

## CASH FLOW MODEL

Table 1: Financial Projections (in thousands of TJS)

Income Statement	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenue	52,223	61,271	73,558	91,651	103,962	134,643	146,950	160,381	175,040	191,039	208,500	227,556
Cost of sales	-38,159	-41,021	-44,097	-47,405	-50,960	-54,782	-58,891	-63,308	-68,056	-73,160	-78,647	-84,545
<b>Gross profit</b>	<b>14,064</b>	<b>20,250</b>	<b>29,461</b>	<b>44,246</b>	<b>53,001</b>	<b>79,861</b>	<b>88,059</b>	<b>97,073</b>	<b>106,984</b>	<b>117,879</b>	<b>129,853</b>	<b>143,011</b>
Administrative expenses	-11,838	-12,726	-13,680	-14,706	-15,809	-16,995	-18,270	-19,640	-21,113	-22,696	-24,398	-26,228
Selling expenses	-8,120	-8,729	-9,384	-10,087	-10,844	-11,657	-12,532	-13,471	-14,482	-15,568	-16,736	-17,991
<b>Operating profit/(loss)</b>	<b>-5,894</b>	<b>-1,205</b>	<b>6,397</b>	<b>19,452</b>	<b>26,348</b>	<b>51,209</b>	<b>57,258</b>	<b>63,962</b>	<b>71,390</b>	<b>79,614</b>	<b>88,719</b>	<b>98,792</b>
Finance costs	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798	-8,798
Foreign exchange loss, net	-22,117	0	0	0	0	0	0	0	0	0	0	0
Other income	8,109	8,717	9,371	10,074	10,829	11,642	12,515	13,453	14,462	15,547	16,713	17,966
Other expenses	-1,565	-1,682	-1,809	-1,944	-2,090	-2,247	-2,415	-2,596	-2,791	-3,000	-3,226	-3,467
<b>(Loss)/Income before income tax</b>	<b>-30,265</b>	<b>-2,968</b>	<b>5,161</b>	<b>18,784</b>	<b>26,289</b>	<b>51,806</b>	<b>58,559</b>	<b>66,021</b>	<b>74,263</b>	<b>83,363</b>	<b>93,408</b>	<b>104,493</b>
Income tax	-2,609	0	-516	-1,878	-2,629	-5,181	-5,856	-6,602	-7,426	-8,336	-9,341	-10,449
<b>Profit/(Loss) for the year</b>	<b>-32,874</b>	<b>-2,968</b>	<b>4,645</b>	<b>16,906</b>	<b>23,660</b>	<b>46,625</b>	<b>52,703</b>	<b>59,419</b>	<b>66,836</b>	<b>75,027</b>	<b>84,067</b>	<b>94,044</b>

**Table 2: Balance Sheet**

Balance Sheet	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Assets</b>												
<b>Non-current assets</b>												
Property, plant and equipment	288,402	350,461	411,204	538,170	669,402	832,684	925,593	996,542	1,072,997	1,155,385	1,244,166	1,339,835
Intangible assets	2,396	2,576	2,769	2,977	3,200	3,440	3,698	3,975	4,273	4,594	4,938	5,309
Prepayments for PPE	4,423	4,755	5,111	5,495	5,907	6,350	6,826	7,338	7,888	8,480	9,116	9,800
	<b>295,221</b>	<b>357,791</b>	<b>419,085</b>	<b>546,641</b>	<b>678,509</b>	<b>842,474</b>	<b>936,117</b>	<b>1,007,855</b>	<b>1,085,158</b>	<b>1,168,458</b>	<b>1,258,220</b>	<b>1,354,943</b>
<b>Current assets</b>												
Inventories	5,842	6,280	6,751	7,257	7,802	8,387	9,016	9,692	10,419	11,201	12,041	12,944
Taxes recoverable	1,255	1,349	1,450	1,559	1,676	1,802	1,937	2,082	2,238	2,406	2,587	2,781
Trade receivables	4,861	5,226	5,617	6,039	6,492	6,979	7,502	8,065	8,669	9,320	10,019	10,770
Advances paid	5,724	6,153	6,615	7,111	7,644	8,218	8,834	9,496	10,209	10,974	11,797	12,682
Other current assets	26	27.95	30	32	35	37	40	43	46	50	54	58
Cash and cash equivalents	4,784	461	546	9,895	18,153	41,334	60,284	81,063	106,176	136,151	171,574	213,095
	<b>22,492</b>	<b>19,497</b>	<b>21,010</b>	<b>31,894</b>	<b>41,801</b>	<b>66,756</b>	<b>87,612</b>	<b>110,441</b>	<b>137,758</b>	<b>170,102</b>	<b>208,071</b>	<b>252,329</b>
<b>Total assets</b>	<b>317,713</b>	<b>377,288</b>	<b>440,095</b>	<b>578,535</b>	<b>720,310</b>	<b>909,230</b>	<b>1,023,729</b>	<b>1,118,296</b>	<b>1,222,916</b>	<b>1,338,560</b>	<b>1,466,291</b>	<b>1,607,272</b>

