OGTL Five-year Plan

Forecasts of Profit and Loss, Balance Sheet and assumptions for 2025 - 2029

ORYX ENERGIES

Part of AOG

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Executive summary

Business Overview

- **Vision**

“Oryx Gas Tanzania is committed to supply LPG to households and businesses of Tanzania. Oryx Gas Tanzania is aiming to contribute to the supply of at least one gas cylinder per Tanzanian dwelling over 10 years”

- **Mission**

“Oryx Gas Tanzania is supplying daily and safely, sustainable, affordable, portable and environmentally friendly LPG.”

- **Strategy**

“Until 2034, capturing profitable growth from branded sales segments and implementing clean cooking strategy nationwide”.

- **Summary**
  - Tanzania LPG market attractiveness / Market Size: 403KT import incl 202KT local sales / 3.0 Kg /y/cap.8 Kg/y/cap by 2034.
  - 84.8 M USD Capex needed 2025-2028, infrastructure (28.5 M USD) and cylinders (56.2M USD) to support growth strategy.
  - Proven track record since 2018 / Continuous branded sales development.

- **Business Environment**
  - Challenging yet conducive for the implementation of the above and below
  - Business opportunities in all segments.

MARKET LEADER IN LIQUEFIED PETROLEUM GAS (LPG)

- **LPG market entry** in 2001
- **Oryx Gas Tanzania Limited,** incorporated in 2006 with an initial investment of US$ 70 million, is safely supplying daily, sustainable, affordable, portable and environmental friendly LPG.
- **Tanzania Market leader** in LPG Supply and Distribution
- **Pioneering the implementation** of the Clean Cooking programme in Tanzania. Having invested in excess of US$ 3 million to convert more than 100,000 wood and charcoal users to LPG since 2022.

Key Assets:

LPG Terminals in Kigamboni and Mangapwani, 8 depots and LPG filling plants upcountry and Zanzibar.

The only cylinder revalidation plant in Tanzania with a capacity of 40,000 cylinders / month since 2021.

4.16 million LPG cylinders injected in the nation via 57 Distributors retailing through 15,000 retailers' points of sales.

Kigamboni

High-level infrastructure terminal, pipelines and filling facility

- One sphere butane rated at 6,370 m^3 (i.e. 3,000 MT) rotating more than 3 times / month.
- Two butane tanks rated at 200 m^3 each i.e. 190 MT total.
- A 10 inch sub-sea pipeline connected from KOJ2 Kurasini to Kigamboni Plant offering a MAX flow rate at 170 tons / hour.
- A stand-by 6 inch sub-sea pipeline connected from KOJ2 Kurasini to Kigamboni Plant allowing a MAX flow rate at 80 tons / hour.
- A cylinder filling facility delivering 4,000 MT / month.

Strategic Financial Goals

Short-term (1-2yrs)

- Continue heavy investment in metals (cylinders) at least 480K to 500K cylinders a year
- Onboarding new consumer clients
- Continue improvement of consumer facilities
- Upgrades of our depots to increase capacity and HSSEQ compliance.

Long-term Goals

- Investment in 2nd sphere

Capex and working capital Financing

- Sphere will be financed exclusively by loan (11M USD)
- Additional working capital to 37bn TZS

Five-year Plan

Five years' P&L projection

TZS'000	Oryx Gas Tanzania Ltd Actual 2024	Forecast 2025	Budget 2025	Plan 2026	Plan 2027	Plan 2028	Plan 2029
Product volumes (MT)	101,270	102,512	107,832	117,045	131,689	148,443	154,381
Total revenue	**287,303,118**	**289,536,492**	**309,901,870**	**290,450,153**	**297,326,537**	**304,522,838**	**316,703,751**
Gross Profit	64,078,001	79,091,842	69,145,716	78,965,875	85,903,379	93,173,748	96,900,698
Direct Operating Fixed expenses	(12,140,388)	(13,762,377)	(13,483,944)	(13,612,735)	(14,095,392)	(14,557,292)	(15,139,584)
Direct Commercial Fixed expenses	(6,859,180)	(8,212,067)	(6,935,966)	(7,316,114)	(7,956,849)	(8,494,588)	(8,834,372)
Forex	(1,482,345)	(3,297,706)	(823,679)	(244,439)	(249,077)	(261,531)	(271,993)
Turnover & other taxes	102,216	-	(9,239)	(406,000)	(422,240)	(439,130)	(456,695)
Business margin	**43,698,304**	**53,819,692**	**47,892,887**	**57,386,587**	**63,179,821**	**69,421,206**	**72,198,055**
Administrative Fixed expenses	(7,979,616)	(8,294,891)	(7,651,884)	(8,361,176)	(8,682,576)	(9,004,827)	(9,365,020)
Other operating expenses	553,550	163,405	302,926	-	-	-	-
Statutory EBITDA (incl. FX)[2]	**36,272,238**	**45,688,205**	**40,543,929**	**49,025,411**	**54,497,245**	**60,416,380**	**62,833,035**
Depreciation	(15,354,327)	(17,731,935)	(19,189,331)	(21,274,887)	(25,213,180)	(29,420,188)	(30,596,996)
Cylinders deposits amortization	6,945,805	6,788,740	7,022,685	6,705,862	6,936,978	7,093,110	7,376,835
Financial income / expenses third (excl. FX)	(2,739,532)	(3,923,532)	(4,844,715)	(5,368,979)	(8,712,684)	(12,742,758)	(13,252,468)
Financial expenses Group (Int. + PCG)	(825,652)	(913,608)	(267,537)	(1,234,858)	(840,580)	(650,682)	(676,709)
Taxes	(8,046,584)	(9,874,261)	(7,911,083)	(9,268,849)	(8,889,723)	(8,258,713)	(8,589,061)
Net Profit before MI	**16,251,948**	**20,033,608**	**15,353,949**	**18,583,701**	**17,778,055**	**16,437,150**	**17,094,636**

