

PETROBENA

Bridging The Gap

Business Plan

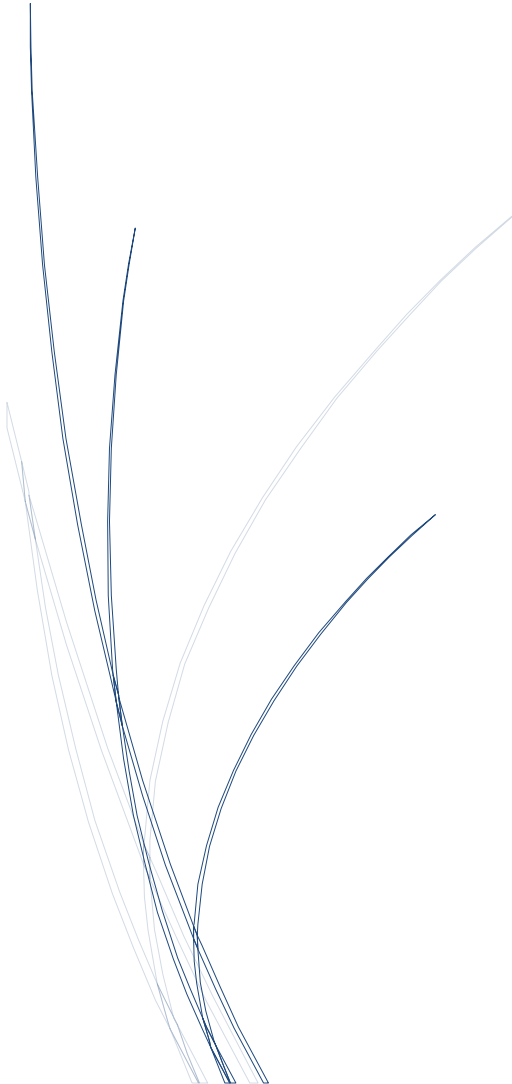


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1. Executive Summary

Background

Petrobena East Africa Limited (PEAL) was established in 2013 as an agricultural input and implements distributions company. To date the company has managed to secure authorized dealership status for Yara Tanzania Ltd; a recognized international fertilizer manufacturer as well as BASF for Agro chemicals countrywide. Throughout the years, the company has amassed a reputation of being a company of “integrity” through quality services, meeting delivery deadlines & farmer training initiatives.

Ownership & Management

The company is 100% locally owned and is actively managed by its owners and founders, Mr. Peter Kumalilwa & Mrs. Sabena Kubini, who are both experienced in their line of operations and come with invaluable industry knowledge, extensive research experience, bespoke entrepreneurial skills and business management expertise. The two are supported by a staff complement of 28 employees and together they have managed to drive the company’s growth from a new market entrant in 2013 to a reputable business with average annual turnover up to Tshs.21bn over the past 4 years.

Products & Services

Petrobena East Africa Limited is not just an agricultural inputs distributor but aims to provide total solutions to farmers across the agricultural value chain ranging from sourcing, logistics, training and after sales services. The company current major products are YARA fertilizers and BASF chemicals, while on service offering it provided logistics services and training to farmers.

Current challenges

The major revenue earning line of the business comes from bulk fertilizer sales, which a highly capital-intensive business and also the business is seasonal and has really short supply periods. Therefore, in the past, the company has found itself struggling to meet demand needs due to lack of enough working capital to smoothly run supplies within the specified time frames. As a result, a lot of opportunities have been lost which has slowed business continued growth.

Also, fertilizer business has very small margins and can only be significantly material if executed in bulk. Therefore, the fertilizer season starting October is the company’s biggest revenue earning period and if not handled and executed efficiently results in massive losses.

Opportunities

YARA Tanzania supplies up to 110 000 MT of fertilizers per annum both locally and regionally. With our existing transportation agreement with YARA, have an opportunity to take up at least 30% of the distributorship, provided that our business demonstrates its full capacity to do so, as the business enjoys first priority for bulk loads distributions. Because the logistics side of the business has better margins as compared to fertiliser sales, the Company has decided to take advantage of this opportunity to push for distributing up to 20,000MT of fertiliser within this upcoming season, which will run between August and December,2021.

