



# BUSINESS PLAN

**Premium Active Tanzania Limited**

**2023**

## ABSTRACT

Premium Active Tanzania has been operating in the Tanzanian Tobacco Market for 15 years. PATL has decided to substantially invest further to secure its position for the future.

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PREMIUM ACTIVE TANZANIA LIMITED

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## Executive Summary

Premium Active Tanzania Limited (PATL) is a tobacco leaf merchant based in Morogoro, Tanzania. The company buys green tobacco leaf from farmers (AMCOS) and in turn sells processed leaf tobacco to International Buyers. PATL is a relatively new company (Inception in 2008) registered in Tanzania under the Companies Ordinance Act as a Company limited by shares.

PATL purchases green leaf tobacco from Tanzanian farmers before processing the tobacco at a local processing facility. PATL sells processed leaf tobacco that meets international standards produced using local expertise.

Tanzanian tobacco has cut for itself a niche in the global tobacco market. This is because the quality of the crop has improved considerably over the years from filler tobacco to semi flavour tobacco.

PATL has a competitive edge in the Tanzania tobacco market. On the supply side PATL enjoys good support from Farmers and Government and works closely with key stakeholders. On the marketing side the recent global consolidations have given rise to the need of small to medium size leaf merchants in the global marketplace. Efficiencies that come with new and small operations also add to the competitive edge.

PATL has a strong management team in place led by Mr. Harry Klonaridis as the Managing Director. Mr. Harry Klonaridis held a multitude of diverse roles, primarily focusing on sustainability in the tobacco industry and Tanzanian tobacco operations.

Mr. Georgios P. Klonaridis (Leaf & Sales Director) with 42 years tobacco experience handles the Tobacco Leaf & Sales side of the business. Utilizing all 42 years' experience on Tobacco Blending and smoking, Mr. Georgios P. Klonaridis ensures all tobacco packed for the international market meets highly stringent protocols and customer requirements in terms of leaf quality, chemical balances (nicotine and sugar) and smoking texture in blended tobacco.

Mr. Rudolph Prinsloo, Financial Director, who joined PATL in 2020. Mr. Prinsloo manages and determines cost of operations, identifies financial status by comparing and analysing actual results with plans and forecasts. His vast experience in the complicated and challenging finances of the tobacco sector serve the company well.

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Mr. Daniel Mwakalinga recently joined PATL as the Sustainable Manager. Sustainability is one of main focuses of the Tobacco Industry and it is vital to have experience and the know how in this highly demanding and specialized market. This expertise is built after many years of experience in combination with higher education, which cannot be transferred solely through higher learning. The worldwide requirements and stringent standards set by the tobacco industry and organizations such as WHO, ILO and HRW require specialized expertise to meet these demands.

On the field management side, the company has engaged the services of Mr. Nico Roussos. Nico has 41 years' experience in farming tobacco which places him in a unique position of understanding farmer needs, cooperating with all farmers and Primary Societies.

Mr. Pius Achuma Okol is the Agronomy Manager who has a vast knowledge and expertise of growing the correct varieties and quality with over 25 years of experience. His vast knowledge is a key contributing factor to the current success of PATL.

Mr. Joseph Emmanuel Amuriate is the Processing and Quality Control Manager and his extensive knowledge and expertise spanning over 21 years is an important contributing factor in ensuring the tobacco products are processed within the stringent International Tobacco requirements.

Mr. Yusuph Mahundi has held a multitude of roles in the Tobacco industry with experience on both the leaf supply side and government side as a regulator on the Tanzania Tobacco Board. As Mr. Mahundi's knowledge stems from both sides of the industry, his experience on the Cooperative structure, agronomy operations, leaf classification and buying are a vital component to PATL's operations.

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## Business Description

### Introduction

PATL is based in Morogoro with offices situated at the following address:

1<sup>st</sup> Floors, Tumbaku Building,  
Dodoma Road,  
Kihonda Bima Morogoro,  
Tanzania.

PATL is registered in Tanzania under the Companies Ordinance Act as a company limited by shares with a Certificate of Incorporation Number 65046, Taxpayer Identification Number (TIN) 106804370, Value Added Tax (VAT) number 40002308A and First Trading Business License No. 01114966 issued on October 30<sup>th</sup>, 2008, Renewed with License No. 20000001198. The majority shareholder of the local Company is Premium Tobacco Central Africa Limited (PTCA), holding 90% of the shares and 10% shares held by Mr. Mike Kazamias.

### PATL's Participation in the Market

In the first year of trading PATL purchased, processed, and sold 2,490MT of processed tobacco. This represented 7% of the Tanzania FCV tobacco market share. The second year of operation saw the Company's market share of FCV tobacco business increase to 14%. The Company purchased, processed, and sold 6,707MT of processed tobacco. In crop year 2022, the Company's market share of FCV tobacco business increased to 23%.

