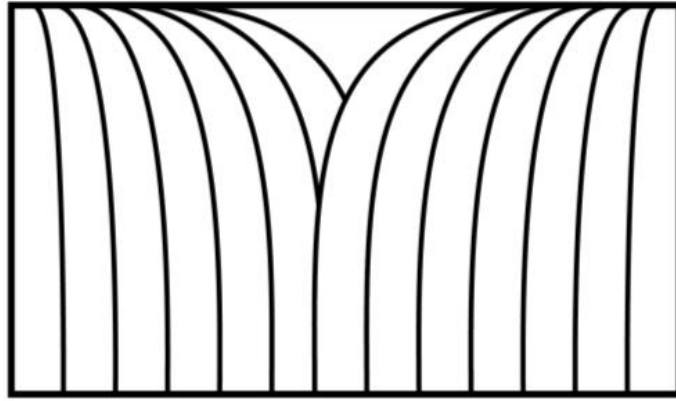


MAPINGA



p r e m i u m f o o d s

MAPINGA PREMIUM FOODS LIMITED

Business Plan/Feasibility Study

November 2025

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1. Introduction

This business plan and feasibility study (the **Business Plan**) is submitted by Mapinga Premium Foods Limited (**Mapinga/the Company**) in support of its application for expansion of the registered food processing project issued under a certificate of incentives number 2023101435 pursuant to the Tanzania Investment Act, 2022.

It has been prepared exclusively for the benefit and internal use of the Tanzania Investment and Special Economic Zones Authority (**TISEZA**) to whom it is directly addressed and delivered in order to assist the TISEZA in evaluating Mapinga's application.

This Business Plan contains information that is confidential and proprietary to Mapinga and its shareholders. Accordingly, neither this document nor any of its contents may be disclosed or used for any other purpose without the prior written consent from Mapinga.

2. Project objective

2.1 Introduction and project concepts

Mapinga was registered in Tanzania on 15 March 2023 pursuant to and in accordance with the provisions of the Companies Act, 2002 under registration number 164335917. The copy of certificate of incorporation has been annexed hereinafter marked as Annex I.

The Company has also been registered with the Tanzania Revenue Authority (**TRA**) and awarded a Taxpayer identification Number (**TIN**) No. 164335917. The copy of the TIN certificate has been annexed and hereinafter marked as Annex II.

Subsequently, the Company was granted a certificate of incentive on 06 October 2023 for investment incentives in food processing project. The copy of the certificate of incentive has been annexed and hereinafter marked as Annex III.

2.2. Services to be provided

The Company established a potato processing facility in Mapinga area, in an existing industrial building along Bagamoyo road. Mapinga intends to start the second phase of the investments to improve the potato processing facility near Dar es Salaam in Tanzania.

During this second phase, Mapinga intends to invest EUR 7.9 million, which amounts to USD 9.1 million at the current exchange rate, and will mainly focus on increasing the production capacity, to be able to keep track of the growing sales volumes. To accommodate the installation of the new line, some (small) adjustments need to be done to the current building, firefighting capabilities need to be extended (installation of hose reels) and a wastewater treatment plant (WWTP) needs to be installed.

The main objective of the proposed project is to manufacture high-quality Tanzanian processed potato crisps that substitute expensive imports and fill hidden local demand for affordable, high-quality crisps.

This phase of the project will also positively impact the flywheel that has been generated during the first phase for more investments, improved product quality and higher productivity in the Tanzanian potato sector.

By importing modern equipment as well as boosting the import of high-quality potato seeds, the Company will also transfer valuable technology to Tanzania. The proposed project will support the Country's industrialisation policy and also support ambition to become a middle-income economy by 2025.

2.3 Location and project coverage

Establish head office in Mapinga, Bagamoyo to cover the entire republic of Tanzania.

3. Project Justification

The implementation of the proposed investment project has several justifications including its impacts on food security, in terms of food availability, food affordability and food chain stability. Tanzanians would benefit from a more productive, more fair and more resilient potato value chain.

At the core of its strategy is that Mapinga has taken an active position across the entire potato value chain from potatoes to selling crisps. The Company has directly and indirectly positively impacted food security in the country.