Considering the dynamics surrounding the fertiliser sales business, the company has resolved that it is in its best interest to capitalize on the transportation opportunity to enhance profitability for the business.

Funding Requirements

Petrobena hence is looking to increase its fleet of trucks by 30 units in order to smoothly facilitate this distribution of fertiliser during the peak period running from August to December, as well as to be able to have a steady revenue stream throughout the year as the trucks can be used for haulage of any other cargo.

The investment will cost a total of \$2,310,801.36 VAT Exclusive, which covers the purchase of 30 trucks and trailers including comprehensive insurance cover. Part of the cost, being \$1,000,000 will be financed through 90 Days LC, and therefore the company seeks term loan for the balance being \$1,310,801.36 which will be serviced over a period of 2 years.

This amount will allow Petrobena to smoothly run the distribution and hence see the facility fully serviced within 24 months.

2. Company Summary

Quick Facts

Established	2013
Registration No.	103051
TIN No.	122-214-176
VRN No.	40-03353-I
Ownership	Peter A Kumalilwa – 50% Sabena V Kubini – 50%
Average annual turnover	Tshs.26bn
Total number of staff	32
Products & services	Fertilisers Agro-chemicals Solis Tractors Transport & Logistics
Dealerships	YARA Tanzania BASF Solis - ITL
Locations	Dar- es salaam Oysterbay – HQ Dar es salaam Kurasini – Shop Morogoro – Branch Tabora – Branch Arusha – Branch

Mission

To become the most trusted partner in the agriculture industry, by providing excellent products and services that exceeds our customers’ expectations.

In the long term, the company intends to expand its business to the rest of the East African countries, with the ability to satisfy all needs of farmers and agriculture producers.

Therefore, the company’s strategy is to create a limited geographical niche for itself, where there will be no potential competitors. Petrobena EA Limited aims to offer high-quality agriculture inputs, equipment’s and machinery for crop mechanization at prices which are competitive in comparison to other premium-quality suppliers in the local market.

Vision

To become the most valuable and respectable Agri Business in Africa by Bridging the Gap and accelerate the growth of local farmers in East Africa.

This new addition to the company’s product portfolio will allow the business to have a footprint on the midstream part of the agricultural value chain.

Keys to Success

Petrobena’s keys to success will include:

- A high level of quality in its product line.
- Maintaining and growing its referral networks to generate new and repeat sales.
- Significant investments in research and development of machinery with the aim to focus on providing precisely required specifications at low cost
- Improving efficiencies of operations and to reduce the crop producers operating costs.
- Link with financiers for Agriculture support to its customers.

Management & Staff

Petrobena’s management is comprised of experienced entrepreneurs and business professionals from the accounting, technology and marketing management industries. Our management team possesses a breadth of functional experience in sales & marketing as well as research expertise. The company is actively managed by Peter Kumalilwa and Sabena Kubini who also happen to be the founders of the business.



Peter A Kumamaliwa:
Founder and MD Petrobena

A visionary multi-skilled leader with a passion to innovative agriculture solutions. Technically experienced as his journey started from mining. Over ten years’ experience in mining acquired from but not limited to London -based mining giant Africa Eagle. Years later he Founded Gold Finders of Tanzania limited (GFT), a mineral exploration company with stakeholders and clients around the world including Coeur de Lien of USA, Africa Eagle, Uranium Ore of Canada and Mantra Resources of Australia.



Sabena V Kubini
Co-Founder, Director Admin & Finance

A hard working, honest & resilient woman with vast administrative and marketing experience acquired from previous work experience with the likes of Agricom Africa, AAR, Africa Online & Vodacom Tanzania. She started her career young surpassing national benchmarks to be become one of the youngest female top managers in business' in Tanzania. She has a top-notch direct association with primary producers in agricultural products and a passion for rural women empowerment through agricultural solutions

The two are supported by a team of highly qualified and experienced staff in the areas of finance, sales, marketing, logistics and admin support as shown hereunder.