Balance Sheet	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Equity and liabilities</b>												
<b>Equity</b>												
Charter capital	4,441	44,211	77,889	173,105	262,927	374,806	403,906	403,906	403,906	403,906	403,906	403,906
Additional paid-in capital	100,383	100,383	100,383	100,383	100,383	100,383	100,383	100,383	100,383	100,383	100,383	100,383
Accumulated loss	-166,201	-169,169	-164,524	-147,618	-123,958	-77,333	-24,630	34,789	101,626	176,652	260,719	354,763
Revaluation reserve	59,405	59,405	59,406	59,407	59,408	59,409	59,410	59,411	59,412	59,413	59,414	59,415
	<b>-1,972</b>	<b>34,830</b>	<b>73,154</b>	<b>185,276</b>	<b>298,760</b>	<b>457,266</b>	<b>539,070</b>	<b>598,490</b>	<b>665,327</b>	<b>740,355</b>	<b>824,423</b>	<b>918,467</b>
<b>Non-current liabilities</b>												
Loans and borrowings	200,611	215,657	231,831	249,218	267,910	288,003	309,603	332,824	357,785	384,619	413,466	444,476
Grants related to assets	70,852	76,166	81,878	88,019	94,621	101,717	109,346	117,547	126,363	135,840	146,028	156,980
Deferred tax liabilities	16,043	16,043	16,044	16,045	16,046	16,047	16,048	16,049	16,050	16,051	16,052	16,053
	<b>287,506</b>	<b>307,866</b>	<b>329,753</b>	<b>353,283</b>	<b>378,576</b>	<b>405,767</b>	<b>434,997</b>	<b>466,419</b>	<b>500,198</b>	<b>536,510</b>	<b>575,546</b>	<b>617,509</b>
<b>Current liabilities</b>												
Loans and borrowings	19,560	21,027	22,604	24,299	26,122	28,081	30,187	32,451	34,885	37,501	40,314	43,337
Trade payables	9,892	10,634	11,431	12,289	13,210	14,201	15,266	16,411	17,642	18,965	20,388	21,917
Advances received	587	631	678	729	784	843	906	974	1047	1125	1210	1301
Taxes payable	1,091	1,173	1,261	1,355	1,457	1,566	1,684	1,810	1,946	2,092	2,249	2,417
Other current liabilities	1,049	1,128	1,212	1,303	1,401	1,506	1,619	1,740	1,871	2,011	2,162	2,324
	<b>32,179</b>	<b>34,592</b>	<b>37,187</b>	<b>39,976</b>	<b>42,974</b>	<b>46,197</b>	<b>49,662</b>	<b>53,387</b>	<b>57,391</b>	<b>61,695</b>	<b>66,322</b>	<b>71,296</b>
<b>Total liabilities</b>	<b>319,685</b>	<b>342,458</b>	<b>366,940</b>	<b>393,259</b>	<b>421,551</b>	<b>451,964</b>	<b>484,659</b>	<b>519,806</b>	<b>557,589</b>	<b>598,205</b>	<b>641,868</b>	<b>688,805</b>
<b>Total equity and liabilities</b>	<b>317,713</b>	<b>377,288</b>	<b>440,095</b>	<b>578,535</b>	<b>720,310</b>	<b>909,230</b>	<b>1,023,729</b>	<b>1,118,296</b>	<b>1,222,916</b>	<b>1,338,560</b>	<b>1,466,291</b>	<b>1,607,272</b>