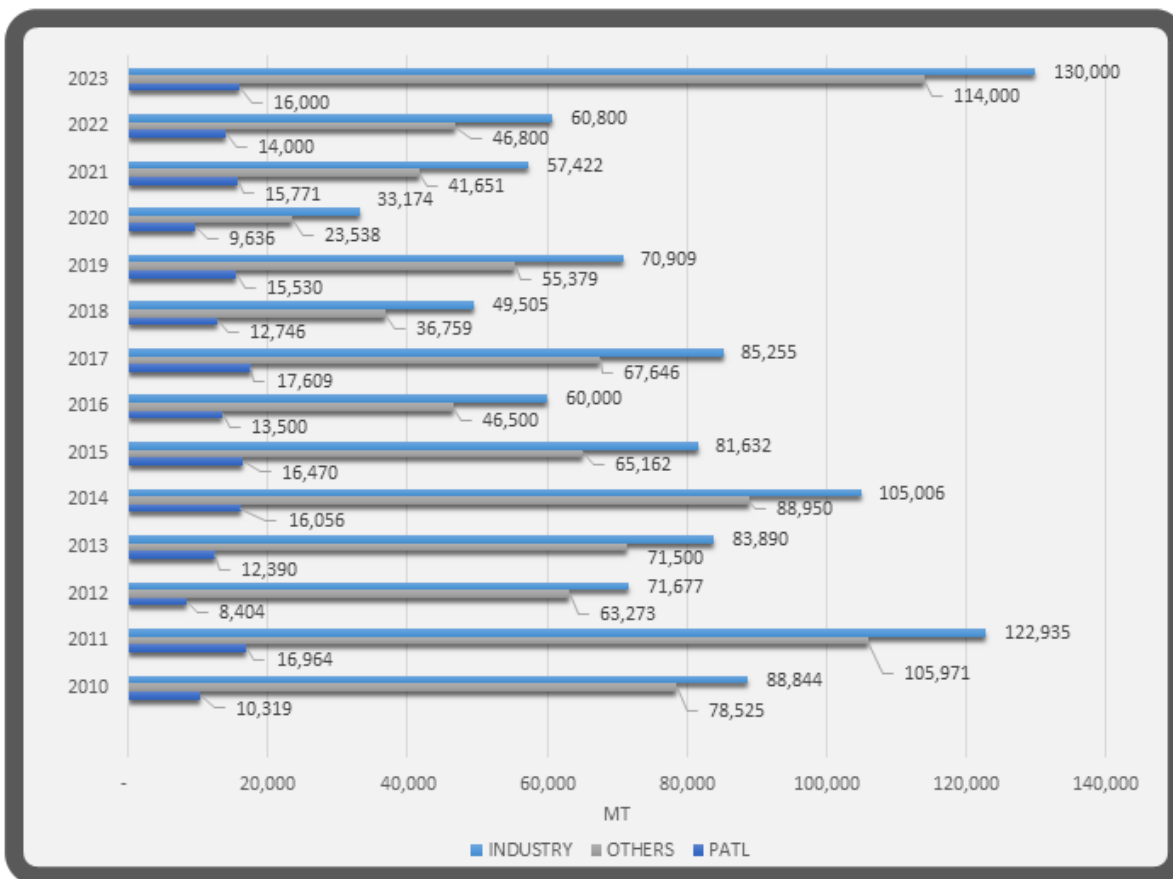
The following is a chart of PATL participation in the FCV market from 2009 until 2022.

*\*\*2023 figures are based on estimates for the tobacco season which will begin in April 2023.*

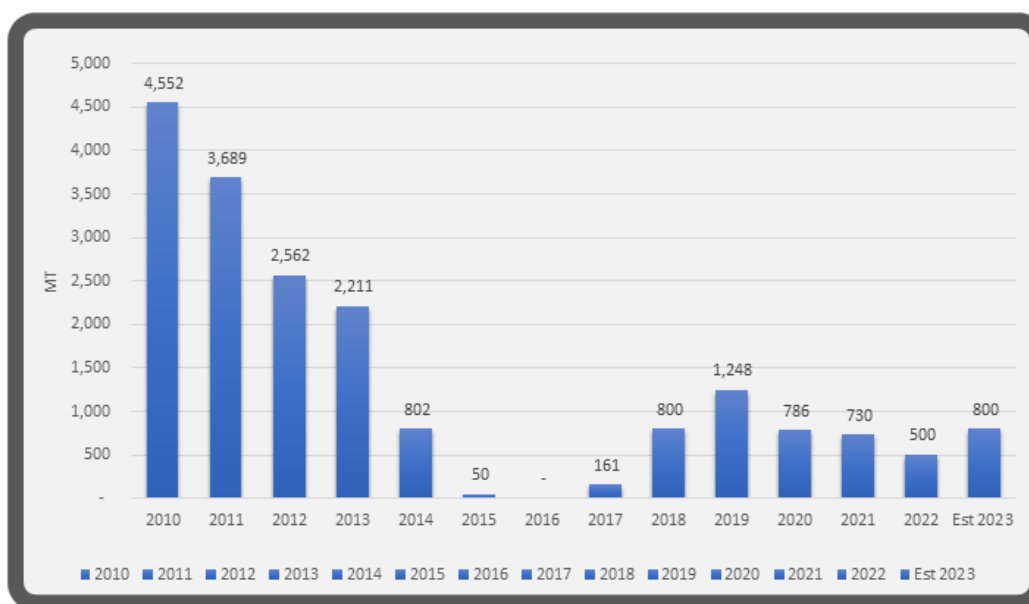
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The following is a chart of PATL participation in the local DFC industry from 2017; **Note, PATL revived the DFC market in 2017.**



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PATL has now been in existence for fifteen years. The Company is operating in three regions Chunya (13 P. Societies), Mpanda (16 P. Societies) and Ruvuma Songea (14 P. Societies) having contracts with 42 Primary Societies. The societies produce approximately 16,500MT of green tobacco (both FCV and DFC Varieties) which represents about 23% of the total tobacco produced in the Country.

PATL is a tobacco leaf merchant; the tobacco leaves that are used to produce cigarettes. The company purchases raw tobacco leaves directly from tobacco growers. Tobacco growers are linked to PATL through Primary Society contracts as per the Cooperative laws of Tanzania, which commit the growers to sell their production to PATL. PATL maintains a presence in the field by providing agronomic assistance at the macro level during the whole crop circle.

## Tobacco Leaf

### Description

PATL deals in leaf tobacco that cigarette manufacturers use in the manufacture of cigarettes. It purchases, processes, and sells FCV and DFC tobacco type.

Tanzania tobacco has cut for itself a niche in the global tobacco market. Over the years international cigarette manufacturers have incorporated Tanzania tobacco as a blend component in their leading cigarette brands. This position has been attained after several years of consistent supply of tobacco in both volume and quality.

### Production Cycle

The tobacco production cycle (agricultural and industrial phases) evolves through the following stages:

- Tobacco growers' contract: These are entered into between the months of May and August each season and form the basic element of the relationship between PATL and growers. As tobacco growers are small-scale farmers, they lack the financial resources necessary for tobacco production. Using the purchase contract entered with PATL the

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growers secure financing from local commercial banks. In the finance agreement, PATL undertakes to pay the farmers through an account held with the lending bank.