Comments

- Market is expected to fully recover from the USD scarcity by 2025.
- New storage expansion to cater for increased demand, market growth
- Costs will grow with the increase in inflation
- Depreciation will increase from 2025 till 2029 due to increased investment.

Balance Sheet

Five-year Balance Sheet projection

	Oryx Gas Tanzania Ltd					
TZS'000	Actual 31.12.2024	Forecast 31.12.2025	Plan 31.12.2026	Plan 31.12.2027	Plan 31.12.2028	Plan 31.12.2029
Cash	2,773,102	3,392,956	2,522,128	1,852,351	3,587,897	3,731,412
Trade & other receivable net (third)	5,601,144	5,677,743	6,115,503	6,492,752	6,932,980	7,210,300
Trade & other receivable net (group)	3,952,347	2,765,619	2,081,076	1,154,723	1,232,528	1,281,829
Inventories	6,121,495	9,651,978	10,024,030	10,848,769	12,435,099	12,932,503
Income tax receivable	-	-	-	-	-	-
Current assets	**18,448,088**	**21,488,297**	**20,742,736**	**20,348,595**	**24,188,503**	**25,156,043**
Property, plant and equipment (net)	191,481,419	212,278,345	262,678,812	293,985,961	322,327,961	335,221,080
Deferred income tax	(411,230)	283,628	271,634	259,640	247,646	257,552
Non-current assets	**191,070,189**	**212,561,973**	**262,950,446**	**294,245,601**	**322,575,607**	**335,478,632**
Total assets	**209,518,277**	**234,050,270**	**283,693,182**	**314,594,196**	**346,764,111**	**360,634,675**
Bank overdrafts and short-term loans	27,734,748	10,049,079	30,418,775	42,739,592	47,075,455	48,958,473
Current portion of long-term debts	-	4,428,616	7,971,516	10,279,962	19,120,610	19,885,435
Trade & other payable (third)	22,152,918	23,151,463	22,504,190	24,230,246	26,211,857	27,260,331
Trade & other payable (group)	24,116,320	28,856,992	23,856,992	23,856,992	18,856,992	19,611,272
Income tax payable	2,108,561	2,482,941	2,331,588	2,236,807	2,079,054	2,162,216
Current liabilities	**76,112,547**	**68,969,091**	**87,083,061**	**103,343,599**	**113,343,968**	**117,877,727**
Long term debt (third)	-	27,825,888	39,954,573	35,279,709	38,766,398	40,317,054
Other non-current liabilities (third)	28,683,922	28,232,645	29,118,698	30,725,480	33,040,685	34,362,312
Deferred income tax	8,949,710	9,416,941	9,347,444	9,277,947	9,208,450	9,576,788
Non-current liabilities	**37,633,632**	**65,475,475**	**78,420,716**	**75,283,137**	**81,015,533**	**84,256,154**
Equity	95,772,096	99,605,704	118,189,405	135,967,460	152,404,610	158,500,794
Total liabilities	**209,518,275**	**234,050,270**	**283,693,182**	**314,594,196**	**346,764,111**	**360,634,675**

Comments

Main assumptions:

- Solid Balance Sheet reflecting the Company's business strength and resilience
- Current assets growing in line with company's growth
- PPE growth a reflection of the capex investments
- Long term debt to finance growth projects on 70/30 basis

SWOT – Overall Business

Opportunity

- Rapid market expansion fueled by clean cooking government agenda
- Government policies back up - public institution to use LPG for cooking and discourage biomass (Charcoal and wood)
- Low LPG penetration rate est. below 10%
- Dynamic economic growth estimated at 5.7% GDP
- Opportunity to expand SD and Dealers geographical coverage
- Room to develop strategic alliance with private and public stakeholders.
- Untapped market segment such as power generation, Autogas…..
- Population and urbanization growth in favor of LPG
- Increase awareness of the use of LPG as a cleaner energy.
- Zanzibar archipelago fast development.
- Technological development such as cylinder tracking, home deliveries, innovative applications, metered installation, “pole pole payment”…….
- New investments attracting LPG consumption.
- Talent management and development program.

Threat

- Tax policies; pressure from authorities, taxes on LPG appliances
- Aggressive increase in Interest rates currently amounting 14% Vs 10% in 2023.
- P&L damaged by forex losses increase.
- The gap between the product cost vs affordability is increasing.
- Illegal refiling and malpractices such as cross-filling.
- Substandard practices from some players.
- Employees union pressure - Increases in demand
- Increase on international logistics costs (Freight)
- Dependence to one LPG supplier
- Weak security of judiciary.
- Unpredictability of the policies.
- Mismatch between long term investment vs short term facilities.
- Possible regulator intervention impacting business profitability.

Thank you