

B F G

**Moulding ideas
into Shape**



BFG AFRICA TANZANIA

ABOUT BFG AFRICA

In June 2018, the Mergence Group acquired 51% of BFG International Composites (Africa), the pan-African subsidiary of one of the largest and oldest diversified composites manufacturers in the world, BFG International.

BFG International, headquartered in Bahrain, have been a global leader and pioneer in composite design, engineering and manufacturing for 40 years, with over 2,000 people and 15 production facilities worldwide.

We supply globally to various sectors including renewable energy, transport, the boating industry and infrastructure. Customers include Bombardier, Alstom, Siemens and Gamesa. BFG works alongside leading architects and developers of the world, executing landmark projects.

BFG Africa, which opened its doors in 2018 in Germiston, will be aggressively expanding its renewable energy, infrastructure, mining, automotive, transport and architectural footprint on the African continent. It is worthy to note that our Germiston facility houses a State-of-the-art SMC (Sheet Moulding Compound) production line with a complete control on material quality.

Additionally, BFG Africa Tanzania acquired a showroom in Dar Es Salaam with bigger plans of opening a manufacturing plant in Tanzania to further strengthen its footprint in the East African market to service the rail, boat industry, automotive and architectural industries, contributing to job creation and economic growth in the region.

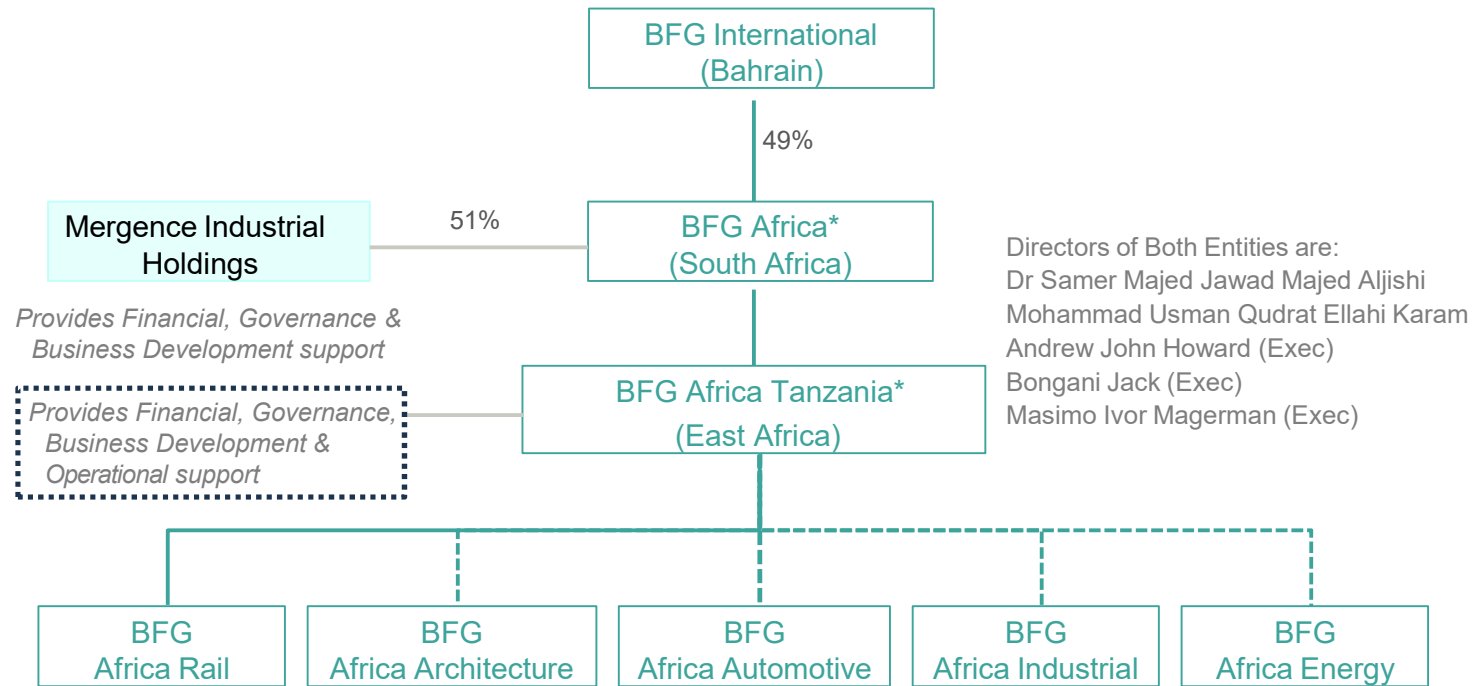