3. Industry Analysis

Industry overview

The overall market for agriculture solutions in Tanzania is huge ranging from Inputs supply, Agriculture implements and transport & logistics for the same.

About 10.1 million ha or 23 % is under cultivation. Agriculture is the leading sector of the economy. It accounts for about 26% GDP. Over 80% of its population live and earn their living in the rural areas with agriculture as the mainstay of their living. Smallholder farmers cultivate between 0.2 and 2.0ha.

The following factors define the environment in which Petrobena hopes to succeed:

Political Environment

Tanzania government has several programs designed to improve Agric- produce and processing.

- Agricultural Sector Development Strategy - II 2015/2016 – 2024/2025
- The National Rice Development Strategies (NRDS) focused more on increasing productivity,
- National food security bulletin for December 2018
- Agriculture Sector Development Programme II (ASDP II)
- National strategy for youth involvement in agriculture 2016-2021

Establishment of Agricultural Banks, like TADB, all points to efforts by the government that needs private sector to complement.

The government has worked tirelessly to curb corruption and cut on huge government expenditures. The business environment is expected to follow suit and work ethically beyond reproach for the benefit of the farmers. Government departments and Parastatals have been put on high alert with regards to performance. The changes are expected to bear fruits in the long run for the economy and the business environment

Economic Environment

The economy has been on the steady growth for a while now and the trend shows some signs of abating. The financial system is still very functional with banks still lending businesses both in the local currency and US dollar. However, the increasing non-performing loan balances has resulted in tight collateral by the regulatory Bank of Tanzania to the banking industry. The exchange rate is stable and interest rates for US dollar range between 7 and 9% per annum. Like most markets, however, entrepreneurs are not solely rewarded on the strength of their ideas. Instead, business owners and Venture Capitalists are expected to show profitability before reaping the reward of their hard work.

Social Environment

Tanzania is one of countries with abundant land for agriculture & manual labor with majority working in farms in the rural areas. The youth of modern day have joined the entrepreneurship drive in farming through mechanization efforts by the government in farming which is likely to increase the hectare of productive land.

This will in turn raise the demand for fertilizers' and logistical services.

Technology

The current type of brand from YARA is top notch compared to other tradition fertilizers. This is a well-researched brand well sort after by farmers. The proposed project will kick start with early deliveries of orders for this farming season. There is a real need for a modern-day state of the art logistical services within the sector to meet farming deadlines.

4. Market Analysis

Market Segmentation

Our market segmentation scheme is fairly straightforward, and focuses on all agricultural sectors. Our largest market potential is more concentrated on small – mid scale farmers.

For more than 4 years, the company has owned almost 30% of the fertilizer supply market. However, due to the nature of the business being highly controlled by the government, the company in order to survive has decided to invest the supply & logistics chain with YARA.

The strategy used for years was to stay close to our customers. This resulted in building of trust and forging of good relations with our farmers. The company already knows the customers' needs and wants, therefore, as part of its marketing mix has to meet delivery deadlines for the farming season.

The company expects that by implementing a correct marketing mix, we will increase our share in this market segment by offering the same value-added service and support benefits that its customers demand.

Target Market Segment Strategy

Our choice of target markets is based on comprehensive experience within the agriculture industry coupled with an in-depth understanding of the customers' needs for more than 10 years.

We have taken a unique approach to satisfy our customers' needs and wants and also simultaneously to answer all their questions and to air their fears about the effectiveness and efficiency of our products. The company identified that only the on-site testing of the agriculture machinery in the customers' fields could calm down even the most resistive and questionable customer.

The company cannot be successful by just waiting for the customer to come for ordering. Instead, we must focus on the specific market segments whose needs match more to our series of products. Focusing on targeted segments is the key to company's future.

