff of 129 full time employees and add 5 foreign experts for the production unit. Foreign experts on commissioning of the manufacturing facility will be stationed at the company for the entire period of the project with the objective of transferring skills to Tanzanian employees.

7.2 Governance

7.2.1 Board of Directors

The Board of Directors will provide oversight of all the activities of the company and meet quarterly to review progress of the implementation plan for the manufacturing facility.

7.2.2 Standard Operating Procedures

All employees of the company will have to adhere to the company's SOP that will be set by management. This is to ensure that the employees have a guideline on how to perform their respective duties.

Some decisions that should involve management will be set out in the SOP and approvals have to be taken from the top management.

In other cases, the SOP will act as a guideline to the employee; who can act in a certain way to a given situation. This ensures that the activity is performed as prescribed by the management without having to seek approvals, which in turn will reduce unnecessary wastage of time.

7.2.3 Health & Safety, Environment, and Corporate Social Responsibility

Bajonta International Chemicals Company limited takes health and safety very seriously. Thus; from the very beginning, the company will create a culture of safety. Every employee in the company will be trained to operate machinery, tractors, trucks and carry out all activities with safety in mind.

An environmental impact assessment study will be carried out by NEMC and any recommendations from them will be strictly adhered to in terms of waste disposal systems etc.

The directors of the company have insisted from the outset that the company will take CSR very seriously. The company will benefit from the community in terms of employees, customers, safety in the area, etc. thus it is the company's responsibility to give back to the community.

8 IMPLEMENTATION PLAN

8.1 Facility Design and Preparation of Civil Works

Detailed schematics and designs of the warehouse and partitions have been prepared and actual on-the-ground civil works on the land has started since 2020 and is currently in good progress.