Food availability in Tanzania will even more increase as a direct result of increased productivity and reduced losses:

- There is an increasing demand amongst smallholders for quality potato seed, but commercial seed multipliers only invest in multiplication in case off-take is guaranteed. The Company will play a pivotal role in the value chain by entering into supply and off-take agreements and will contribute to a stable value chain.
- Therefore, the investment will accelerate the adoption of high-quality potato varieties that are suitable for potato crisp processing, leading to higher yields among smallholder farmers.
- Trials of such varieties in Tanzania have already led to improved yields among smallholder farmers (from 5-10 ton per hectare to up to 20 ton per hectare) and large-scale commercial farmers (from 15 ton per hectare to up to 30 ton per hectare).
- Mapinga started to train cooperatives or smallholder farmers in how to grow higher yields other broader agronomic practices such as rotation of crops in collaboration with (local) partners.
- Moreover, more volume at Mapinga will boost investments in the value chain such as potato storage, this will reduce losses in the potato supply chain.

Food affordability will increase both through increased incomes and reduced food prices:

- Company staff (currently >100) are paid fair salaries. Smallholder farmers income will increase through higher yields and fair prices. A stable income will allow them to spend more on food and will allow them to plan and invest. Expensive import will be substituted by locally produced potato crisps. At the same time, higher yields will result in lower cost per kg in the long term.
- Another factor that will improve food affordability is the increased transparency and access to market for smallholder farmers. Smallholders currently access the market through middlemen that form the only link between the farmers and the wider market. Middlemen regularly exploit farmers by offering lower prices, using the information gap to their advantage and pocketing the difference. By sourcing from farmers directly or via cooperatives, the Company will try to circumvent these middlemen, which will lead to higher income and lower food prices.
- Most potatoes produced in Tanzania currently go straight to the table – hardly any processing takes place. By organizing processing at scale in Mapinga, the Company will add local value to primary crops, which is an important development in the country's transition into agribusiness.

Food value chain stability is the most important lever for this investment project to improve food security in the region.

- The investment strengthens the entire potato value chain by increasing connectedness among value chain participants. The Company will indirectly create market demand for quality seed, motivating large-scale commercial farmers to invest in potato seed multiplication capabilities (storage capacity, irrigation and equipment). Smallholder farmers will benefit from higher quality seed, guidance on agronomic practices, stable offtake and fair prices throughout the year.
- The Company itself takes care of raw potato transport, storage, all processing activities, commercialization of the finished products and distribution to relevant outlets. In this way, a modern and stable value chain is created in which substantial value is added to the primary product. The current processing facility is at par with international efficiency and food safety standards, thereby creating a competitive local market. As a result, self-reliance through import substitution increased.

4. Scope of the Project

As mentioned in the introduction, Mapinga enters the second phase of this project they kicked-off in 2023. During the first phase Mapinga invested EUR 5.0 million and mainly focused on renovating existing structures, constructing potato cooling and new infrastructure, and installed machinery in order to start (small scale) production.

Now the required commercial scale has been reached, and relevant approvals have been obtained, Mapinga has the ambition to start the follow-up investment. This investment mainly consists of buying new equipment with higher capacity and upgrading site utilities such as a Wastewater Treatment Plant and power (e.g., generator).

5. Investor profile

Mapinga is owned 99.9% by Mapinga Premium Foods B.V. and 0.1% by 7HILLS Holding B.V.

5.1 Mapinga Premium Foods B.V.

Mapinga Premium Foods B.V. is a Dutch holding/financing company, in the form of a private limited liability company (B.V.), which was incorporated by Veris Investments B.V. (**Veris**). The Customer is wholly owned by Veris. Mapinga Premium Foods Limited is its sole subsidiary company. Mapinga Premium Foods B.V. will hold 99,999 shares in Mapinga Premium Foods.

5.2 7HILLS Holding B.V.

7HILLS Holding B.V. is also a Dutch holding/financing company, in the form of a private limited liability company (B.V.), which was incorporated by Veris. It is also wholly owned by Veris. 7HILLS Holding B.V. holds 1 share in Mapinga Premium Foods, due to the requirement for a Tanzanian Private Limited Company to have two shareholders.

The Company's two shareholders are thus both wholly owned by Veris, which is an independent investment company from the Netherlands that invests in projects in the food value chain in Sub-Saharan Africa. Its mandate allows Veris to invest in companies that improve food security in Sub-Saharan Africa and this investment falls within that mandate (see section 2).