**Table 3: Cash Flow Statement**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Operating activities</b>												
Income/Loss before income tax	-30,265	-2,968	5,161	18,784	26,289	51,806	58,559	66,021	74,263	83,363	93,408	104,493
<b>Adjustments for:</b>												
Depreciation	18,247	19,616	21,087	22,668	24,368	26,196	28,161	30,273	32,543	34,984	37,608	40,428
Amortization	330	355	381	410	441	474	509	547	589	633	680	731
Finance costs	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798	8,798
Addition/(reduction) of allowance on doubtful debts	-236	-254	-273	-293	-315	-339	-364	-392	-421	-452	-486	-523
Income from grants related to assets	-5,344	0	0	0	0	0	0	0	0	0	0	0
Disposal/ Write off PPE	2,377	0	0	0	0	0	0	0	0	0	0	0
PPE added as result of amortization	938	0	0	0	0	0	0	0	0	0	0	0
Foreign exchange loss	22,117	0	0	0	0	0	0	0	0	0	0	0
<b>Cash flows from operating activities before changes in working capital</b>	<b>16,962</b>	<b>25,546</b>	<b>35,154</b>	<b>50,367</b>	<b>59,581</b>	<b>86,935</b>	<b>95,663</b>	<b>105,248</b>	<b>115,771</b>	<b>127,325</b>	<b>140,007</b>	<b>153,927</b>
<b>Working capital adjustments</b>												
<i>(Increase)/decrease in operating assets</i>												
Inventories	750	-438	-471	-506	-544	-585	-629	-676	-727	-781	-840	-903
Trade receivables	-665	-365	-392	-421	-453	-487	-523	-563	-605	-650	-699	-751
Advances paid	-1,169	-429	-461	-496	-533	-573	-616	-663	-712	-766	-823	-885
Taxes recoverable	-731	-94	-101	-109	-117	-126	-135	-145	-156	-168	-180	-194
Other current assets	61	-2	-2	-2	-2	-3	-3	-3	-3	-3	-4	-4
<i>Increase/(decrease) in operating liabilities</i>												
Trade payables	1,785	742	798	857	922	991	1,065	1,145	1,231	1,323	1,422	1,529
Taxes payable	729	82	88	95	102	109	117	126	136	146	157	169
Advances received	133	44	47	51	55	59	63	68	73	79	84	91
Grants related to income	-1,317	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	-1,608	79	85	91	98	105	113	121	131	140	151	162
<b>Cash flows used in operating activities</b>	<b>14,930</b>	<b>25,165</b>	<b>34,744</b>	<b>49,926</b>	<b>59,107</b>	<b>86,425</b>	<b>95,115</b>	<b>104,659</b>	<b>115,138</b>	<b>126,644</b>	<b>139,276</b>	<b>153,141</b>
Interest paid	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858	-7,858
Income tax paid	-522	0	-516	-1,878	-2,629	-5,181	-5,856	-6,602	-7,426	-8,336	-9,341	-10,449
<b>Net cash used in operating activities</b>	<b>6,550</b>	<b>17,307</b>	<b>26,370</b>	<b>40,189</b>	<b>48,620</b>	<b>73,386</b>	<b>81,401</b>	<b>90,198</b>	<b>99,854</b>	<b>110,450</b>	<b>122,077</b>	<b>134,833</b>

**Investment activities**

Purchase of property, plant and equipment	-32,791	-62,059	-60,744	-126,965	-131,233	-163,282	-92,909	-70,949	-76,455	-82,388	-88,781	-95,669
Purchase of intangible assets	-75	0	0	0	0	0	0	0	0	0	0	0
Grants received related to non-current assets	20,230	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash flows used in investing activities</b>	<b>-12,636</b>	<b>-62,059</b>	<b>-60,744</b>	<b>-126,965</b>	<b>-131,233</b>	<b>-163,282</b>	<b>-92,909</b>	<b>-70,949</b>	<b>-76,455</b>	<b>-82,388</b>	<b>-88,781</b>	<b>-95,669</b>

**Financing activities**

Receipt of loans and borrowings	3,369	0	0	0	0	0	0	0	0	0	0	0
Repayment of loans and borrowings	-4,296	0	0	0	0	0	0	0	0	0	0	0
Equity contribution	0	40,429	34,459	96,125	90,870	113,077	30,457	1,529	1,714	1,913	2,127	2,357
<b>Net cash flows from financing activities</b>	<b>-927</b>	<b>40,429</b>	<b>34,459</b>	<b>96,125</b>	<b>90,870</b>	<b>113,077</b>	<b>30,457</b>	<b>1,529</b>	<b>1,714</b>	<b>1,913</b>	<b>2,127</b>	<b>2,357</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>-7,013</b>	<b>-4,323</b>	<b>85</b>	<b>9,349</b>	<b>8,257</b>	<b>23,181</b>	<b>18,950</b>	<b>20,779</b>	<b>25,113</b>	<b>29,975</b>	<b>35,423</b>	<b>41,521</b>
	<b>1,622</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Effect of foreign exchange difference on cash and cash equivalents												
Cash and cash equivalents at the beginning of the year	<b>10,175</b>	<b>4,784</b>	<b>461</b>	<b>546</b>	<b>9,895</b>	<b>18,153</b>	<b>41,334</b>	<b>60,284</b>	<b>81,063</b>	<b>106,176</b>	<b>136,151</b>	<b>171,574</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,784</b>	<b>461</b>	<b>546</b>	<b>9,895</b>	<b>18,153</b>	<b>41,334</b>	<b>60,284</b>	<b>81,063</b>	<b>106,176</b>	<b>136,151</b>	<b>171,574</b>	<b>213,095</b>

Table 4: Key Financial Ratios

Ratio	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Cash Operating Ratio	77%	70%	62%	54%	51%	42%	42%	41%	40%	40%	39%	39%
DSCR	1.90	3.20	4.42	6.35	7.52	11.00	12.10	13.32	14.65	16.12	17.72	19.49
Current Ratio	0.70	0.56	0.56	0.80	0.97	1.45	1.76	2.07	2.40	2.76	3.14	3.54
Debtors' days	33.97	31.13	27.87	24.05	22.79	18.92	18.63	18.35	18.08	17.81	17.54	17.28