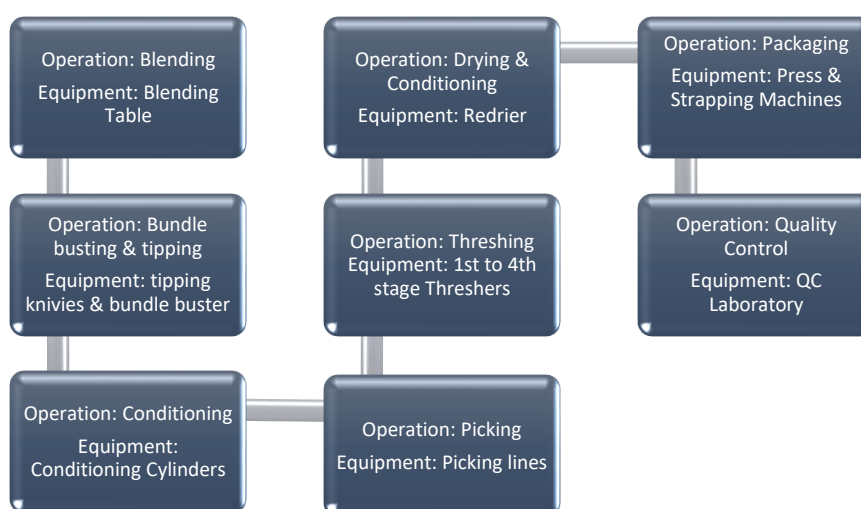
- Raw materials to tobacco growers: This phase consist of the purchase of the adequate tobacco inputs so that growers can proceed with crop planting. 13 Primary Societies contracted to PATL belong to Chunya Tobacco Cooperative Union (CHUTCU), 16 belong to Lake Tanganyika Tobacco Growers Cooperative Union (LATCU) and 14 belong to Songea Namtumbo Agricultural Marketing Cooperative Union (SONAMCU).
- Sowing and field transplantation: Tobacco is not seeded directly into the soil. Therefore, it is necessary to form seedlings that are transplanted to the soil when planting conditions are right (in the occurrence of first rainfalls).
- Harvest and curing: Harvest consists of “picking” tobacco leaves when they reach the right harvesting point. Since quality is an important factor in tobacco processing and cigarette manufacturing, tobacco must be harvested under right conditions. In addition, the correct process of harvesting tobacco leaves is an important factor in maintaining their quality. Tobacco curing involves subjecting the harvested leaves to controlled but varying temperatures and humidity over a specific period in specially constructed curing barns. The main source heat in the curing barn is wood fuel and now Biomass briquettes.
- Tobacco purchase/ procurement: Consists of acquiring green tobacco from contracted growers. This takes place in market centres registered with Tanzania Tobacco Board (TTB). Prior to bringing tobacco to the market, tobacco is graded and baled at TTB registered grading and baling centres under the supervision of primary society leadership. Growers then transfer bales from the grading and baling centres to the closest market centre. At market centres bales are weighed and scrutinized again for mixing and Non-Tobacco Related Material (NTRM) contamination. Bales that pass this final scrutiny are laid down for marketing. The sale of the tobacco is done when a TTB classifier assigns a national grade to tobacco bale presented for sale on the market day. PATL pays the grower a price corresponding to the grade assigned. Both grower and buyer can dispute grade assigned to a bale. When this occurs, TTB classifier returns to arbitrate on the dispute.

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- **Minimum Indicative Tobacco Grade Prices:** These are negotiated at the Tanzania Tobacco Council, a statutory stakeholder's forum. Once the prices have been negotiated and agreed they are registered with the Tanzania Tobacco Board (TTB) and become legally binding. Of course, a tobacco buyer can offer contracted farmers prices above the minimum indicative prices. These prices are normally discussed before the commencement of the season, that is, between August and September each season.
- **Tobacco processing:** Consists of transforming green tobacco into processed dry and packed tobacco. The processing phase is detailed in the flowchart below;



- Tobacco processing generates the following: lamina (main product) and stems and scraps (by-products).
- **Marketing and Sales:** Consists of the interaction between PATL and its global clients so that Premium can sell its products according to the clients' different demands and needs.
- **Shipment:** Shipments are done according to client orders.

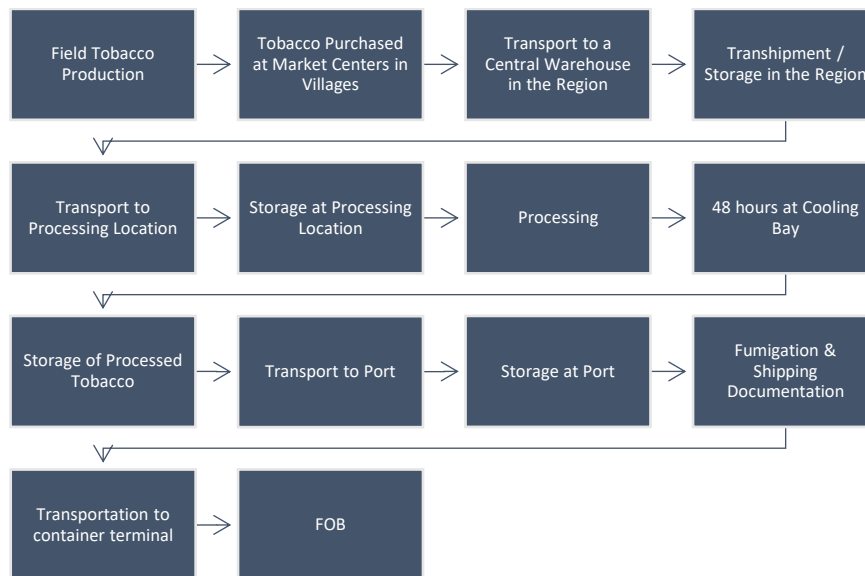
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## Scope of Operation – Tobacco Flow

Tobacco operations can be summarized in the flow diagram below.



## Locations

### Head Office

PATL headquarters are located in Morogoro at the following address:

1st Floor Tumbaku Building,

Dodoma Road,

Kihonda Morogoro,

Tanzania.