Therefore, the company's focus and marketing message will be not only the customer needs but also the after service and spare parts services offered. A good marketing mix will develop company's message, communicate it, and fulfill its commitment to excellence.

Developing a market strategy is a departure from the way the company has been managed in the past. We will change the paradigm of being a product- and price-focused sales organization, to that of becoming a customer- and market-focused organization, aiming in sharing responsibility for customer satisfaction. We will accomplish this paradigm shift through the implementation of a balanced and continuous market research for agriculture needs and technology demands.

Planning and implementing specific strategies for the identified segments will be an ongoing process, and we will consult with marketing specialists, and our manufacturers, to further refine these efforts as we develop an effective marketing plan.

Petrobena will enter the market by providing lasting solutions to the farmer needs. While the growth rate of the farm fertiliser use is increasing significantly, the downstream and upstream supplier services & facilities are required, Petrobena saw the opportunity to enter market with a well tailor-made logistics services backed by existing solutions.

Market trends & buying patterns

According to available market information, demand for fertilizers' exceed farmers buying capacity at one gđ demand

exceeds supply but constrained by unavailable of marketable financing arrangements' with farmers. With national efforts to farm mechanization and fertilizer use, demand will exceeds production/supply in the near future, hence efforts to bridge the supply side gap are necessary.

In addition, training and education has made farmers understand the importance of using quality seeds and fertilizers.

Competitive Edge

Our competitive edge is our positioning as a strategic ally with our customers, who are clients more than customers. By providing logistical services based on long-standing relationships with satisfied clients, we simultaneously build defenses against competition. The longer the relationship stands, the more we help our clients understand what we offer them and why they should both stay with Petrobena. In close-knit communities like Tanzania, reputation is extremely important, and word-of-mouth advertising is invaluable.

Customer network

Backed by excellent partnership arrangements with producer farmers and cooperatives, Petrobena has a network of more than 700 agro-dealers who work with more than 10,000 ~~firms~~ This gives the company a direct link to both new and existing clients in the value chain through our already existing input scheme.

5. Marketing Strategy

The overall marketing plan for Petrobena EA Ltd products and services is based on the following fundamentals:

- The segment of the market(s) planned to reach.
- Distribution channels planned to be used to reach market segments: radio, sales associates, and Post cards, direct marketing, mailings, etc.
- Share of the market expected to capture over a fixed period of time.

Our marketing strategy will focus on two niches'. The small-scale farmers and large-scale farmers. We will implement a strategy that treats customers as a family. This means our marketing resources will be centered on training, advertising both sales promotions (events & workshops) and personal sales (customer service, friendly atmosphere).

Market Responsibilities

Petrobena is committed to an extensive promotional campaign. This will be done aggressively and on a broad scale. To accomplish initial sales goals, the company will require an extremely effective promotional campaign to accomplish two primary objectives:

1. Attract quality sales/service personnel that have a desire to be successful.
2. Attract customers that will constantly look to Petrobena for their needs.

In addition, the company plans to advertise in magazines, newspapers, television, radio, and on billboards throughout the country.

Promotion

In addition to standard advertisement practices, Petrobena will gain considerable recognition through these additional promotional mediums:

- Press releases sent to major radio stations, newspapers, and magazines.
- Radio advertising on secondary stations.
- Incentives for customers and potential customers to Petrobena name. The company plans to distribute coffee mugs, T-shirts, pens, and other advertising specialties with the company logo. This will be an ongoing program for the company, when appropriate and where it is identified as beneficial.
- Brochures. The objective of brochures is to portray the company's goals and products as an attractive functionality. It will also show to customers how to use the latest technology of innovations or what it relates to agricultural sector.

6. Sales Strategy

Our agreement with YARA guarantees us loading of up to 41,966MT per year, out of which at least 80% is moved between the months of August to December.

Petrobena has a fleet of 5 trucks which are capable of handling up a maximum of 8 local trips per month and 4 regional trips. The rest of the load is outsourced to subcontractors.