Among other things, Veris has previously successfully set up a potato processing company in Ethiopia which is now the market leader in that country. By now, Veris has fully exited that business to PepsiCo, who recently announced a substantial further investment in the company. Veris Investments' portfolio currently consists of a dairy company in Ethiopia (Holland Dairy) and an aquaculture company that is active in Zambia and Uganda (FirstWave Group).

6. Details of investment costs

The total investment requirement for Phase 2 is EUR 7.9 million, which amounts to USD 9.1 million at the current exchange rate (1 EUR = 1.173 USD). This consists of USD 6 million capex, USD 1.9 million working capital and/or loss financing, this investment would allow the Company to increase the production capacity by May 2026, and run case flow positive by January 2027.

Investment breakdown	Amount in EUR	Amount in USD at current rate (1 EUR = 1.173 USD)
Plant	2,800 k	3,284 k
Vehicles	1,500 k	1,760 k
Furniture	200 k	235 k
Building	500 k	587 k
WWTP	812k	953 k
Others	188 k	221 k
Working capital/loss financing	1,900 k	2,229 k
TOTAL	7,900 k	9,143 k

A capex investment of EUR 7.9 million (for Phases 1 and 2) has been communicated as total capex investment in the Company's EIA report in 2023. This amount has increased to EUR 9.1 million (incl. EUR 1.9 million working capital and/or loss financing), since the decision has been made to upgrade the production capacity to 450kg/hour of potato crisps instead of the initial intended 300kg/hour.

Now the decision is made to invest in the second phase of this project, we inform the TISEZA as communicated in our previous application.

7. Financing

All of the required funding for this project will be provided by Veris through equity contributions to the Company's two shareholders: Mapinga Premium Foods B.V. and 7HILLS Holding B.V., both of which are wholly owned by Veris.

The Annual Accounts of Veris show that its shareholders have committed sufficient funds to fund this project (Annex IV, page 11). Its shareholder Veris Holding B.V. has sufficient funds available to fund this project, as is confirmed by the bank statement of Veris Holding B.V., which is annexed as Annex V, and a supporting letter from its bank (Annex VI).

Phase 1 of the investment project in Tanzania was approved by the Investment Committee of Veris Investments B.V. on 1 December 2022. Phase 2 investments was approved on in February 2025.

8. Sources of technology

The company will import various types of equipment that are required to operate its potato processing business and which are not available within Tanzania.

- During this phase of the project, the Company will invest in a modern and continuous potato processing line, from a U.S. supplier. This processing line will need to be supported by a state-of-the-art packaging line that is also imported and originates from Japan.
- A WWTP will be installed on MPF premises. This plant will be imported from the Netherlands or Kenya – to be further determined.

9. Project financial and economic analysis

Based on the actual performance of MPF so far, Veris has developed its financial projections for the Company (see financial projections below).

By sourcing key inputs such as potatoes, oil and packaging material locally, and investing in high quality potato processing equipment, the Company expects to continue achieving attractive gross margins.

The Company plans to continue having steady growth in sales volumes through an affordable branded product that has good availability in relevant outlets. By installing the new production line the volumes of MPF should increase and therefore lead to a positive net income by 2027.

Table 1: Financial projections 2023-2027

P&L	Dec-24	2023	2024	2025	2026	2027
<i>All numbers are estimated projection in TZS K</i>						
Revenue			400,402	1,935,077	6,901,838	18,277,329
Cost of goods sold			(519,447)	(1,204,455)	(3,921,851)	(10,052,531)
Gross profit		-	(119,045)	730,622	2,979,987	8,224,798
SG&A		(1,338,621)	(4,189,746)	(4,766,211)	(5,396,000)	(5,928,000)
Operating Income		(1,338,621)	(4,308,791)	(4,035,589)	(2,416,013)	2,296,798
Depreciation		(8,595)	(375,104)	(655,902)	(1,111,837)	(1,181,679)
Amortization			(10,301)	(13,665)	(22,237)	(23,634)
EBIT		(1,347,216)	(4,694,196)	(4,705,156)	(3,550,087)	1,091,485
Other income		108,125	164,582	95,360	-	-
Profit before tax		(1,239,091)	(4,529,614)	(4,609,796)	(3,550,087)	1,091,485
Tax credit / (charge)		-	-	-	-	-
Net income		(1,239,091)	(4,529,614)	(4,609,796)	(3,550,087)	1,091,485