Telephone: +255 232 603604

Fax: +255 232 603603

Mobile: +255 787 017769

Email: [info@premiumactive.co.tz](mailto:info@premiumactive.co.tz)

### Market Centres

PATL purchases tobacco from market centres situated in the villages.

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*Warehouses in the Region*

The company has a regional warehouse in Lupatingatinga Chunya, Iringa and Songea. The total capacity to store green tobacco in the regions is approximately 5-6 million kgs.

*Processing of Green leaf tobacco*

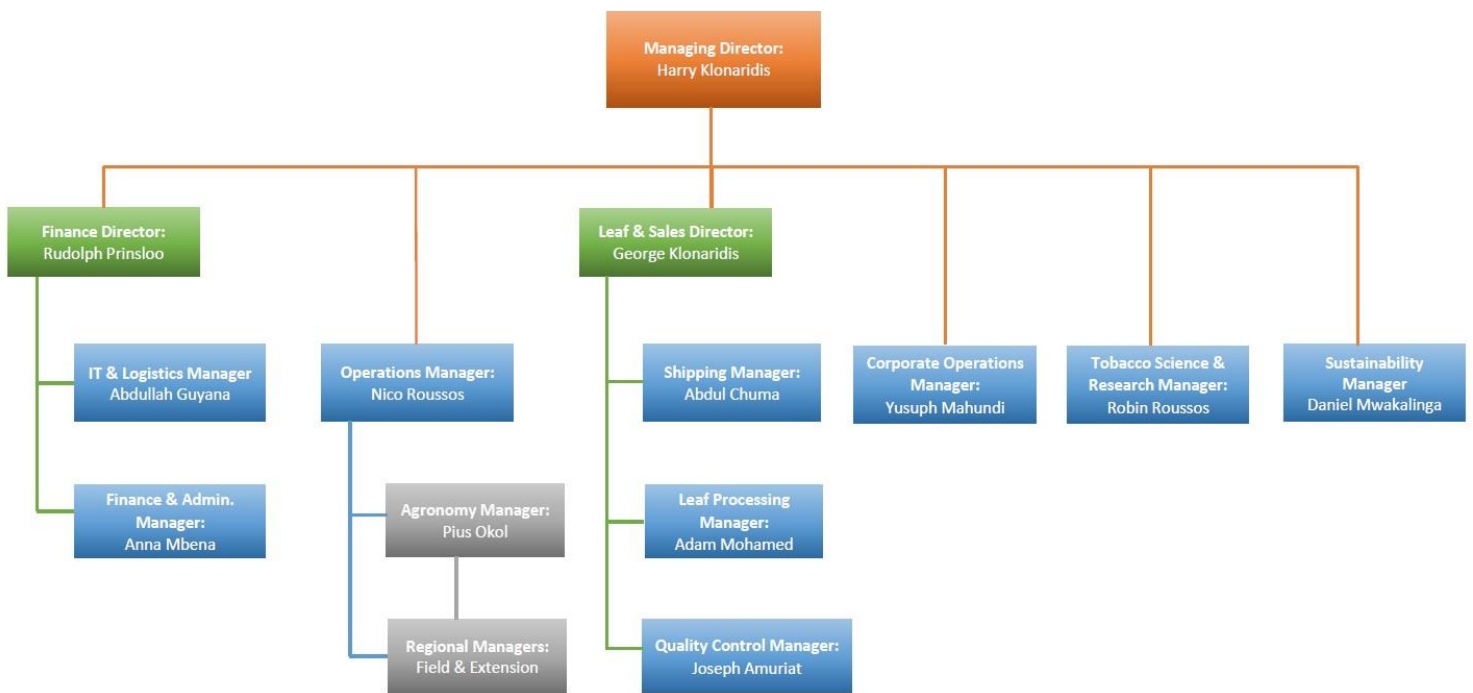
As mentioned before, the processing of tobacco is conducted in Morogoro at AOTTL processing facilities. The processing services comes with green tobacco storage space of 5,000 MT of green tobacco and dry tobacco storage space of 3,000MT.

*Port*

Tobacco is sea freighted to customers. In this regard, the Company uses the port of Dar Es Salaam to ship out tobacco to customers.

