



INQO INVESTMENTS LIMITED

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Inqo Investments Ltd, the ISDX-listed ('INQO') social impact investment company announced today an investment in Bee Sweet Honey Ltd, a Zambian-based commercial producer of organic honey.

Bee Sweet Honey is a commercial producer of organic honey using a large network of small farmers in the Miombo region of Northern Zambia. It produces, supplies and leases flat-packed beehives from its factory to small farmers who hang them on trees on their land or in nearby forests providing them with a secondary source of income. Bee Sweet Honey currently has 60,000 beehives with 12,000 farmers producing 210 metric tons of honey a year. Around 150 new beehives are currently constructed per day and placed with farmers. The estimated potential is for 5 million beehives in Zambia, Malawi and the Democratic Republic of Congo.

Around 80 supervisors (called mentors) monitor the beehives regularly. They are incentivised and paid a percentage of the yield of the hives they supervise. The beehives are harvested twice a year by a dedicated and trained team to ensure hygiene and cleanliness. Farmers are paid by cash based on weight at harvest time. Each farmer on average has 10 beehives and will earn an average of \$200/year (range \$100 – 400). As average household income in the region is less than \$1/day, a farmer with an average of 5 to 10 beehives could double his household income from honey. The main use of the additional income from honey is for children's education. Because of their income from honey, the farmers also have a vested interest to protect the bee population and the forest trees. This business therefore benefits farmers' families, their rural communities as well as their forests.

The honey is collected and transported back to the processing plant where it is filtered into 300kg food-grade steel drums. These are shipped via Namibia for export of the bulk to the USA and EU. The company is also developing its own branded honey under the Mama Buci label. Honey is shipped to the UK for fill-finishing into 340g jars for the retail market. Independent laboratory analysis of the honey is performed by Intertek of Germany to ensure compliance with the EU import regulations. The organic honey certification is by ECOCERT in South Africa.

The total market for honey in the EU is estimated at 309,000 tons per annum. The three largest consumer countries are Germany (96,000kg), France (30,000 kg) and the UK (22,000kg).

Funding is needed for working capital to build and supply additional beehives and to pay for the harvests and processing. Inqo's initial investment of \$60,000 will provide working capital and supply around 5,000 additional beehives to around 500 new farmers.

Inqo will monitor a number of social metrics including number of beehives, number of farmers in the programme, average income from honey and number of children in education.

Enquiries

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About Inqo Investments Limited

'INQO' (www.inqo.co.za) is a South Africa-based social impact company listed on the London ISDX Growth Market. It makes strategic acquisitions and investments in businesses designed to tackle poverty and provide employment, products and services to the poor in Low Income Countries (LICs).