In order to achieve more sales revenue, the company's strategy is to load the regional trips using own trucks and sub-contract local trips, which have lower margins.

7. Sales Model

Since the beginning of the year, the company has managed to load an average of 500MT per month making a total of 3,500 MT to date out of the contracted 41,966MT. It is forecasted that the rest will be split over the last 3 months of the year as the fertiliser peak season goes.

A prudent view of the logistics business model with YARA as expected during the August to December season is depicted below:

	Per/Ton	Quantity/Month	Turnover/Month	Turnover Tshs
Average Rate/Ton	\$90	10,667	\$ 960,000.00	2,241,600,000

The table above clearly shows that there is potential turnover of up to Tshs.6.7bn to be realized from the season's loadings, October to (December) provided that the entire exercise is handled efficiently and completed in time. This is only possible with our own trucks rather than using sub-contractors. And with a fleet of 30 trucks, the expected volumes can be easily completed with two and half months.

Off-season loadings with YARA have monthly volumes as follows:

	Per/Ton	Trips/Month	Turnover/Month	Turnover Tshs
Average Rate/Trip	\$976	140	\$ 136,582.60	318,920,371

8. Funding Requirements' Justification

The line of business that Petrobena East Africa Limited is into is very cash intensive within a very space of time as it involves bulk supplies of both goods & services. Petrobena intends to commence early deliveries of fertilizers' to farmers this season. This year's farming season commences early July and ends January; therefore, the bulk of fertiliser distribution will be between October and December.

Once the season starts, the company is able to generate healthy cashflows which can be used as rolling capital throughout the project.

The company requires to have its own trucks in order to manage the loadings efficiently as the deliveries are very time-sensitive, as most sub-contractors are un-reliable. The funds will go towards capital expenditure to purchase 30 trucks & 30 trailers in order to meet early deadlines.

Therefore, the company is seeking for a facility which will allow the business to purchase the trucks & trailers. The total cost of the trucks is \$2,310,801.36 out of which the company seeks \$1,000,000 under letter of credit financing for 90 days and the balance being term loan as shown here-under:

Cost/unit	Total	Vat	Total PI Amount
\$ 28,000.00	\$ 840,000.00	\$ 151,200.00	\$ 991,200.00
\$ 45,762.21	\$ 1,372,881.36	\$ 247,118.64	\$ 1,620,000.00
	\$ 97,920.00	\$ -	\$ -
	\$ 2,310,801.36	\$ 398,318.64	\$ 2,709,120.00
90 Days LC	\$ 1,000,000.00		
24 months Term Loan	\$ 1,310,801.36		
Exchange rate	2,335.00		
Loan Amount	3,060,721,177.94		

9. Financial Plan

The following sections shows in detail that the company operations will be profitable and will easily service the overdraft facility within 12 months.

Important Assumptions

The key underlying assumptions of our financial plan shown in the following general assumption table are:

1. We assume that the business margins shall remain as per recent historical levels.
2. With more focus on logistics this season, we will do less fertiliser sales
3. The effects of covid 19 and other pandemic shall pose minimum disruption to our and our suppliers' operations.
4. Interest on loan shall be 19% per anum
5. Receivable period shall remain 30 days credit

The company expects revenue of up to Tshs.4.6bn from logistics at least Tshs.17bn from fertiliser sales this year. Transportation using own trucks gives the company a margin of at least 25-30%, while sub-contracting gives margins of 15% and fertiliser sales have a margin of only 6%.

For the expected volumes, the company should be able to make annual gross profits of at least Tshs.3,6bn as depicted below.

Column1	Transport	Fertiliser	Total
Annual revenue	9,595,083,339.00	12,482,401,768.70	22,077,485,107.70
Cost of sales	6,716,558,337.30	11,733,457,662.58	18,450,015,999.88
Gross Profit	2,878,525,001.70	748,944,106.12	3,627,469,107.82

10. Projected Cash Flow

Cash flow reflects the seasonality of our business as well as our fertilizer projects. Our Cash Balance will increase as sales volumes increase.