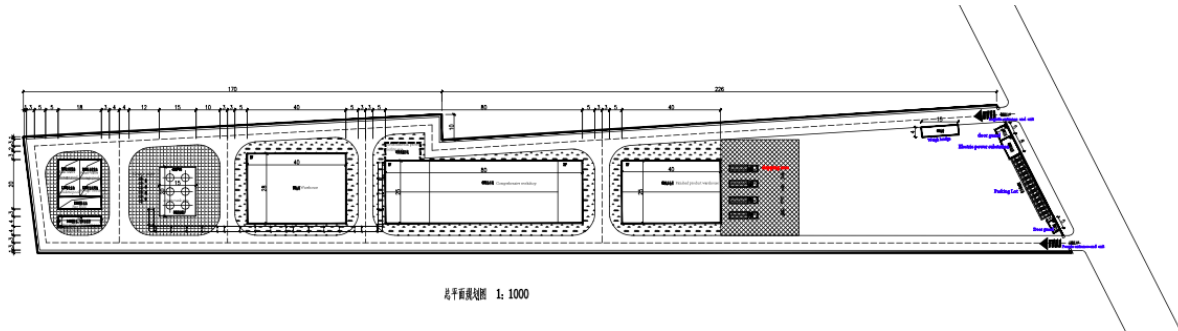


Figure 10 Civil Works Design

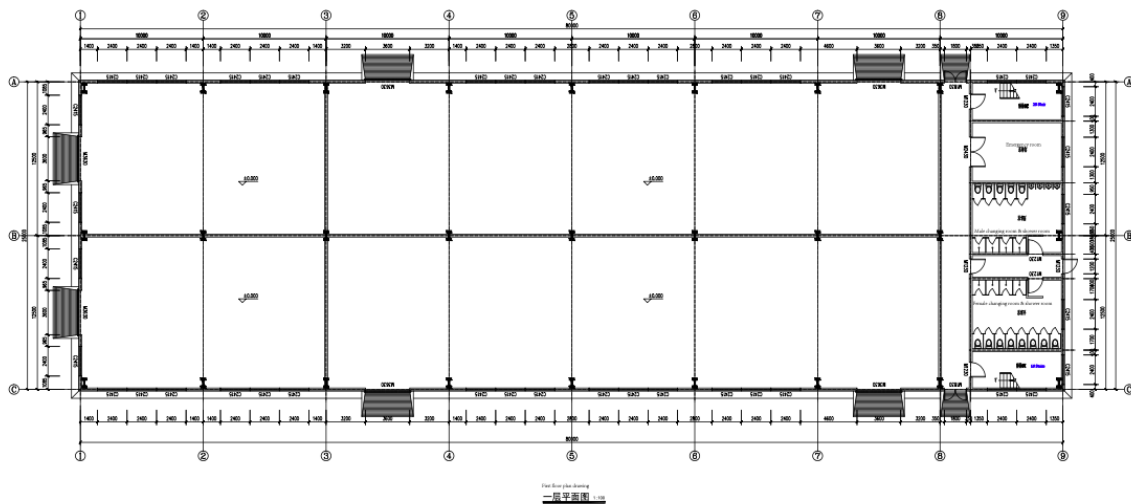


Figure 11 Partitioning in the warehouse

8.2 Supply of Plant and Equipment

The supply of equipment is expected to start in Q2 2021 and commissioning is expected by Q4 2021

8.3 Suppliers of Raw Material

Raw materials will be supplied from global producers at the best rate. The company is in talks with various suppliers on pricing and volumes

8.4 Licenses, Permits, Taxes, and Insurance

The company already has licenses to import and distribute chemicals. More licenses will have to be registered with the numerous authorities to operate the manufacturing facility.

All foreign employees employed with the company will require a work permit in order to work in Tanzania.

Under the investment scheme in Tanzania and businesses registered with TIC, new businesses can claim 100% depreciation in the first year. This particularly advantageous because this means that the company will not have to pay taxes until the factory has recovered its full depreciation expense. Other taxes such as PAYE, SDL, withholding tax, and VAT will be paid as per the prevailing rates.

All assets and investments that belong to the company will be comprehensively insured. This reduces the risk in case of losses due to unexpected circumstances.

All industries in Tanzania are required to obtain licenses or work with the following bodies.

- (a) BRELA – Certificate of Incorporation - DONE
- (b) Tanzania Revenue Authority – Taxpayers Identification Number (TIN) and VAT - DONE
- (c) Ministry of Trade – Business License -DONE
- (d) NSSF – Company Registration as Employer -IN PROGRESS
- (e) Tanzania Investment Centre – New Business Registration – IN PROGRESS
- (f) TPRI – Registration of Company as Chemical Manufacturer – IN PROGRESS
- (g) OSHA – Premises and Health and Safety Registration – ON COMMISSIONING
- (h) NEMC – Premises and Company Registration – ON COMMISSIONING

9 FINANCIAL PLAN

9.1 Financial Objectives

After conducting an industry evaluation, data from our own research, investment cost, cost structure of manufacturing facility and information from the TPRI; we have compiled a detailed financial evaluation for Bajonta International Chemicals Company limited.

In the financial plan we have shown a projection of outputs, revenues, costs and profits for the duration of 5 years. Cost items include raw materials, labor, power and other utilities, repair and maintenance, administration expenses, sales expenses, working capital, depreciation, taxes etc.

We have provided the complete financial evaluation of the project including computation of profit and loss, balance sheet and cash flow for 5 years

The main financial objectives are stated below:

1. Maximizing profits
2. Minimizing costs
3. Ensure the firm has a good cash flow
4. Re-pay loans

Please refer to the financial statements below for more information. The full excel model is available upon request.