EXECUTIVE SUMMARY

BFG Africa Tanzania aims to become a leading manufacturer of composite materials and steel in Tanzania and East Africa. The company will focus on producing durable, lightweight, cost-effective composites and the metal products for local and regional markets. By leveraging advanced manufacturing processes and sustainable materials, BFG Africa Tanzania will contribute to the development of key industries while promoting environmental responsibility and creating job opportunities for the locals.

The company will be producing high-quality composite components and fibre reinforced plastic (FRP) products and steel products catering to the diverse needs of the Tanzania Transport (mainly Rail) refurbishment and maintenance of the locomotives and wagons, Marine craft (Fishing, patrol and speed boats), Architectural, and Industrial Infrastructure sectors using state-of-the-art equipment and processes namely the RTM, Hand Lamination and the SMC (Sheet Moulding Compound) Process and world-class precision metal processing machines to cut, weld, bend and machining of the steel products.

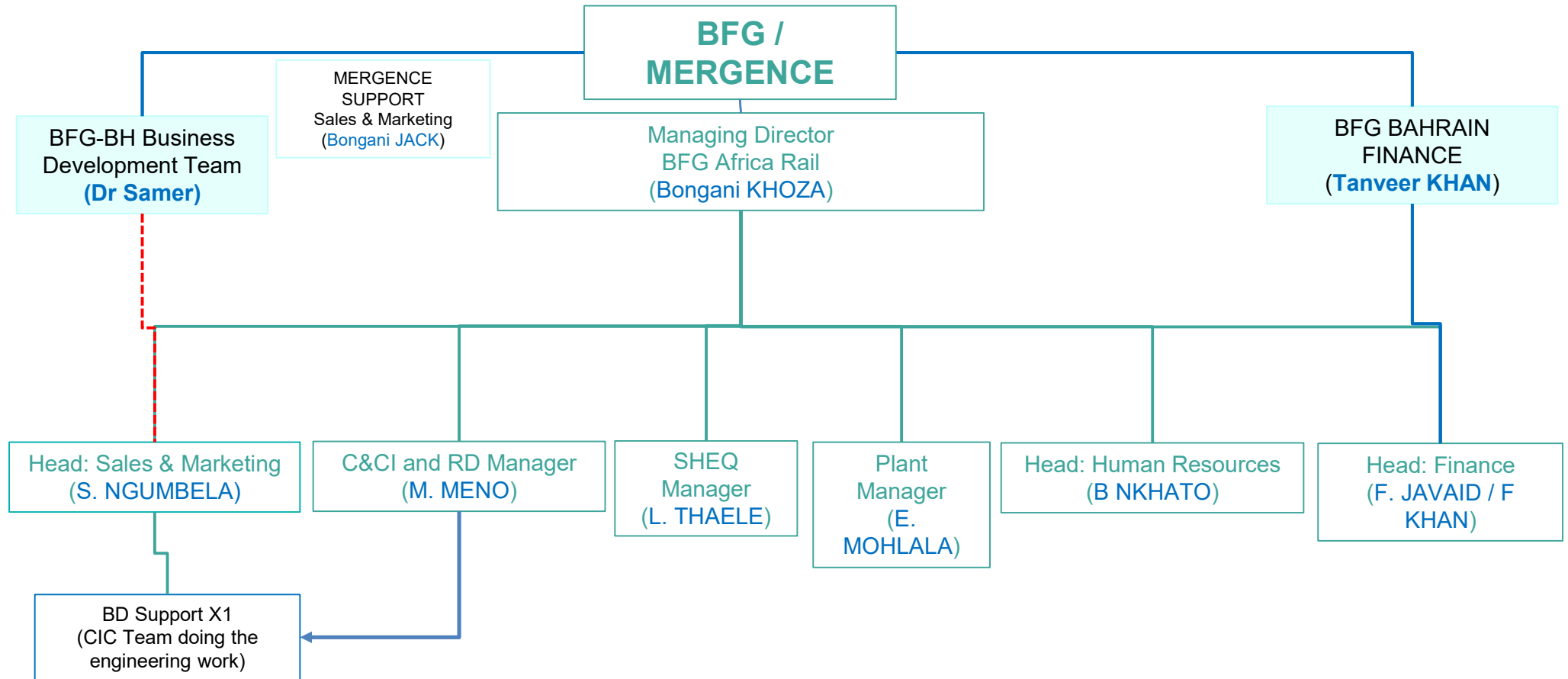
With a strong commitment to innovation, sustainability, and customer satisfaction, the company aims to capture a significant market share and contribute to the growth of the local economy. Through strategic marketing and operational excellence, BFG Africa Tanzania will achieve its vision of becoming the premier composite manufacturer in Tanzania and beyond.