We are positioning ourselves in the market as a medium risk concern with steady cash flows. Most operational costs are on a cash basis with only a few paid after 30 days. While retail sales generally are on a cash basis, the bulk sales are on LC terms and usually liquidate within 30 days. The retail sales give the entity some operational cash flows. Initial cash flow will be constrained if not negative, there will be steady increases until we achieve a positive cash flow at the end of the season.

The cashflow projections show that the company will be able to pay off the initial LC within the first 90 days of operations and smoothly service the term loan over 24 months.

The projected payback period is expected not to exceed 2 year, and a smooth servicing of the facility over a similar period.

Projected cashflows for the tenure of the facility are shown as per attached projections.

11. Strategy & Implementation Plan

Petrobena has already differentiated itself from other fertilizer distributors, importers of agriculture machinery and implements by offering custom solutions depending on customer demands. The company plans on building long-term relationships with clients and not just selling them inputs. Let them become dependent on company's assistance to help out in many situations. Make them understand the value of the relationship.

The company plans to rapidly develop marketing alliances with agriculture consulting offices. The market strategy is to capitalize on Petrobena's ever-increasing customer base and contacts by offering the latest products and after sales service.

The other competitive edge on the transportation business is that we have enough cargo of our own to fully utilize our trucks and hence there is no need to compete with other transporters for more cargo. Quality service & loyalty will be our difference.