9.2 Project Costs, Equity and Financing Structure

The project investment costs for Bajonta International and the asset depreciation schedule is presented below:

Fixed Asset Schedule						
<i>TZS '000 000</i>	2021	2022	2023	2024	2025	2026
Existing Fixed Assets	4,259	3,790	3,321	2,851	2,382	1,913
Depreciation	469	469	469	469	469	469
Net Existing Assets	3,790	3,321	2,851	2,382	1,913	1,444
Additions:						
Land, Buildings & Civil Works	9,338	9,338	8,871	8,404	7,937	7,471
Depreciation		467	467	467	467	467
Net Added Buildings	9,338	8,871	8,404	7,937	7,471	7,004
Machinery & Equipment	8,329	8,329	7,080	5,830	4,581	3,332
Depreciation		1,249	1,249	1,249	1,249	1,249
Net Added Mech & Equipment	8,329	7,080	5,830	4,581	3,332	2,082
Net Fixed Assets	21,457	19,272	17,086	14,901	12,715	10,530

The breakdown of new investment is as follows: -

Breakdown of New Investment	
TZS '000 000	2021
Land, Buildings & Civil Works	7,708
Sub- Total Land, Buildings & Civil Works	7,708
Plant, Machinery & Equipment	
Plant and machinery	6,829
Vehicles for distribution	3,000
Furniture and fittings & equipment	70
Pre-expenses	50
Others	10
Sub- Total Machinery & Equipment	9,959
Grand Total Investment	17,667
Working Capital	20,000
Grand Total (Investment & Working Capital)	37,667

The investment is planned as a project finance structure, with 32% contribution from shareholders and 68% project finance debt.

Financing			
TZS '000 000	Total	Equity	Debt
Investment in Assets	17,667	5,667	12,000
Total Investment	17,667	5,667	12,000
Equity/Debt Ratio		32%	68%

The debt repayment schedule is shown below:

Debt Schedule							
TZS '000 000		2021	2022	2023	2024	2025	2026
Principal Drawdown		12,000	13,560	11,468	9,103	6,431	3,412
Interest	13%	1,560	1,763	1,491	1,183	836	444
Repayment Interest			(1,763)	(1,491)	(1,183)	(836)	(444)
Repayment Principal			(2,093)	(2,365)	(2,672)	(3,019)	(3,412)
Net Principal		13,560	11,468	9,103	6,431	3,412	0

9.3 Security

First charge legal mortgage over landed property where the factory shall be built, first charge mortgage over factory plant and machinery, and director’s personal guarantee

9.4 Operational Metrics

Below is the planned rollout of the various products to be manufactured at the facility:

PRODUCTION GROWTH METRICS						
<i>Liters</i>	2021	2022	2023	2024	2025	2026
Herbicides						
1 2, 4-D Amine 720g/L	300,000	400,000	500,000	600,000	600,000	600,000
2 Chlorothalonil 720g/l	100,000	150,000	200,000	200,000	200,000	200,000
3 Paraquat chloride 276g/l + Paraquation 200g/l	250,000	300,000	500,000	500,000	500,000	500,000
4 Glyphosate + Isopropyl Ammonium salt 480g/l	500,000	600,000	700,000	800,000	900,000	1,000,000
5 propanil 200g/l + Thiobencarb 400g/l	40,000	40,000	40,000	40,000	40,000	40,000
6 oxflufen 240g/l	40,000	40,000	40,000	40,000	40,000	40,000
7 Bromoxynil 225g/l + MCPA 225g/l	30,000	30,000	30,000	30,000	30,000	30,000
8 Pendimethalin 500g/l	50,000	50,000	50,000	50,000	50,000	50,000
9 Flumetralin 125g/l + Butralin 1801g/l	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL HERBICIDES PER YEAR	1,410,000	1,710,000	2,160,000	2,360,000	2,460,000	2,560,000
Insecticides						
1 Dichlorovos 500g/l	40,000	40,000	40,000	40,000	40,000	40,000
2 Deltamethrin 25g/l	40,000	40,000	40,000	40,000	40,000	40,000
3 Permethrin 380g/l	100,000	100,000	100,000	100,000	100,000	100,000
4 Abamectin 20g/l	150,000	200,000	250,000	250,000	250,000	250,000
5 Primiphos methyl 500g/l	40,000	40,000	40,000	40,000	40,000	40,000
7 Profenofos 720g/l	350,000	400,000	500,000	500,000	700,000	700,000
8 Chlorpyrifos 400g/l	100,000	100,000	100,000	100,000	100,000	100,000
9 cypermethrin 100g/l + Chloropyrifos 350g/l	250,000	300,000	400,000	500,000	500,000	500,000
TOTAL INSECTICIDES PER YEAR	1,070,000	1,220,000	1,470,000	1,570,000	1,770,000	1,770,000
TOTAL PESTICIDES PER YEAR	2,480,000	2,930,000	3,630,000	3,930,000	4,230,000	4,330,000
Production capacity utilization	57%	68%	84%	91%	98%	100%
MANUFACTURED PRODUCTS REVENUE GROWTH						
<i>USD</i>	2021	2022	2023	2024	2025	2026
Herbicides						
1 2, 4-D Amine 720g/L	870,000	1,160,000	1,450,000	1,740,000	1,740,000	1,740,000
2 Chlorothalonil 720g/l	450,000	675,000	900,000	900,000	900,000	900,000
3 Paraquat chloride 276g/l + Paraquation 200g/l	575,000	690,000	1,150,000	1,150,000	1,150,000	1,150,000
4 Glyphosate + Isopropyl Ammonium salt 480g/l	1,250,000	1,500,000	1,750,000	2,000,000	2,250,000	2,500,000
5 propanil 200g/l + Thiobencarb 400g/l	248,000	248,000	248,000	248,000	248,000	248,000
6 oxflufen 240g/l	372,000	372,000	372,000	372,000	372,000	372,000
7 Bromoxynil 225g/l + MCPA 225g/l	330,000	330,000	330,000	330,000	330,000	330,000
8 Pendimethalin 500g/l	260,000	260,000	260,000	260,000	260,000	260,000
9 Flumetralin 125g/l + Butralin 1801g/l	820,000	820,000	820,000	820,000	820,000	820,000
TOTAL HERBICIDES PER YEAR	5,175,000	6,055,000	7,280,000	7,820,000	8,070,000	8,320,000
Insecticides						
1 Dichlorovos 500g/l	164,000	164,000	164,000	164,000	164,000	164,000
2 Deltamethrin 25g/l	140,000	140,000	140,000	140,000	140,000	140,000
3 Permethrin 380g/l	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000	1,030,000
4 Abamectin 20g/l	585,000	780,000	975,000	975,000	975,000	975,000
5 Primiphos methyl 500g/l	364,000	364,000	364,000	364,000	364,000	364,000
7 Profenofos 720g/l	3,150,000	3,600,000	4,500,000	4,500,000	6,300,000	6,300,000
8 Chlorpyrifos 400g/l	430,000	430,000	430,000	430,000	430,000	430,000
9 cypermethrin 100g/l + Chloropyrifos 350g/l	1,625,000	1,950,000	2,600,000	3,250,000	3,250,000	3,250,000
TOTAL INSECTICIDES PER YEAR	7,488,000	8,458,000	10,203,000	10,853,000	12,653,000	12,653,000
TOTAL MANUFACTURED SALES PER YEAR	12,663,000	14,513,000	17,483,000	18,673,000	20,723,000	20,973,000