BFG AFRICA STRUCTURE



* Holds rights to all BFG products in Sub-Sahara Africa. Future entities denoted by stippled lines.

BFG AFRICA ORGANISATION STRUCTURE



GEOGRAPHY



OBJECTIVES

1. Establish a showroom showcasing the capabilities of BFG's composite and steel components.
2. Through the showroom introduce the company and products to the region and conduct a business development campaign to secure orders for products.
3. Establish a state-of-the-art manufacturing facility in Dar es Salaam on obtaining justifiably sized orders/ commitments.
4. Grow our customer base and achieve a sustainable business in composite materials and steel markets within the first two years.
5. Expand to further East African markets within five years.
6. Be the problem solutions provider for composite and steel in the region.
7. Grow production infrastructure to include other BFG International capabilities throughout Africa.

SERVICE OFFERING - COMPOSITE

Provide services from conception to completion of the different product families



ARCHITECTURE AND INFRASTRUCTURE

- ▶ Building Envelopes and Facades
- ▶ Long Span Structural Roof systems
- ▶ Interior Decorative Claddings
- ▶ Light Weight & Cantilever Suspended Ceilings
- ▶ External Screens and Structural Shading Facades
- ▶ High Quality 3D Formwork for Concrete Casting
- ▶ Manhole
- ▶ Smart City



TRANSPORTATION

- ▶ Passenger Rail Carriage Interior Components
- ▶ Integrated Rail WC Cabins with Vacuum Toilet Systems
- ▶ Rail Car Front Ends and External Paneling
- ▶ Automotive parts and components
- ▶ Train Refurbishment



ENVIRONMENTAL SYSTEMS & TECHNOLOGIES

- ▶ Rail lavatory cabins
- ▶ Advanced water filtration
- ▶ Water treatment



INDUSTRIAL

- ▶ Micro Wastewater Treatment Systems
- ▶ Long Span Structures and Tank Covers for STP Plants
- ▶ Electrical and Heat Insulating Couplings
- ▶ Modular Enclosures and Housings
- ▶ Chemical Storage Systems and Tanks
- ▶ Water pipes
- ▶ Electrical enclosures
- ▶ Manhole covers & frames



MARINE CRAFT

- ▶ Marine Craft and FRP Floating Dock Marina Systems
- ▶ Fishing, patrol and speed boats
- ▶ Water Slide Components (OEM)



WIND AND RENEWABLE

- ▶ Wind Turbine Nacelles
- ▶ Wind Turbine Spinners
- ▶ Hybrid Micro Scale Wind-Solar Turbines

BFG Africa Tanzania is unique in the region in that it controls the entire manufacturing process from design, to raw material, through the various processes, to the finished product. We have the capability to design, cut, press, roll, bend, weld, machine, fabricate and provide a complete product. We convert client ideas into a design and finally into a completed component or product.