**Staff Structure**

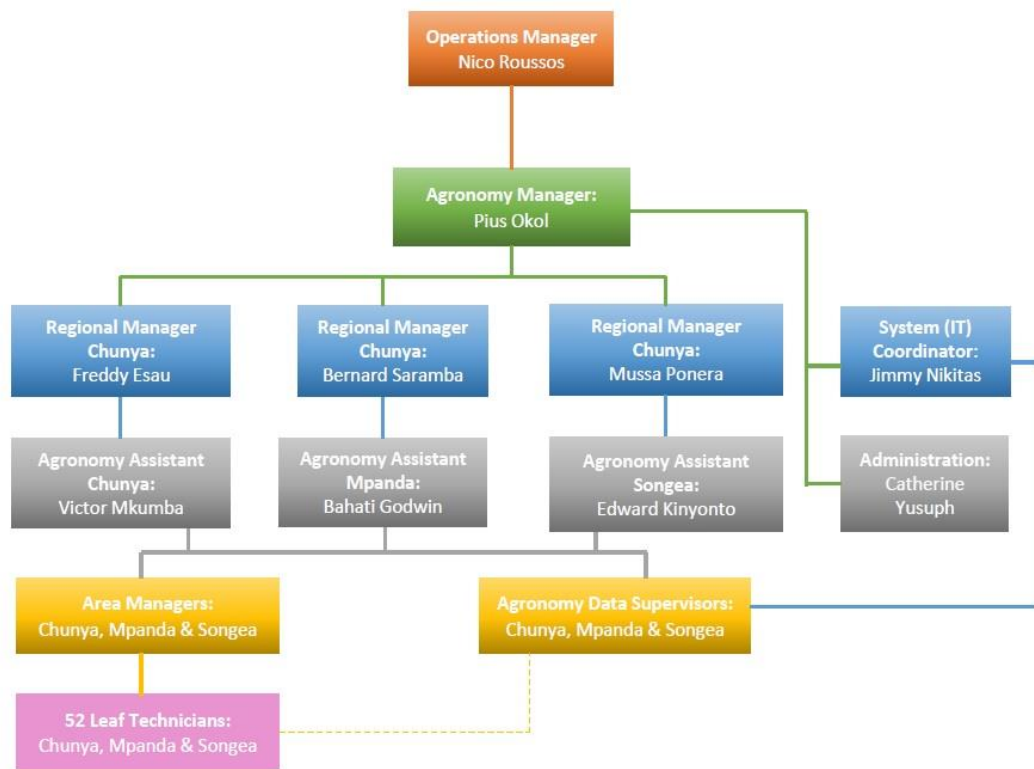
**Senior Management Organogram**



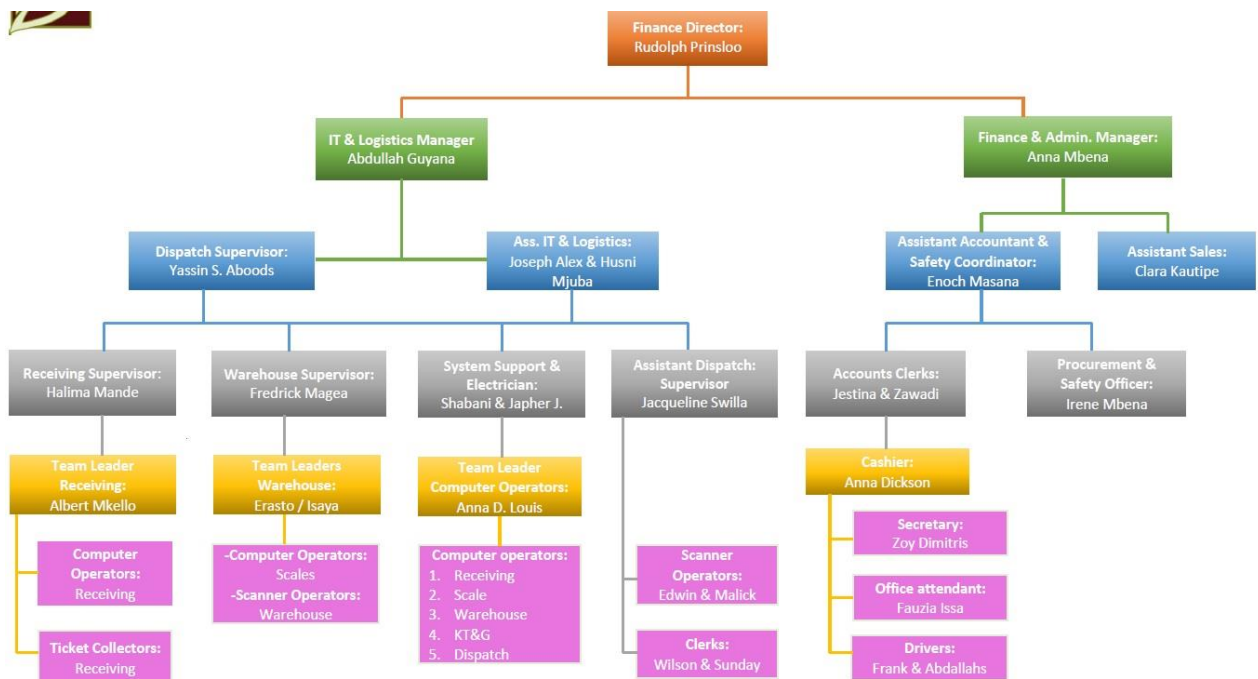
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### Agronomy Organogram



### Finance and Administration Organogram



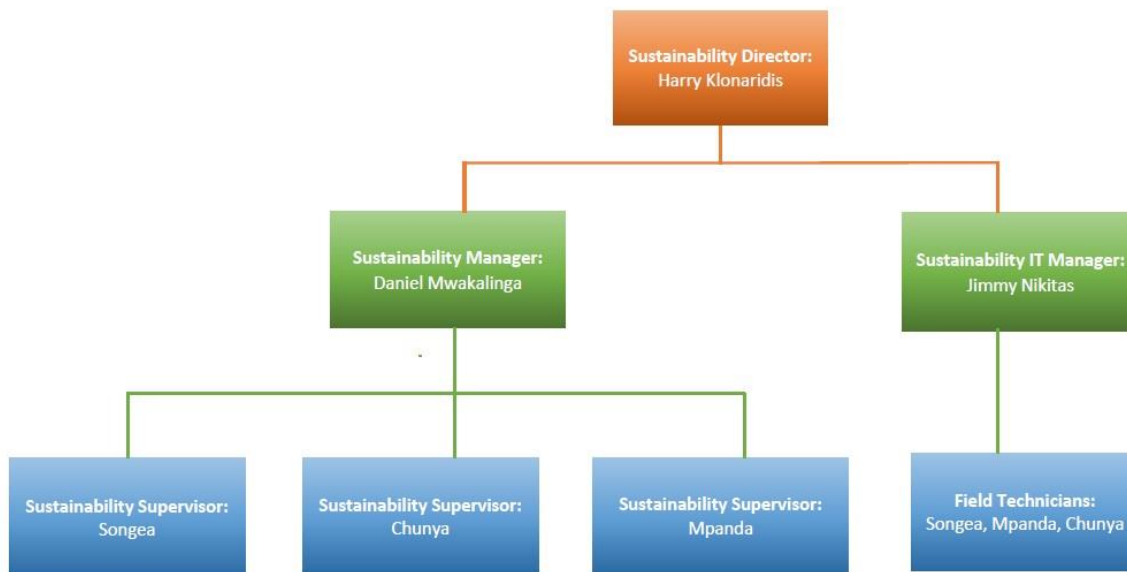
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## Leaf and Sales Organogram



## Sustainability Organogram



The above organograms provide a detailed breakdown of how PATL's operational structure works.