9.5 Profit and Loss Historical and Projection

PROFIT & LOSS TZS '000 000	ACTUALS					PROJECTIONS					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Imported Product Revenue	20,816	34,187	33,827	49,606	59,601	25,442	26,147	24,277	26,501	26,746	31,132
Manufactured Product Revenue					-	29,125	33,380	40,211	42,948	47,663	48,238
Total Revenue	20,816	34,187	33,827	49,606	59,601	54,567	59,527	64,488	69,448	74,409	79,370
Cost of Goods Sold					-						
Opening Stock	3,370	2,192	2,078	3,001	26,192						
Purchases	16,516	29,617	27,722	61,392	29,082	35,138	37,606	39,450	42,336	45,484	48,956
Transport & Clearing	1,423	1,824	3,010	2,609	3,175	2,728	2,976	3,224	3,472	3,720	3,968
Inspection Fees	73	238	803	681	791	818	893	967	1,042	1,116	1,191
Packing Material	105	221	278	337	455	1,091	1,191	1,290	1,389	1,488	1,587
Forex loss (gain)	-	(4)	-	-	-						
Closing Stock	(2,192)	(2,221)	(3,001)	(26,192)	(8,102)						
Total Cost of Goods Sold	19,295	31,867	30,890	41,828	51,593	39,776	42,666	44,931	48,240	51,809	55,702
Gross Profit	1,521	2,320	2,937	7,778	8,008	14,790	16,861	19,557	21,209	22,600	23,668
GP %	7%	7%	9%	16%	13%	27%	28%	30%	31%	30%	30%
Overheads					-						
Salaries	143	370	451	462	535	1,091	1,786	2,580	2,778	2,976	3,175
Administrative Expenses	232	505	1,279	2,691	2,237	3,820	4,167	6,449	6,945	7,441	7,937
Total Overheads	375	875	1,730	3,153	2,772	4,911	5,953	9,028	9,723	10,417	11,112
EBITDA	1,146	1,445	1,207	4,625	5,236	9,879	10,909	10,529	11,486	12,183	12,556
EBITDA %	6%	4%	4%	9%	10%	18%	18%	16%	17%	16%	16%
Depreciation	56	51	85	450	469	469	2,185	2,185	2,185	2,185	2,185
Interest	227	375	808	1,824	1,381	2,368	2,571	2,299	1,991	1,644	1,252
Tax		231	94	1,863	-	2,113	1,846	1,813	2,193	2,506	2,736
Net Income	863	788	220	488	3,386	4,930	4,307	4,231	5,116	5,848	6,383
Net %	4%	2%	1%	1%	6%	9%	7%	7%	7%	8%	8%

9.6 Balance Sheet Historical and Projection

BALANCE SHEET TZS '000 000	ACTUALS					PROJECTIONS					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Fixed Assets	912	2,861	1,030	3,692	4,259	21,457	19,272	17,086	14,901	12,715	10,530
Current Assets											
Trade & Other Receivables	2,395	755	6,709	1,377	23,254	24,345	24,445	25,316	27,873	27,207	26,540
Inventory	2,192	2,221	3,001	26,192	8,102	10,913	11,905	12,898	13,890	14,882	15,874
Cash	(803)	517	(3,821)	(5,331)	(4,365)	(2,029)	162	1,233	1,585	5,545	9,648
Prepaid Expenses	1,024	160	66								
Total Current Assets	4,808	3,653	5,955	22,238	26,991	33,230	36,512	39,446	43,348	47,634	52,062
Total Assets	5,720	6,514	6,985	25,930	31,250	54,687	55,783	56,532	58,249	60,349	62,592
Current Liabilities											
Trade and Other Payables	230	236	4,685	3,759	4,707	5,457	5,953	6,449	6,945	7,441	7,937
Unpaid Expenses				1,557	2,248	779	389	-			
Total Current Liabilities	230	236	4,685	5,316	6,955	6,235	6,342	6,449	6,945	7,441	7,937
Long-term Liabilities	-	-	-	5,826	6,121	19,681	16,364	12,776	8,880	4,636	0
Equity											
Share Capital	500	500	500	100	100	5,767	5,767	5,767	5,767	5,767	5,767
Equity Adjustments			(4,198)	8,202	8,202	8,202	8,202	8,202	8,202	8,202	8,202
Retained Earnings	4,990	5,778	5,998	6,486	9,872	14,801	19,108	23,339	28,455	34,303	40,686
Total Equity	5,490	6,278	2,300	14,788	18,174	28,770	33,077	37,308	42,424	48,272	54,655
Total Equity & Liabilities	5,720	6,514	6,985	25,930	31,250	54,687	55,783	56,532	58,249	60,349	62,592