Table 2: Balance Sheet

Balance sheet	2023	2024	2025	2026	2027	
<i>All numbers are estimated projection in TZS K</i>						
Property, plant and equipment	7,377,802	1,718,335	7,622,505	17,290,189	20,356,831	21,563,540
Goods in transit	(0)			-	-	-
Non-current assets	7,593,994	1,718,335	7,622,505	17,214,284	20,253,210	21,465,897
				-	-	-
Inventories	287,690	9,738	284,464	613,470	1,327,317	1,029,552
Account receivables	106,249	-	105,340	236,690	27,159	(1,076)
Advances and Prepayments	410,103	220,719	417,698	782,477	1,468,564	1,912,711
Cash at banks	511,864	1,221,141	497,059	1,587,803	(705,113)	(726,462)
Current assets	1,323,506	1,451,598	1,304,561	3,220,440	2,117,927	2,214,725
				-	-	-
Total assets	8,917,500	3,169,933	8,927,066	20,434,724	22,371,138	23,680,623
				-	-	-
Issued Share capital	107,000	4,252,384	14,707,505	29,986,074	35,254,074	35,254,074
Retained earnings	(1,242,292)	(1,239,091)	(5,768,705)	(11,164,878)	(14,714,965)	(13,623,480)
Equity	8,953,505	3,013,293	8,938,800	18,821,195	20,539,109	21,630,594
				-	-	-
Loans	-					
Other long term liabilities	193,923			454,123	312,623	170,623
Non-current liabilities	193,923			454,123	312,623	170,623
				-	-	-
Trade and other payables	36,731	301,754	373,477	200,000	200,000	200,000
Tax payables and other accruals	(490,122)	(145,115)	(385,211)	959,406	1,319,406	1,679,406
Current liabilities	(229,929)	156,639	(11,734)	1,159,406	1,519,406	1,879,406
				-	-	-
Total Liabilities		3,169,932	8,927,066	20,434,724	22,371,138	23,680,623

Table 3: Cash flow statement

Cash flow statement	2023	2024	2025	2026	2027
<i>All numbers are estimated projection in TZS K</i>					
Net income	(1,239,091)	(4,529,614)	(4,609,796)	(3,550,087)	1,091,485
				-	-
Depreciation	8,595	375,104	655,902	1,111,837	1,181,679
Loss on assets disposal		10,187	-	-	-
Amortisation	-	10,301	13,665	22,237	23,634
Changes in working capital	(73,817)	(938,934)	568,340	(830,404)	241,853
				-	-
Cash flow from Operation	(1,304,313)	(5,072,956)	(3,371,889)	(3,246,417)	2,538,651
				-	-
Investing activities					
Plant property & equipment	(1,726,930)	(5,906,135)	(10,029,657)	(4,314,500)	(2,560,000)
Cash flow from Investment	(1,726,930)	(5,906,135)	(10,029,657)	(4,314,500)	(2,560,000)
				-	-
Financing activities					
Capital Injection	4,252,384	10,255,009	14,477,486	5,268,000	0
Cash flow from Financing	4,252,384	10,255,009	14,477,486	5,268,000	0
				-	-
Net cash increase / (decrease)	1,221,141	(724,082)	1,075,940	(2,292,917)	(21,349)

10. Project capacity

The Company is committed to continue the high standards for hygiene, food safety, employee safety and environmental impact.

During phase 1, the production capacity of the current used manufacturing plant was around 300 tons of potato crisps per annum (using around 1200 tons of potatoes locally sources from Tanzanian farmers). During phase 2, the Company plans to import new and high end processing equipment with a total capacity processing 2600 ton of potatoes crisps (using around 10,000 tons of potatoes) per annum. The factory will gradually increase its utilization rate over the period 2025-2031.

The goal is to source all potatoes in Tanzania. The Company will only source raw materials (i.e. potatoes) from vendors that are locally registered in Tanzania. Potatoes will be transported on road from the farms to the proposed processing facility, where the Company will process the potatoes into packaged potato crisps.