PETROBENA EAST AFRICA LIMITED

PROJECTED CASHFLOW STATEMENT FOR 12 MONTHS ENDING AUGUST 2022

Cash Flow Forecast - 12 Months	Sep/21	Oct/21	Nov/21	Dec/21	Jan/22	Feb/22	Mar/22	Apr/22	May/22	Jun/22	Jul/22	Aug/22	TOTAL
Receipts													
Retail sales	44,038,008	44,038,008	47,561,048	57,073,258	68,487,909	61,639,118	53,009,642	47,708,678	16,852,147	20,222,577	30,333,865	36,400,638	527,364,896
Ribet - bonus	-	-	-	-	-	-	-	113,240,591	-	-	-	-	113,240,591
Transport Revenue collections	124,767,907	194,767,907	2,241,600,000	2,241,600,000	2,241,600,000	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	9,276,777,825
Fertiliser project collections	-	-	920,000,000	1,916,990,715	7,670,216,842	1,447,829,316	-	-	-	-	-	-	11,955,036,873
Term loan	-	3,060,721,178	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	168,805,915	3,299,527,093	3,209,161,048	4,215,663,973	9,980,304,752	1,828,388,722	371,929,929	479,869,556	335,772,434	339,142,864	349,254,152	355,320,925	21,872,420,185
Payments													
Payment to suppliers	41,395,727	41,395,727	909,507,385	1,855,620,134	7,274,382,466	1,418,900,329	49,829,063	44,846,157	15,841,018	19,009,222	28,513,833	34,216,600	11,733,457,663
Payment for trucks & trailers	-	2,832,077,976	-	-	-	-	-	-	-	-	-	-	-
Fuel & trucks running expenses	49,907,163	77,907,163	268,992,000	268,992,000	38,270,434	38,270,434	69,300,000	69,300,000	69,300,000	69,300,000	69,300,000	83,160,000	1,171,999,195
Truck repairs & maintenance	525,000	2,625,000	2,625,000	2,625,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	134,400,000
Tyres & Tubes	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	43,920,000
Loading & offloading	1,211,045	1,211,045	45,959,150	93,768,039	1,436,500	1,510,380	1,457,765	1,311,989	1,367,021	556,121	834,181	1,001,018	151,624,253
Salaries & wages (Admin & Projects)	9,750,000	9,750,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	144,000,000
Salaries & wages (Transport)	2,500,000	2,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	180,000,000
Driver Allowances	2,575,000	2,575,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	159,650,000
Admin allowances	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	12,600,000
Payroll taxes	3,675,000	3,675,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	97,200,000
Rentals	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	10,884,000	116,654,000
Utilities	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	4,920,000	-	-	7,935,000
Insurance Trucks	-	-	228,643,202	-	-	-	-	-	-	-	-	-	228,643,202
Licenses	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	600,000	6,100,000
Sales & Marketing costs	1,499,994	1,499,995	1,499,996	1,499,997	1,499,998	1,499,999	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,800,000	18,299,979
Travel and Fuel expenses	2,000,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,900,000	38,400,000
Telephone	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	60,000	60,000	72,000	1,632,000
Tender documents	-	-	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
Fuel & vehicle running expenses admin	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	18,000,000
Professional fees	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	18,000,000
Business Licence	-	1,250,000	-	-	-	-	-	-	-	400,000	-	-	1,650,000
Bank charges	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	20,400,000
Miscellaneous	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	60,000,000
Interest on overdraft	391,290	-	-	-	-	-	-	-	-	-	-	-	391,290
Term loan	-	-	-	-	527,974,403	-	-	509,801,371	-	-	491,628,339	-	1,529,404,114
LC payment	-	-	-	2,335,000,000	-	-	-	-	-	-	-	-	2,335,000,000
LC charges	-	46,700,000	-	-	-	-	-	-	-	-	-	-	46,700,000
BOA Asset Financing Installment	-	99,743,673	-	-	-	-	-	-	-	-	-	-	99,743,673
Tax payments	-	20,607,000	-	-	20,607,000	-	-	20,607,000	-	-	329,712,000	-	391,533,000
Total Payments	139,845,219	3,171,182,579	1,539,276,733	4,639,555,170	7,961,970,802	1,557,981,142	219,886,829	745,166,517	185,808,039	195,050,343	1,018,853,354	220,838,617	18,716,637,369
Cashflow Surplus/Deficit (-)	28,960,696	128,344,514	1,669,884,315	-423,891,197	2,018,333,949	270,407,580	152,043,101	-265,296,961	149,964,395	144,092,521	-669,599,201	134,482,308	3,155,782,816
Opening Cash Balance	-17,637,655	11,323,041	139,667,555	1,809,551,869	1,385,660,672	3,403,994,621	3,674,402,201	3,826,445,302	3,561,148,341	3,711,112,736	3,855,205,257	3,185,606,055	
Closing Cash Balance	11,323,041	139,667,555	1,809,551,869	1,385,660,672	3,403,994,621	3,674,402,201	3,826,445,302	3,561,148,341	3,711,112,736	3,855,205,257	3,185,606,055	3,320,088,363	