9.7 Cash Flow Historical and Projection

CASHFLOW TZS '000 000	ACTUALS					PROJECTIONS					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net Income		788	220	488	3,386	4,930	4,307	4,231	5,116	5,848	6,383
Adjustments for:											
Depreciation		51	85	450	469	469	2,185	2,185	2,185	2,185	2,185
Change in Receivables		1,640	(5,954)	5,332	(21,877)	(1,091)	(99)	(871)	(2,558)	667	667
Change in Inventories		(29)	(780)	(23,191)	18,090	(2,811)	(992)	(992)	(992)	(992)	(992)
Change in Pre-paid Expenses		864	94	66	-	-	-	-	-	-	-
Change in Payables		6	4,449	(926)	948	750	496	496	496	496	496
Change in Unpaid Expenses		-	-	1,557	691	(1,470)	(389)	(389)	-	-	-
Cash from Operations	-	3,320	(1,886)	(16,224)	1,707	776	5,508	4,660	4,248	8,204	8,739
Investment in Fixed Assets		(2,000)	1,746	(3,112)	(1,036)	(17,667)					
Disposal of Fixed Assets											
Cash from Investments	-	(2,000)	1,746	(3,112)	(1,036)	(17,667)	-	-	-	-	-
Equity Investment											
Equity Adjustments		-	(4,198)	12,000	-	5,667	-	-	-	-	-
Debt				5,826	295	13,560	(3,317)	(3,589)	(3,896)	(4,244)	(4,636)
Cash from Financing	-	-	(4,198)	17,826	295	19,227	(3,317)	(3,589)	(3,896)	(4,244)	(4,636)
Net Change in Cash	-	1,320	(4,338)	(1,510)	966	2,336	2,191	1,071	352	3,960	4,103
Beginning Cash		(803)	517	(3,821)	(5,331)	(4,365)	(2,029)	162	1,233	1,585	5,545
Ending Cash		517	(3,821)	(5,331)	(4,365)	(2,029)	162	1,233	1,585	5,545	9,648

9.8 Returns and Net Present Value

The results of the financial analysis shows that investment in the manufacturing facility will yield 24% annual returns and has a NPV of TZS 1.779 billion

RETURNS	2021	2022	2023	2024	2025	2026
TZS '000 000						
Equity Returns	(5,667)	2,191	1,071	352	3,960	4,103
IRR	24%					
NPV	1,779					

10 SOCIO-ECONOMIC IMPACT

More than 80% of Tanzanians are involved in farming. Modern farming requires efficient crop protection. The investment into manufacturing will impact the millions of farmers in Tanzania, lowering the cost base for more affordable and accessible crop protection products.

11 RISK ANALYSIS

11.1 Unfavorable Government Intervention

The Government could intervene by introducing new laws which may create restrictions for the company. However, we believe that all challenges can be overcome and that any restrictions will

apply to the whole industry. The challenges can be overcome by uniting as an industry and together coming up with the required course of action.

11.2 Unfavorable Weather Conditions

Although farmers produce in dry weather conditions; the yields will be low and finance for input will be limited, which in turn means that the demand for agrochemicals will be impacted.

The company will work closely with farmers and undertake further assessments to share risk through connecting them to financial institutions and insurance providers. For farms that are far from rivers; the company will drill bore holes and the water can be used to irrigate the cane.

11.3 Labor

The availability of qualified labor is a problem in Tanzania. Initially; as the local staff will be inexperienced in operating the factory there may be losses.

The factory is set up on turnkey basis which means that during the first season the plant will be handled by the supplier to ensure smooth running of the plant. This will provide sufficient time for our labor to attain the required skills to operate the plant. In addition, a project registered with the TIC enables the company to employ 5 people engaged in specialized activity.

11.4 Supply and Logistics

The factory requires constant sales & distribution to operate at maximum efficiency. Any delays and losses in the supply chain can impact the profitability of the company

The company will overcome this challenge by carefully planning of the supply chain