11. Environmental Impact Assessment

Mapinga mitigates the impact that its operations have on the environment and there are not expected to be any adverse environmental impacts from the project as follows:

- Implemented rules and regulation laid clean in with all types of waste handling; and
- Adhering to OSHA regulations and procedures, providing all necessary safety equipment for protection of employees.

12. Expected employment generation

The Company was incorporated on March 15, 2023. Currently the Company has >110 employees, over time the company is expected to grow to 150-250 employees.

Employees enjoyed on-the-job training and developed their professional skills by being employed in a positive and structured corporate environment. The organization provides operational roles in the factory, opportunities for agronomic specialists that focus on ensuring a reliable supply chain, a sales and distribution team staff that commercializes the products and corporate functions such as Finance, HR and Legal.

13. Proposed implementation schedule

The implementation of the second phase of the project in is presented in the table below.

The project implementation is divided into four activities, namely the pre-construction/mobilisation phase, construction/installation, commissioning/start of production, operation and scaling activities. Activities to be conducted in each phase as described hereunder:

13.1 Pre-Construction / Mobilization Phase Activities

This is the planning phase of the project, and preparation of the site for installation of the new machinery. This contains the following activities:

- Finalize design of the new line in cooperation with the supplier.
- Upgrade firefighting capabilities at the site: installation of hose reels on the premises.

- Upgrade utilities capacity: new generator, new compressor and increase water storage capacity.
- If needed, adjust the existing building.

The NEMC approval is rewarded and all relevant permits are available.

13.2 Construction Activities

This phase may last for about 9 months (2 months for the new line, and 6 months later the installation of a WWTP for 1 month) and will involve the following activities:

- Installation of the new production line and connections to utilities.
- Training of operators to be able to operate the new machinery.
- Installation and commissioning of a WWTP.

Table 4: Indication of the planning of the project and the two phased approach.

Sn	Activities to be done	2025 (start of phase 2 – preparing site)				2026 (phase 2 – continues production line)				2027 (phase 2 – continues production line)			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Improve fire-fighting capabilities and prepare (utility) upgrade			X	X								
2	Install new production line					X	X						
3	Start of production						X						
4	Installation of WWTP							X	X				
5	Scale sales volumes						X	X	X	X	X	X	X

13.3 Commissioning/start of production activities

This phase will involve the following activities:

- Commissioning of the line to guarantee quality of the product and capacity of the line.
- Start production of CheChe crisps.

13.4 Scaling activities

This phase will involve the following activities:

- Scale sales volumes to increase the utilisation of the line.

- Scale operations by hiring more employees.
- Scale procurement activities to ensure higher need for materials. This includes:
 - Improve potato value chain by contracting more farmers, push for cooled storage at origin and train farmers to improve their farming activities.
 - Contract (new) local suppliers to ensure demand in raw- and packaging materials.

The process that the Company will follow in Phase 2 of the project is described below and highlighted in Figure 1 as well:

- **Raw material selection:** The first step is to select high-quality potatoes suitable for making crisps. Varieties with low sugar content and high solid content are preferred as they result in crispier crisps. Potatoes should be free from defects, such as rot or green spots, to ensure consistent quality.
- **Preparation:** The potatoes are thoroughly washed and peeled to remove any dirt or outer skin.
- **Cutting:** The peeled potatoes are sliced into thin, uniform slices using specialized cutting machines. The thickness of the slices depends on the desired final product and can vary from 1 to 3 millimetres.
- **Blanching:** The potato slices are blanched briefly in hot water or steam to partially cook them. Blanching helps remove excess starch and prepares the slices for frying.
- **Frying:** The blanched potato slices are fried in vegetable oil at high temperatures (around 175-190°C or 347-374°F). The frying time is carefully controlled to achieve the desired level of crispiness and golden colour. The continuous frying system will ensure a consistent frying process.
- **Flavouring:** The plain potato crisps are then seasoned. The seasonings will be applied through a drum tumbler that evenly distributes the seasoning over the crisps.
- **Packaging:** The final step involves packaging the potato crisps. The crisps are typically packed in airtight bags or containers to maintain freshness and extend shelf life. Packaging will likely involve nitrogen flushing to remove oxygen and prevent oxidation. The bags are sealed, labelled, and prepared for distribution.

The packaged products will be distributed and sold across various commercial outlets across Bagamoyo and Dar es Salaam.

Figure 1: Process flowchart of crisps processing