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## Business Continuity Plan

### Scenarios:

1. Natural Disasters
2. Shortage of Inputs
3. Key personnel resignation / sick
4. Large number of employees falling ill
5. Shutdown of third-party processing facilities
6. Pandemic
7. Civil unrest
8. Government intervention in industry
9. Information technology (IT) failure
10. Port disruptions
11. Key service providers disruptions
12. Government ban on wood-fuel

### BCP Matrix:

| Scenario | Probability | Impact  | Preparation   | Response   |
|----------|-------------|---|---|--|
| <b>1</b> | Medium      | Extreme shortage in the crop                                      | Create an operational model able to operate at bare minimum   | Activate operational model   |
| <b>2</b> | Medium      | Crop shortage, low quality  | <ol style="list-style-type: none"> <li>1. Safety fund/credit line to fund inputs &amp; constant communication with inputs suppliers</li> <li>2. Engage with multiple input suppliers</li> </ol>   | Active option 1 & 2  |
| <b>3</b> | Medium      | Inability to conduct key operations e.g., Inhouse grading         | Train and involve another employee in key personnel duties  | Immediately inform fallback employee to cover job responsibilities |
| <b>4</b> | Low         | Inability to meet daily operational requirements e.g., accounting | Collect telephone numbers and advise employees in the event of this scenario will have to fill in   | Call all employees and advise they are required to fill in         |
| <b>5</b> | Low         | Unable to process tobacco and export not meeting customer demand  | <ol style="list-style-type: none"> <li>1. Open communication with second processing facility in TZ</li> <li>2. Negotiate rate annually with foreign facility, export tobacco to neighbouring country. Advise customers on BCP in</li> </ol> | Activate option 1 or 2.  |

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|           |        |  | the event of this scenario  |   |
|-----------|--------|--|---|---|
| <b>6</b>  | Medium | Inability to operate as employees cannot perform job duties  | Create a remote working policy  | Activate remote working policy  |
| <b>7</b>  | Low    | Complete shutdown of society and businesses  | Ensure working capital sufficient to support employees for min of 3 months  | Inform employees to remain home and support will be provided                      |
| <b>8</b>  | Medium | Affecting business operations/model  | Open communication with key government personnel and industry leaders   | Request a sit down with key government personnel and industry leaders             |
| <b>9</b>  | Medium | Work operations cease as reliant on IT   | Data backups and second server/IT system working in parallel  | Activate parallel server and reconfigure IT system to operate off parallel system |
| <b>10</b> | Low    | <ol style="list-style-type: none"> <li>1. Inability to export final product to customers</li> <li>2. Unable to import key resources</li> </ol> | <ol style="list-style-type: none"> <li>1. Negotiate rates with FF's to transport tobacco to Mombasa Port</li> <li>2. Negotiate rates with FF's to transport imported resources from Mombasa Port</li> </ol> | Inform freight forwarders and activate option 1 & 2                               |
| <b>11</b> | Medium | Unable to conduct basic operational requirements   | Create a 3-service provider policy  | Transfer workload to other available service providers                            |
| <b>12</b> | Low    | Growers unable to cure tobacco   | Source alternate curing fuel  | Expand Biomass project to cater for large number of growers and activate          |

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## Statement of Cash Flows

| Cashflow statement           | Year<br>1              | Year<br>2           | Year<br>3           | Year<br>4           | Year<br>5           |
|------------------------------|------------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Cash from Operations</b>  |                        |                     |                     |                     |                     |
| EBITDA                       | \$ 1,245,000           | \$ 1,215,000        | \$ 1,143,000        | \$ 1,177,000        | \$ 1,192,000        |
| Interest                     | \$ (383,043)           | \$ (311,486)        | \$ (233,215)        | \$ (147,603)        | \$ (53,959)         |
| Tax                          | \$ (258,587)           | \$ (271,054)        | \$ (272,935)        | \$ (308,819)        | \$ (341,412)        |
| <b>Cash from Operations</b>  | <b>\$ 603,370</b>      | <b>\$ 632,460</b>   | <b>\$ 636,849</b>   | <b>\$ 720,578</b>   | <b>\$ 796,628</b>   |
| <b>Cash from Investing</b>   |                        |                     |                     |                     |                     |
| Investments                  | \$ -                   | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Cash from Investing</b>   | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Cash from Financing</b>   |                        |                     |                     |                     |                     |
| Borrowing / (Repayment)      | \$ 500,000             | \$ 500,000          | \$ 500,000          | \$ 500,000          | \$ 500,000          |
| Lease Payments               | \$ -                   | \$ -                | \$ -                | \$ -                | \$ -                |
| Dividends                    | \$ -                   | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Cash from Financing</b>   | <b>\$ 500,000</b>      | <b>\$ 500,000</b>   | <b>\$ 500,000</b>   | <b>\$ 500,000</b>   | <b>\$ 500,000</b>   |
| <b>Net Change in cash</b>    | <b>\$ 1,103,370</b>    | <b>\$ 1,132,460</b> | <b>\$ 1,136,849</b> | <b>\$ 1,220,578</b> | <b>\$ 1,296,628</b> |
| Cash at beginning of period  |                        | \$ 1,103,370        | \$ 2,235,830        | \$ 3,372,679        | \$ 4,593,257        |
| <b>Cash at end of Period</b> | <b>\$ 1,103,369.83</b> | <b>\$ 2,235,830</b> | <b>\$ 3,372,679</b> | <b>\$ 4,593,257</b> | <b>\$ 5,889,886</b> |

