



Cash Flow Projections & The Proposal



Cash Flow Projections

Figures extracted from projected per hectare cash flows:

1st Hectare

Initial Capital input per hectare = R240,000-

A further R20,000 over the next 4 to 5 years for Bee hives etc.

Gross income in full production – Year 6 = R550,000-

Annual production costs = R60,000-

Breakeven in Year 5 / 6

The Licensing Programme

- Terms and Conditions
- Amorentia Sweet Dragon Fruit Obligation
- Growers Manual
- Pruning Protocol
- Licensing Fee
- Non-Propagation
- Orchard Identification
- Marketing Procedure + Shareholding
- Growers Rights

The Agreement

Cost of the 1st 1ha of a particular, Amorentia Sweet Dragon Fruit, TM selection is R50 000,00:

- R10 000 is transferred to the Amorentia Sweet Dragon Fruit Marketing Company.
- R40 000 includes all planting material, exclusive access to all cultivars and new flesh colours together with all planting, cultivation, production and trellising IP on an ongoing basis. It includes access to the Amorentia Sweet Dragon Fruit Grower's Manual and usage of the information generated by a research biologist who employed by the Amorentia Sweet Dragon Fruit Marketing Company.

The Agreement

Cost of 2nd ha and all subsequent 1ha developments, (or any part thereof) of a particular Amorentia Sweet Dragon Fruit TM selection is R14,800,00:

- R 4, 800 is paid as a royalty payment (12% of the original price of the plants which was R40,000 for the 1st ha) to Amorentia Nursery. The 2nd ha is developed from cuttings taken by the Grower from the plants originally bought from Amorentia for the first ha as in A) above. Prior written authorization will be issued by Amorentia Nursery to each registered grower for their 2nd HA. (Purely for administrative purposes)
- R 10, 000 is payable to the Amorentia Sweet Dragon Fruit Marketing Company within 18 months of that planting.

Marketing

Amorentia Sweet Dragon Fruit Marketing Company (MC)

Amorentia Sweet Dragon Fruit Marketing Company (MC) is structured as follows:

4000 authorised shares will be issued in 2 phases

Phase I: 2000 to be issued

Phase II: 2000 to be issued

For every 1ha purchased 2 shares are issued in the MC as follows:

1 Share to the grower

1 Share to Amorentia Estate

Growers appoint 3 Directors

Amorentia Estate appoint 3 Directors

At all times grower's group and Amorentia Estate remain 50/50 Shareholders in the MC

The revolving Chairman, who is elected by the 3 grower directors, retains a casting vote, in the decision-making process.

The Marketing company's role is to develop marketing opportunities locally and abroad and to advise its shareholder grower members.



Market development & promotions



Of the R50 000,00 or R14 800,00 paid by the grower as a licensing or royalty fee, R10 000,00 will be deposited into the Marketing Company (MC) account.

For:

Marketing - differentiating Amorentia Sweet Dragon Fruit from older bland tasting Dragon Fruit available on the market.

Promotions – Creating the appropriate consumer awareness of the uniqueness of Amorentia Sweet Dragon Fruit.

Fruit Branding

Field Officer/s

Research and Development (RND)

Developing supply programs with supermarkets and fresh fruit markets.

All Amorentia Sweet Dragon Fruit will be marketed and sold under the Amorentia Sweet Dragon Fruit brand.

All fruit sold will be levied @ 5% of net selling price.

All levies are paid to the Marketing Company (MC).

Distributable dividends from the MC are paid out to the Shareholders.