Rolling stock

- Produce brackets for mountings of composite components
- Manufacturing of bogie components
- Manufacture of interior frames for Prasa trains
- Provided Transnet with steps, cowcatchers, doors, drivers' cabs, drivers desks, consoles and HVAC's on the GE locomotives contract
- Supplementary / ad hoc components

Motion industry

- Manufacture brackets and steelwork for conveyor systems for several underground mines
- Provide steelwork for the conveyor systems
- Fabricated underlying steel parts of conveyor system for baggage handling section at OR Tambo

Industry Overview:

The demand for composite materials is growing globally due to their many benefits such as high strength to weight ratio, resistance to corrosion, durability and flexibility in design which makes them ideal for a variety of uses over traditional materials.

In Tanzania, the construction, automotive and rail industries are expanding creating a significant market for composites.

Target Market:

Rail companies (Tazara, TRC): For the maintenance of composite interior & exterior components the old and new locomotives and maintenance of the wagons.

Construction Companies: Seeking durable and lightweight building materials, eg electrical enclosures and manhole covers.

Automotive Manufacturers: Looking for parts e.g. the bumpers and building new and improved local transport system, mainly the 3-wheel automobiles with improved designs, fuel efficiency and performance.

Boat Builders: Requiring patrol boats, speed boats and the fishing boats that withstand harsh marine environments, improved storage space and faster engine.

Renewable Energy Companies: Requiring strong and lightweight components for wind and solar installations.

Market Trends:

- Increasing emphasis on sustainability and eco-friendly materials.
- Growth in infrastructure projects in Tanzania and neighboring countries.
- Rising awareness of the benefits of composite materials.

1. Local Competitors:

Limited number of local composite manufacturers, providing an opportunity for BFG Africa Tanzania to become the market leader.

2. International Competitors:

Importers of composite materials are mostly from China, India, and Europe. BFG Africa Tanzania will compete by offering locally manufactured cost-effective products with faster delivery times.

3. Competitive Advantages:

- Proximity to raw materials and target markets.
- Ability to customize products to meet specific customer needs.

1. Showroom:

- Location: Plot No 61/1A House No:50, Mwai-Kabaki road, Mikocheni, Dar-es-Salaam.
- Floor Size: 350 m²

2. Phase I Intent:

- Stock the showroom with samples from SA of our composite and steel components.
- Hire a business development professional (BDP) to market the company and products, to find & meet prospects and to secure orders.
- Hire a receptionist to man the showroom and support the BDP.

3. Phase II Intent :

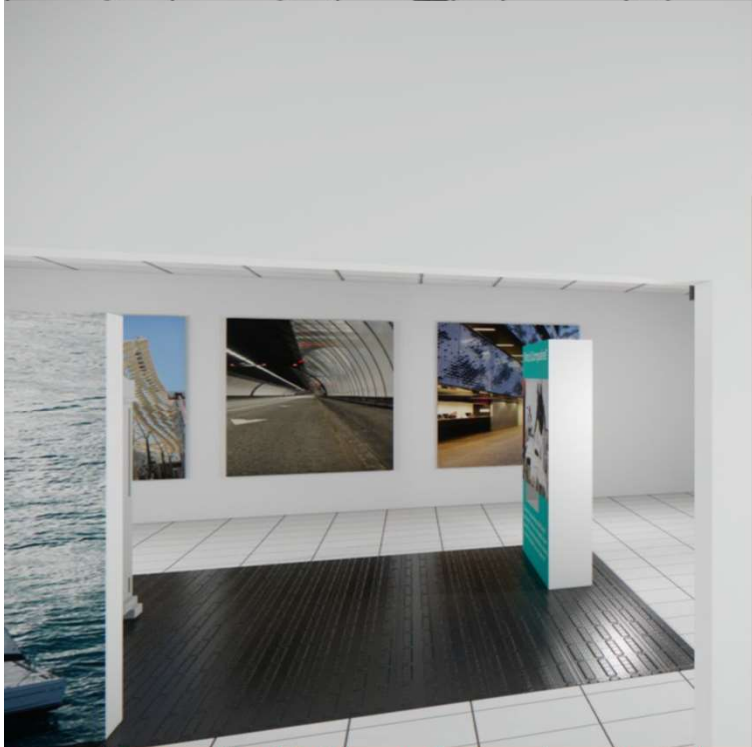
- On obtaining sustainable orders to ensure viability of the local factory the local operations will be established.