PETROBENA EAST AFRICA LIMITED

PROJECTED CASHFLOW STATEMENT FOR 12 MONTHS ENDING AUGUST 2023

Cash Flow Forecast - 12 Months	Sep/22	Oct/22	Nov/22	Dec/22	Jan/23	Feb/23	Mar/23	Apr/23	May/23	Jun/23	Jul/23	Aug/23	TOTAL
Receipts													
Retail sales	48,441,808	48,441,808	52,317,153	62,780,584	75,336,700	67,803,030	58,310,606	52,479,545	18,537,362	22,244,834	33,367,251	40,040,702	580,101,385
Ribet - bonus	-	-	-	-	-	-	-	124,564,650	-	-	-	-	124,564,650
Transport Revenue collections	318,920,287	2,241,600,000	2,241,600,000	2,241,600,000	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	318,920,287	9,595,082,585
Fertiliser project collections	-	-	1,012,000,000	2,108,689,786	8,437,238,526	1,592,612,248	-	-	-	-	-	-	13,150,540,560
Total Receipts	367,362,096	2,290,041,808	3,305,917,153	4,413,070,370	8,831,495,514	1,979,335,565	377,230,893	495,964,483	337,457,649	341,165,121	352,287,539	358,960,989	23,450,289,180
Payments													
Payment to suppliers	45,535,300	45,535,300	1,000,458,124	2,041,182,148	8,001,820,713	1,560,790,361	54,811,970	49,330,773	17,425,120	20,910,144	31,365,216	37,638,260	12,906,803,429
Fuel & trucks running expenses	127,568,115	896,640,000	268,992,000	38,270,434	38,270,434	38,270,434	69,300,000	69,300,000	69,300,000	69,300,000	69,300,000	83,160,000	1,837,671,418
Truck repairs & maintenance	525,000	2,625,000	2,625,000	2,625,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	15,750,000	134,400,000
Tyres & Tubes	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	21,600,000	259,200,000
Loading & offloading	1,332,150	1,332,150	50,555,065	103,144,843	1,436,500	1,510,380	1,603,542	1,443,188	1,367,021	611,733	917,599	1,101,119	166,355,289
Salaries & wages (Admin & Projects)	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	12,450,000	149,400,000
Salaries & wages (Transport)	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	17,500,000	210,000,000
Driver Allowances	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	15,450,000	185,400,000
Admin allowances	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	12,600,000
Payroll taxes	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	8,985,000	107,820,000
Rentals	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	9,070,000	10,884,000	110,654,000
Utilities	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	335,000	4,920,000	-	7,935,000
Insurance Trucks	-	-	251,643,202	-	-	-	-	-	-	-	-	-	251,643,202
Licenses	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	600,000	6,100,000
Sales & Marketing costs	1,499,994	1,499,995	1,499,996	1,499,997	1,499,998	1,499,999	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,800,000	18,299,979
Travel and Fuel expenses	2,000,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,900,000	3,900,000	38,400,000
Telephone	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	60,000	60,000	72,000	1,632,000
Tender documents	-	-	-	-	-	-	-	-	-	2,000,000	-	-	2,000,000
Fuel & vehicle running expenses admin	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	18,000,000
Professional fees	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	18,000,000
Business Licence	-	1,250,000	-	-	-	-	-	-	-	400,000	-	-	1,650,000
Bank charges	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	20,400,000
Miscellaneous	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	60,000,000
Interest on overdraft	391,290	-	-	-	-	-	-	-	-	-	-	-	391,290
Term loan	-	473,455,307	-	-	455,282,275	-	-	437,109,243	-	-	418,936,211	-	1,784,783,037
Tax payments	-	20,607,000	-	-	20,607,000	-	-	20,607,000	-	-	362,683,200	-	959,724,040
Total Payments	275,651,849	1,542,994,752	1,675,823,387	2,286,772,422	8,634,716,921	1,717,871,175	243,015,511	695,090,203	205,392,141	215,006,877	1,000,067,227	676,860,219	19,169,262,684
Cashflow Surplus/Deficit (-)	91,710,247	747,047,057	1,630,093,766	2,126,297,948	196,778,593	261,464,390	134,215,382	-199,125,721	132,065,508	126,158,244	-647,779,688	-317,899,230	4,281,026,496
Opening Cash Balance	3,320,088,363	3,411,798,610	4,158,845,667	5,788,939,433	7,915,237,381	8,112,015,974	8,373,480,365	8,507,695,746	8,308,570,026	8,440,635,534	8,566,793,778	7,919,014,089	
Closing Cash Balance	3,411,798,610	4,158,845,667	5,788,939,433	7,915,237,381	8,112,015,974	8,373,480,365	8,507,695,746	8,308,570,026	8,440,635,534	8,566,793,778	7,919,014,089	7,601,114,859	

Assumptions underlying this cashflow

1. Vehicles will be received within 60 days after LC opening date
2. Interest on term loan 19% per annum
3. Quarterly repayments for term loan
4. 2% LC charges
5. Concentration during the next 2 years will be on transportation rather than fertiliser sales
6. All other business operations commercials shall remain the same as per current situation
7. No other capital expenditure will be incurred over the loan period
8. The company will be able to get Vat deferment for the capital expenditure