## Statement of profit or Loss and other comprehensive Income

| Income Statement                  | Year<br>1           | Year<br>2           | Year<br>3           | Year<br>4           | Year<br>5           |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Revenue                           | \$ 53,348,000       | \$ 47,896,000       | \$ 46,878,000       | \$ 47,219,000       | \$ 54,024,000       |
| Revenue - tobacco                 | \$ 53,348,000       | \$ 47,896,000       | \$ 46,878,000       | \$ 47,219,000       | \$ 54,024,000       |
| Revenue - processing services     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Revenue - crop inputs             | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| COGS                              | \$ (47,430,000)     | \$ (42,157,000)     | \$ (41,291,000)     | \$ (41,575,000)     | \$ (48,387,000)     |
| Cost of Sales -tobacco            | \$ (47,430,000)     | \$ (42,157,000)     | \$ (41,291,000)     | \$ (41,575,000)     | \$ (48,387,000)     |
|                                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Gross Margin                      | <b>\$ 5,918,000</b> | <b>\$ 5,739,000</b> | <b>\$ 5,587,000</b> | <b>\$ 5,644,000</b> | <b>\$ 5,637,000</b> |
| Operating Expenses                |                     |                     |                     |                     |                     |
| Distribution costs                | \$ (642,000)        | \$ (613,000)        | \$ (633,000)        | \$ (646,000)        | \$ (684,000)        |
| Sales and administration expenses | \$ (4,031,000)      | \$ (3,911,000)      | \$ (3,811,000)      | \$ (3,821,000)      | \$ (3,761,000)      |
| Total Expenses                    | \$ (4,673,000)      | \$ (4,524,000)      | \$ (4,444,000)      | \$ (4,467,000)      | \$ (4,445,000)      |
| EBITDA                            | \$ 1,245,000        | \$ 1,215,000        | \$ 1,143,000        | \$ 1,177,000        | \$ 1,192,000        |
| Interest Expense                  |                     |                     |                     |                     |                     |
| NMB                               | \$ (383,043)        | \$ (311,486)        | \$ (233,215)        | \$ (147,603)        | \$ (53,959)         |
| EBIT                              | \$ 861,957          | \$ 903,514          | \$ 909,785          | \$ 1,029,397        | \$ 1,138,041        |
| Income Taxes                      | \$ (258,587)        | \$ (271,054)        | \$ (272,935)        | \$ (308,819)        | \$ (341,412)        |
| Net Earnings                      | <b>\$ 603,370</b>   | <b>\$ 632,460</b>   | <b>\$ 636,849</b>   | <b>\$ 720,578</b>   | <b>\$ 796,628</b>   |

## Statement of financial position

| Generators<br>Balance Sheet         | Year<br>1<br>USD  | Year<br>2<br>USD  | Year<br>3<br>USD  | Year<br>4<br>USD  | Year<br>5<br>USD  |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Current Assets</b>               | <b>14,050,000</b> | <b>12,522,460</b> | <b>12,789,309</b> | <b>13,771,887</b> | <b>16,548,516</b> |
| Bank & Cash                         | 1,103,370         | 2,235,830         | 3,372,679         | 4,593,257         | 5,889,886         |
| Debtors                             | 1,230,000         | 980,000           | 900,000           | 1,010,000         | 1,200,000         |
| Inventory                           | 11,716,630        | 9,306,630         | 8,516,630         | 8,168,630         | 9,458,630         |
| <b>Non Current Asset</b>            | <b>5,322,000</b>  | <b>5,532,000</b>  | <b>5,422,000</b>  | <b>5,570,000</b>  | <b>5,440,000</b>  |
| Property and Equipment              | 5,322,000         | 5,532,000         | 5,422,000         | 5,570,000         | 5,440,000         |
| Right of Use Asstes                 | -                 | -                 | -                 | -                 | -                 |
| Deferred Crop Cost                  | -                 | -                 | -                 | -                 | -                 |
| <b>Total Asset</b>                  | <b>19,372,000</b> | <b>18,054,460</b> | <b>18,211,309</b> | <b>19,341,887</b> | <b>21,988,516</b> |
| <b>Current Liability</b>            | <b>15,570,158</b> | <b>14,182,173</b> | <b>13,702,173</b> | <b>14,112,173</b> | <b>15,962,173</b> |
| Trade and other Creditors           | 9,779,308         | 7,891,323         | 7,811,323         | 7,821,323         | 9,171,323         |
| Lease Liability                     | -                 | -                 | -                 | -                 | -                 |
| Borrowings                          | 5,790,850         | 6,290,850         | 5,890,850         | 6,290,850         | 6,790,850         |
| Borrowings                          | -                 | -                 | -                 | -                 | -                 |
| <b>Long Term Liability</b>          | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  | <b>1,500,000</b>  |
| Preference Shares                   | 1,500,000         | 1,500,000         | 1,500,000         | 1,500,000         | 1,500,000         |
| Borrowings - NMB                    | -                 | -                 | -                 | -                 | -                 |
| Borrowings - CRDB                   | -                 | -                 | -                 | -                 | -                 |
| <b>Equity</b>                       | <b>2,301,842</b>  | <b>2,372,287</b>  | <b>3,009,136</b>  | <b>3,729,714</b>  | <b>4,526,343</b>  |
| Share Capital                       | 1,136,457         | 1,136,457         | 1,136,457         | 1,136,457         | 1,136,457         |
| Share Based Option Reserve          | -                 | -                 | -                 | -                 | -                 |
| Additional Investment               | -                 | -                 | -                 | -                 | -                 |
| Retained Earnings                   | 562,015           | 603,370           | 1,235,830         | 1,872,679         | 2,593,257         |
| Current Year Profit and Loss        | 603,370           | 632,460           | 636,849           | 720,578           | 796,628           |
| <b>Total Liability &amp; Equity</b> | <b>19,372,000</b> | <b>18,054,460</b> | <b>18,211,309</b> | <b>19,341,887</b> | <b>21,988,516</b> |
|                                     | -                 | -                 | -                 | -                 | -                 |

## Investment Plan

### Introduction

Market dynamics in Tanzania are changing rapidly with the entrance of new competitors in the tobacco industry and the expansion of other industries. This is placing Premium Active Tanzania in a challenging position as it is directly affecting our accessibility to large & good quality warehousing for green tobacco operations here in Morogoro, further increasing our dependency on our competitors for warehouse space.

PATL is to purchase 16 acres of land in Morogoro to build its own warehousing facility to reduce dependency on competitors and secure our position in the market for the future.

It is critical for PATL to invest in Morogoro to ease the challenges faced and secure our position.

This investment opportunity will:

- Drastically reduce PATL's dependency on competitors and warehousing landlords for space.
- Improve our efficiencies and give us greater control over our entire green operations.
- Allow PATL to adapt quicker to market changes.