PHASE I: SHOWROOM



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PHASE I: SHOWROOM



1. Facility:

- Location: Industrial area in Dar es Salaam.
- Size: **TBC based on initial orders, to grow over time**
- Factory layout: Production area, storage, offices, and R&D lab.

2. Equipment:

- Press machines, mold clinic, vacuum infusion, paint booths and steel machinery
- Quality control and testing equipment
- Raw material storage, handling systems
- SHEQ & PPE storage

3. Production Process:

- Procurement of raw materials.
- Production planning and scheduling.
- Production using the 3 process (SMC, RTM & Hand Lamination)
- Production of the steel components
- Quality control and testing.
- Packaging and shipping.

4. Composite Manufacturing Process:

BFG Africa's state-of-the-art facility performs a wide range of FRP processes including:

- Open contact moulding
- Resin transfer moulding (RTM)
- Vacuum infusion
- Press moulding
- Painting
- Tool making
- Systems integration and assembly

This comprehensive capability empowers BFG Africa to fulfill the complex needs of clients and execute intricate projects with accuracy and efficiency

COMPOSITE FACTORY EQUIPMENT (SA)



15 Ton presses



Paint booth



RTM process

LIST OF MACHINERY FOR STEEL CAPABILITIES

- Laser cutting
- Tube laser cutting
- Water jet cutting
- High Definition (HD) plasma cutting
- CNC oxy-fuel cutting
- Pressings
- CNC bending
- CNC rolling
- CNC turning
- CNC machining
- Robotic welding
- TIG & MIG welding
- Inserts and fasteners
- De-burring
- Assemblies
- Polishing and finishing



Bogie parts fitted to Alstom Ubunye jig

- Initial staff hires are:
 - Executive director ex SA on the ground in Dar
 - Other executive support ex SA
 - SA factories to cost and quote for potential orders (and produce in the short-term)
 - Business development professional (**1 local hire**)
 - Receptionist (**1 local hire**)
- BFG Africa Tanzania has a potential of creating jobs for many locals.
- Hire skilled engineers, technicians, production workers and administrative personnel.
- Provide ongoing training and development programs to enhance employee skills and knowledge.
- Like in South Africa, BFG Africa Tanzania intends to establish a center of excellence offering both theory and on the job training for learners with a matric certificate with subjects of math and science.

1. Market Risks:

- Economic downturns affecting demand for composite materials.
- Fluctuations in raw material prices.

2. Operational Risks:

- Supply chain disruptions.
- Technical challenges in manufacturing processes.

3. Financial Risks:

- Insufficient funding for initial operations.
- Delays in achieving break-even point.

4. Mitigation Strategies:

- Diversify product range and target markets.
- Establish strong relationships with reliable suppliers.
- Implement stringent quality control measures.
- Maintain a robust financial management system.