Licensing Agreement

- Signed between **Amorentia, The Grower & The Marketing Company**
- **Drafted by Adams & Adams**

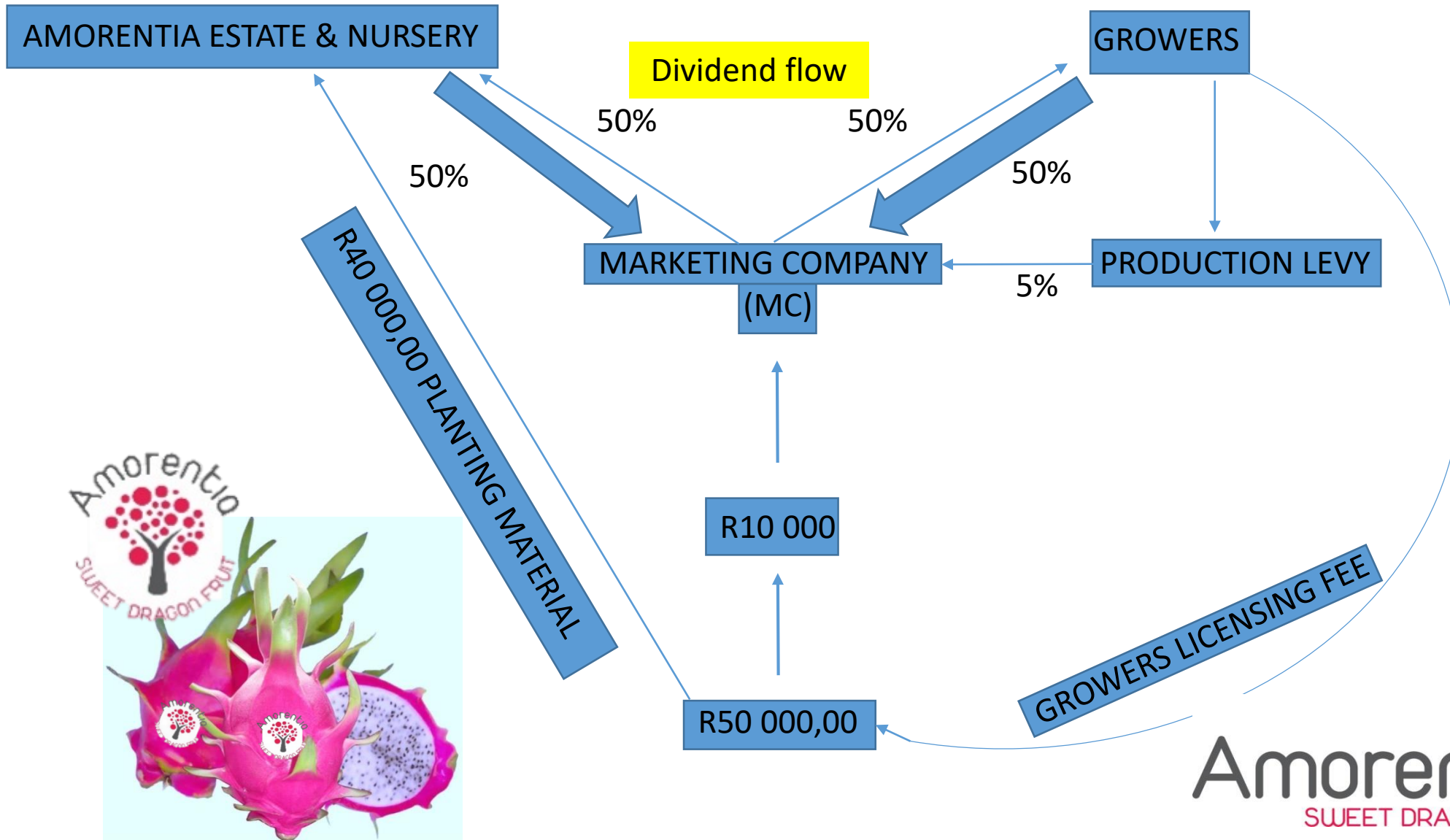
Adams & Adams



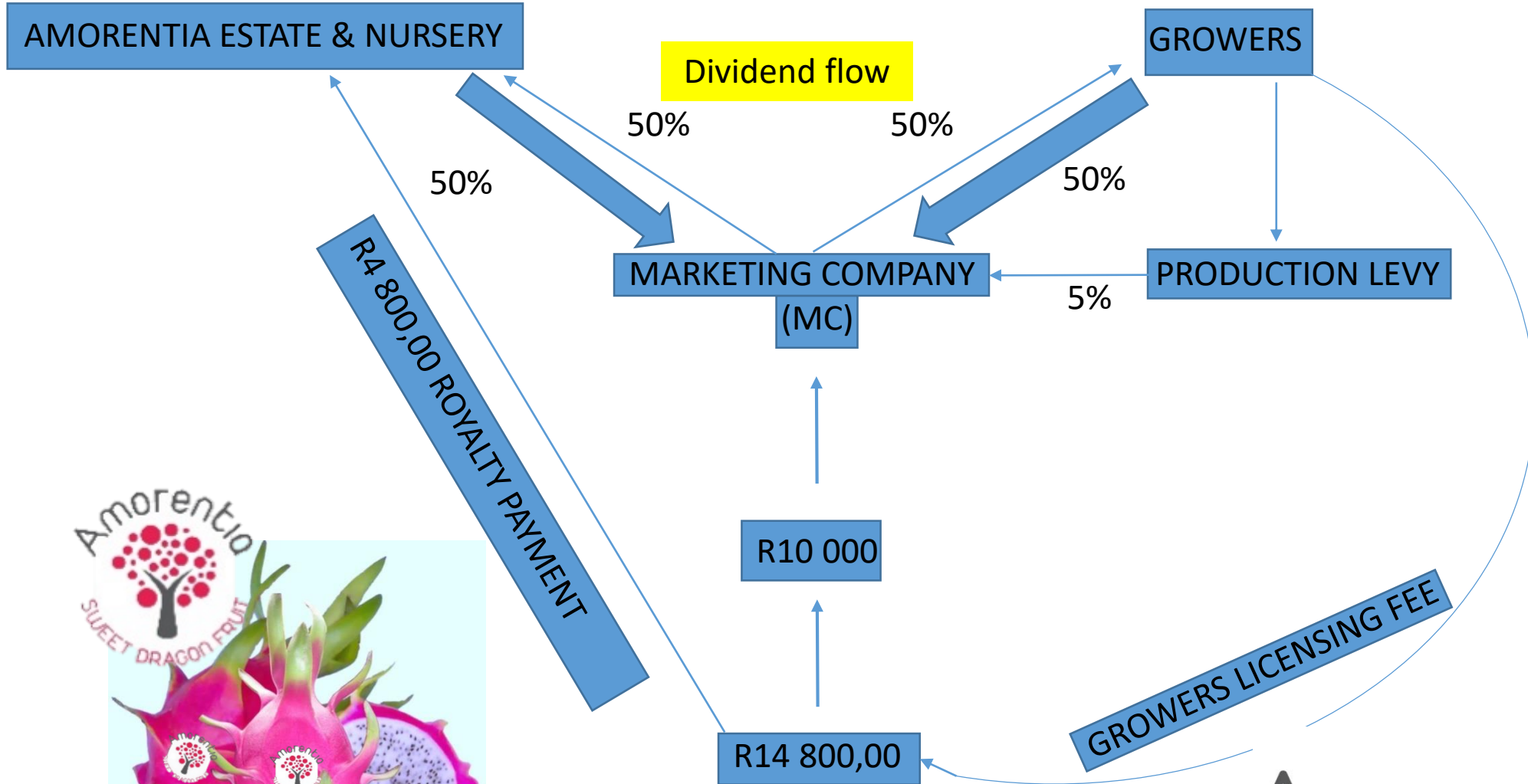
Licensing Obligation

- All Amorentia Sweet Dragon Fruit will be marketed and sold under the  brand.
- All fruit will have stickers.
- All fruit sold will be levied @ 5% of net selling price.
- All levies are paid to the Marketing Company (MC).
- Distributable dividends from the MC are paid out to the Shareholders.
- Such payments authorized by the Directors of the MC.

A) 1st Ha of any one selection



B) Any subsequent development of any one selection



Amorentia

SWEET DRAGON FRUIT



Office: 076 705 6199

Website address: www.amorentia.co.za

Wynand Espach: 082 929 3346

Lauren Strever: 079 145 8864

Howard Blight: 082 872 0807