This proposal will be achieved in two phases:

- **Phase 1:** Purchase of land identified in Morogoro (16 acres)
- **Phase 2:** Construction of warehouse facility (To begin construction of warehousing in September 2023)

### Objectives

- Acquire 16 acres of land situated in Morogoro, Star City. **(Phase 1)**.
- Construct a warehouse facility for PATL (20,000m<sup>2</sup>) **(Phase 2)**.
- Control our own warehousing and reduce dependency on competitors and warehousing providers.
- Be in a stronger position to compete in the market.

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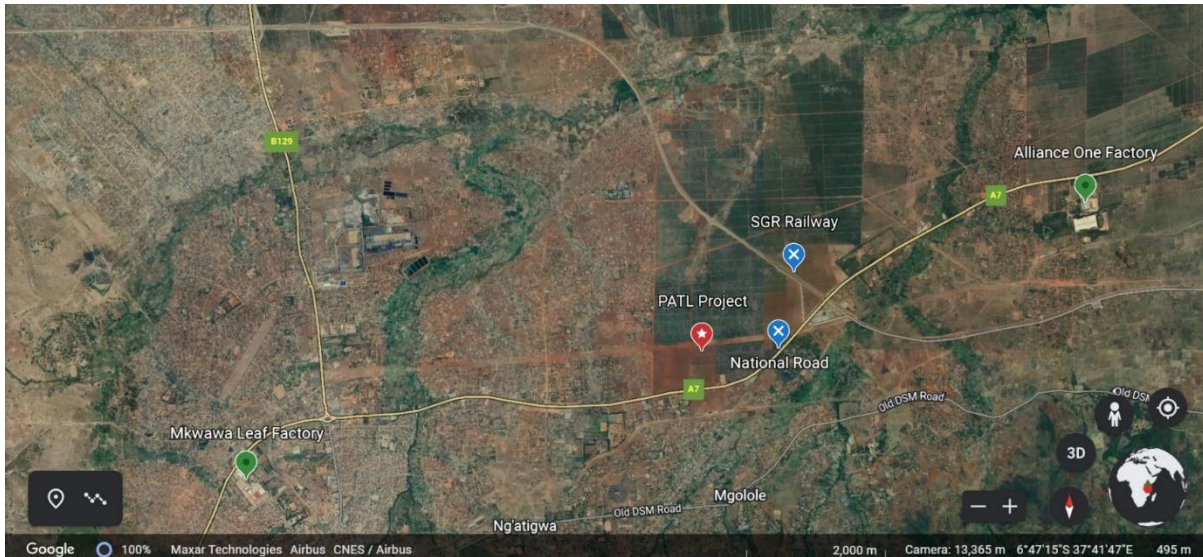
#### PREMIUM ACTIVE TANZANIA LIMITED

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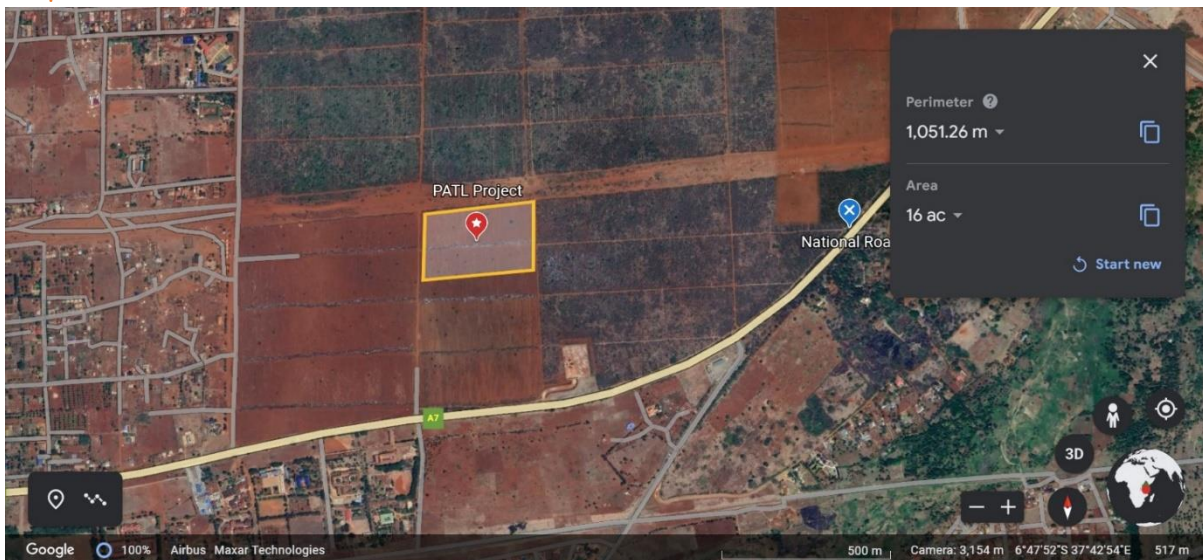
**Phase 1**

16 acres of prime land to be acquired at Star City, Tungi Estate, Morogoro at **\$410,000 USD (+- TZS 943,000,000).**

**Map 1**



**Map 2**



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## Photos



## Strategic Advantages

- 400m from national road.
- Located 6.5km from Alliance One factory and 7.5km from Mkwawa Leaf factory.
- Located 10.8km from SGR railway terminal.
- Government planning on building an Inland Container Depot (ICD) in the same area.

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## Investment Financials (Phase 1 & 2)

This will take place in two phases:

- Phase 1: Purchase of land identified in Morogoro (16 acres)
- Phase 2: Construction of warehouse facility (Targeting to begin construction of warehousing in September 2023)

| Property Development                 |                       |
|--------------------------------------|-----------------------|
| Investment Details                   |                       |
| Property (16 Acres)                  | \$410,000.00          |
| Warehouse (20 000 sqm)               | \$5,000,000.00        |
| Infrastructure (Fencing, roads etc.) | \$340,000.00          |
| <b>Total Investment</b>              | <b>\$5,750,000.00</b> |

## Conclusion

It is vital to the future expansion of Premium Active Tanzania Limited that it is accepted and registered under the Tanzania Investment Centre (TIC) to realize its strategy to secure its position in the Tanzanian and global tobacco market and further expand its operations.

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