FINANCIAL PLAN - SHOWROOM

DESCRIPTION	MORE DETAIL	UNIT	QUANTITY	UNIT AMOUNT	TOTAL	Pricing ZAR	Action	Responsible	Status
ROOF									
Leaks							Fix leakages	landlord	Done
ELECTRICAL									
Panel Lights replacement	30 panels to be supplied by the landlord, 12 by BFG		12	105 000	1 260 000	8 946		Gabriel	
Switch and socket replacement	Adjusting power ports and main panel positions	item	1	1 000 000	1 000 000	7 100		Gabriel	
					2 260 000	16 046			
AIRCONDITIONING									
Installation	Once-off installation cost	1	9	180 000	1 620 000	11 502		Baridi Baridi	
					1 620 000	11 502			
WALLS									
Cement board projections draw	50 - 100mm cement board decorative protrusions	item	1	2 250 000	2 250 000	15 975		Gabriel	
CEILING									
Ceiling panels replacement		pcs	50	6 000	300 000	2 130		Gabriel	
Gypsum board repair		item	2	30 000	60 000	426		Gabriel	
					360 000	2 556			
PAINTING									
Walls and ceiling	All walls, kitchen, Bathroom, Backroom, Office	item	1	5 695 000	5 695 000	40 435		Gabriel	
FLOOR									
Vynil flooring		0 sqm	307	35 000	10 745 000	76 290		Gabriel	
BATHROOM									
Sanitaryware	Toilet (if need be)	1	1	385 000	385 000	2 734		Kristof	
Taps / plumbing	Jet spray & angle valve	1	1	59 500	59 500	422		Kristof	
Sanitaryware	Basin, pop up & waste trap (if need be)	1	1	255 000	255 000	1 811		Kristof	
Taps / plumbing	Basin mixer (if needed)	1	1	155 000	155 000	1 101		Kristof	
Fume extraction		0	0	0	-	-	get Quote	Gabriel	
Toilet accessories	Mirror, TP holder, Toilet brush, etc	1	1	240 000	240 000	1 704		Kristof	
Labour - plumbing		1	1	750 000	750 000	5 325		Gabriel	
					1 844 500	13 096			
KITCHEN									
Joinery, plumbing & labour	Supply new top, shelving & labour	item	1	950 000	950 000	6 745		Gabriel	
Tiles	White tiles (250*400mm)	1	30	2 242	67 260	478		Kristof	
Grout	Silver grey grouting	1kg	1	5 000	5 000	36		Kristof	
Sink	Single bowl, white quartz	1	1	220 000	220 000	1 562		Kristof	
Mixer	Kitchen sink mixer (KR-3015)	1	1	175 000	175 000	1 243		Kristof	
Bar fridge	MODEL: H125RTS	1	1	405 000	405 000	2 876		Mars Communications	
Microwave	MODEL: H20 MOMS10	1	1	195 000	195 000	1 385		Mars Communications	
Kettle					-	-		RB	
Crockery					-	-		RB	
Cutlery					-	-		RB	
Glassware					-	-		RB	
					2 017 260	14 323			
IT									
Laptop		1	1	-	-	-		synch cc	
Laptop for reception	i5 12th-13th gen or equivalent in AMD Ryzen, 8GB DDR4 Memc	1	1	1 750 000	1 750 000	12 425		R&A Electronics, Milmani Cit	
					1 750 000	12 425			
SHELVING									
Architectural section	Samples to be stuck directly onto wall in a grid	item	1	Not applicable	-	-		Gabriel	
Automotive section	Fabrication an installation	item	1	-	-	-	Quote	Gabriel	
					-	-			
ALUMINIUM									
Door	Fabrication an installation	0	0	0	-	-		Gabriel	
		1	1	500 000	500 000	3 550			
INTERIOR BRANDING, DISPLAY UNITS, SIGNAGE & ARTWORK									
Reception desk	Black melamine board & curved MDF	1	1	2 200 000	2 200 000	15 620		Fortune signs	
	Back wall - MDF box	1	1	1 850 000	1 850 000	13 135		Fortune signs	
Showroom - Display boxes	Rectangular structure & images (3) & triangle	4	1	1 400 000	1 400 000	9 940		Fortune signs	
Interior logo 2D	Cutout 3mm acrylic lettering (x3)	3	1	1 650 000	1 650 000	11 715		Fortune signs	
Interior signs 3D	Cutout 50mm acrylic lettering (RAIL, STEEL, ARCHITECTURE, I	3	1	1 550 000	1 550 000	11 005		Fortune signs	
Images for walls	9 x Large images	1	9	55 000	495 000	3 515		Fortune signs	
Images for walls	6 x smaller B&W images	1	6	250 000	1 500 000	10 650		Fortune signs	
Showroom - Display boxes	Rectangular structure for STEEL	1	1	-	-	-		Fortune signs	
Images for walls	6 x STEEL images & lettering				-	-		Fortune signs	
					8 650 000	61 415			
EXTERIOR BRANDING, DISPLAY UNITS, SIGNAGE & ARTWORK									
Window display	Contravision with artwork printed	1	60	29 000	1 740 000	12 354		Fortune signs	
Signage on wall	3D signage with backlit	1	1	8 600 000	8 600 000	61 060		Fortune signs	
					10 340 000	73 414			
TELEVISION SETS									
Hisense TV 507k	75" TVs	1	2	2 900 000	5 800 000	41 180		Mars Communication	
TV Bracket		1	2	100 000	200 000	1 420		Mars Communication	
					6 000 000	42 600			
FURNITURE									
Office workstation			1	500 000	500 000	3 550		RB	
Office operators chair			1	150 000	150 000	1 065		RB	
Office visitors chair			2	111 000	222 000	1 576		RB	
Office filing cabinet			1	509 000	509 000	3 614		RB	
Showroom - brochure stand			1	-	-	-		RB	
Showroom - consulting table			1	-	-	-		RB	
Showroom - consulting chairs			4	111 000	444 000	3 152		RB	
Showroom - reception chair (high chair)			1	150 000	150 000	1 065		RB	
					1 975 000	14 023			
OTHER COSTS									
Cleaning	inside & side alley (Incl detergents & equipment)	1	1	1000000	1 000 000	7 100		Gabriel	
Import Fees	Importing of samples from SA	1	1	-	14 084 507	100 000		Gabriel	
					15 084 507	107 100			
TOTAL		0	0	0	-	71 091 267	504 748		

