

TAQA Arabia Tanzania Business Plan

I. Clear statement of the investment objective, sector and products:

TAQA Arabia is the Egyptian private sector leader investor in the energy business. With more than 15 years of extensive experience in utility distribution covering natural gas, power, oil and marketing and water desalination and treatment across Egypt and Middle East

In 2020, a new strategic objective was set by the board and shareholders to expand our footprint in Africa. The business development survey conducted has concluded to establish our first hub for East Africa in Tanzania.

Focusing on the natural gas business line, and relying on TAQA portfolio of distributing over 6.8 BCM p.a and has more than 40 NGV stations, TAQA Arabia has decided to invest into the construction, ownership and operation of compressed natural gas (CNG) infrastructure for the supply of CNG as an alternative fuel for vehicles in Tanzania mainland as well as the setting up of CNG conversion / retrofitting workshops

II. Investment Costs and Sources of Finances:

- *Shareholders' Percentages*

Shareholders' percentage well calculated	%
TAQA ARABIA INTERNATIONAL FOR ENERGY & UTILITIES	99%
TAQA FOR ENGINEERING AND CONSTRUCTION	1%

- *Intended Investment Amount: \$11,000,000*
- *Financing Plan (USD)*

Financing Plan	Y0	Y1	Y2	Y3	Total	%
Number of New NGV Station	3	3	3	3	12	
CAPEX	2,700,000	2,794,295	2,700,000	2,700,000	10,894,295	
Debt	0	2,160,000	2,160,000	2,160,000	6,480,000	59%
Equity	2,700,000	634,295	506,711	189,442	4,030,448	37%
Self Financing			33,289	350,558	383,847	4%
Total	5,400,000	5,588,589	5,400,000	5,400,000	21,788,589	100%

- *Investment Breakdown per NGV Station*

CPAEX Items per station	%	USD
Compressor*	61.3%	553,787
Civil Works	26.4%	238,701
External Pipeline	8.5%	76,384
Internal Pipeline	1.8%	15,913
Installation	1.4%	12,731
Permits	0.7%	6,365
Total	100.0%	903,883

- *Financial Projection*

Income Statement Summary (USD 000's)	Y1	Y2	Y3	Y4	Y5
Revenues	1,603	4,276	8,017	12,827	16,034
COGS	(1,147)	(2,921)	(5,326)	(8,365)	(10,237)
Gross Profits	457	1,355	2,691	4,462	5,797
G&A	(551)	(677)	(838)	(1,028)	(1,094)
EBITDA	(94)	678	1,853	3,434	4,703
Depreciation	(180)	(360)	(540)	(720)	(720)
Interest Expense	0	(324)	(600)	(821)	(654)
EBT	(274)	(6)	713	1,893	3,330
Taxes	0	0	(214)	(568)	(999)
Net Profits	(274)	(6)	499	1,325	2,331

III. Job Creation:

The following table illustrates the forecasted job creation through out the coming 5 years:

Job Title/Year	2022	2023	2024	2025	2026	2027	Total/Title
Country Manager	1	0	0	0	0	0	1
Finance Manager	1	0	0	0	0	0	1
Office Manager	1	0	0	0	0	0	1
Sales Manager	1	0	1	0	0	0	2
Operations Manager	1	0	0	0	0	0	1
Procurement Specialist	1	0	1	0	0	0	2
Driver	1	0	1	0	0	0	2
Pump Attendant	15	15	15	15	15	15	90
Station Supervisor	1	1	1	1	1	1	6
Station Admin	3	3	3	3	3	3	18
Electrical Technician	4	4	4	4	4	4	24
Mechanical Technician	2	2	2	2	2	2	12
Grand Total	<u>32</u>	<u>26</u>	<u>28</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>160</u>

Except Country Manager and Finance Manager, all jobs mentioned above are to be hired locally, expatriats shall be only travelling on mission basis for technical trainings and knowledge transfer.

Other indirect job creation shall cover but not limited to : outsourcing to law firms, frieght forwarders, logistics, payroll and recruitment local organizations.

IV. Sources of Supplies and Inputs:

- *List of Equipment (Capital Goods) to be imported:*

A) Conversion Center Equipment

Description	HS Code
CNG Conversion kit	84099100-50 OR 84812000-00
CNG Cylinders	73110090-90

B) CNG Station Equipment

Description	HS Code
CNG Station 1200 m3/hr electrical or gas	84148000 -90
2000 L storage tank	73110090-90
Dispenser double hose	84131100-00
CNG long tube skid	7311009000

- *List of Equipment to be supplied locally:*
 - Civil Works of the stations
 - Electromechanical works of the stations
 - Internal and external pipe line connections and fittings
 - Electrical transformers for stations
 - Steel cladding for stations
 - Back up generators
 - Conversion kits fittings and fixing materials