FINANCIAL BUDGET

BFG Tanzania						
Annual Cashflow Budget						
Showroom Expenses	2024	2025	2026	2027	2028	Total
Recurring Operating Costs						
Salaries						
Sales Manager	280 000	480 000	480 000	480 000	480 000	2 200 000
Receptionist	76 300	130 800	130 800	130 800	130 800	599 500
Masimo Salary	583 333	1 000 000	1 000 000	1 000 000	1 000 000	4 583 333
	939 633	1 610 800	1 610 800	1 610 800	1 610 800	7 382 833
Rent, Travelling & Other Services						
Apartment	1 625 030	1 009 800	1 009 800	1 009 800	504 900	5 159 330
Showroom	1 059 168	1 059 168	1 059 168	1 059 168	1 059 168	5 295 840
Travelling	280 000	480 000	480 000	480 000	480 000	2 200 000
Security	29 820	51 120	51 120	51 120	51 120	234 300
Misc. Costs	70 000	120 000	120 000	120 000	120 000	550 000
Cleaning Services	17 500	30 000	30 000	30 000	30 000	137 500
Total	3 081 518	2 750 088	2 750 088	2 750 088	2 245 188	13 576 970
One-Time Costs						
Services						
Company registration & Legal services	354 664	-	-	-	-	354 664
Recruitment Services	77 231	-	-	-	-	77 231
Branding of Showroom	196 818	-	-	-	-	196 818
Import of Samples	685 186	-	-	-	-	685 186
Renovation of showroom	76 219	-	-	-	-	76 219
Paint for Renovation	19 326	-	-	-	-	19 326
Renovation of showroom	9 878	-	-	-	-	9 878
	1 419 322	-	-	-	-	1 419 322
Assets						
Acs & Installations	19 042	-	-	-	-	19 042
ACs, TV & Fridge	144 059	-	-	-	-	144 059
Laptop for Reception	12 425	-	-	-	-	12 425
Furniture & Fixtures	19 731	-	-	-	-	19 731
	195 257	-	-	-	-	195 257
Grand Total - ZAR	5 635 730	4 360 888	4 360 888	4 360 888	3 855 988	22 574 382
Grand Total - USD	301 376	233 203	233 203	233 203	206 203	1 207 186
Grand Total - EUR	280 280	216 878	216 878	216 878	191 768	1 122 683



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Thank you

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