

NEWSLETTER

WELCOME TO OUR BUSINESS NEWSLETTER

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Because we do it right



From the Directors Desk

A warm Gas Africa welcome to 2023. We trust you enjoyed the Christmas festivities with family and friends and are itching to get back to work or on to some new projects that you have had in mind over the period. There are a lot of industrial development proposals being put forward in housing and agriculture (as mentioned in the prior quarter) and these are some opportunities that certainly should be explored by our local businesses this season

As with last year, we put out our annual Customer Survey form and look forward to receiving feedback from our esteemed clients. It's just a way to get a feel of what may have changed in your expectations in the last year and if there is anything that Gas Africa can be doing better, we

would definitely want to make provisions for the same where possible

The year 2022 saw the company involved in many Medical Gas Piping System (MGPS) projects in healthcare facilities across Kenya. Gas Africa took hold from the planning, CAD drawings, assisted in producing the Bills of Quantities and finally to the installation and commissioning of the piping and various compressors and manifolds to which the medical gases are being input.

On the back of this, the company shall be focused on supplying these facilities and those in the local environs with the various medical gases it requires. The traditional cylinder model is in place as

well as the ever expanding distribution fleet to ensure all facilities are served

Another area that Gas Africa wants to devote more energy into this year is the sourcing and supply of consumables in the industrial sector. We have many clients who often ask us for items outside of gases - be it grinding discs, welding machines, rods and so - and as a gas company this is a division we have not historically considered. However, if Gas Africa can become closer to being a one-stop shop and bring that convenience for its clients, its can only be a good thing

Thank you for your continued patronage
- Rajesh Ram, Managing Director

We recently had an inquiry from an industrial client for a specialty mixture to be made up of three gases - namely Argon, Carbon Dioxide, and Oxygen given the metallurgy of their steel requiring welding. Using an argon-oxygen blend for welding creates a weld pool that is more fluid, with smaller droplet sizes that provides increased travel speeds, especially on thinner weld materials. Call our team for your specialty needs



Cylinders - Who really owns them?

In short, it's the gas manufacturer. This has always been the case and whilst the manufacturer intends on being an economically viable entity, it must remain to be the case. The number of times management and the team have come across cases where industrial and healthcare clients have requested we fill their owned cylinders - only to find out they are labeled/stamped with other manufacturer's, is staggering. Gas Africa will not fill another company's assets. There is a deep misunderstanding in the market that the payment of a deposit on a cylinder is the same as the transfer of ownership. It is not. The gas manufacturer retains the legal title to the cylinder and is responsible for its upkeep i.e. safety standard



My role revolves around service and is naturally about strong communication. We are client and patient-centric in all we do. After all, we are here to offer support to those who need us and not to impose our products and services. It delights me to work with a company that makes a difference in lives every day and wants to keep on pushing its own boundaries. Also, we are excited to unveil a new brand identity: a new logo, a new look as you may have noted through various of the company's communication channels. Feel free to let us know your thoughts

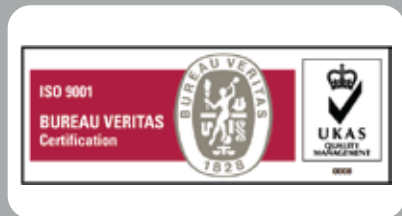
Flora Njagi,
Head of Brand Development



Let the focus always be on QUALITY

Quality of product and service - including after-after sales support. We are pleased that regulatory bodies are in place to protect consumers; be it the Kenya Bureau of Standards, the Pharmacy and Poisons Board, or the Kenya Association of Manufacturers. Gas Africa intends on working very closely with all three this year to ensure that quality is always provided

A patient in critical care needs to know that they are receiving 99.5% high purity Oxygen therapy at all times during their treatment. A steel fabricator needs to know they have the best cutting/welding gas to optimize their operations to produce their output at the most cost-efficient base. This is the



responsibility of all gas manufacturers and we are duty-bound to provide all documents to our clients to support our gas purities

Though the cylinders are all clearly marked, it is always recommended to seek the Material Safety Data Sheet (MSDS) when onboarding as a new client. Get to know your client and whom you are working with



Centralised Vs Decentralised Distribution Model

All providers of gas solutions want to bring about accessibility to the consumer. In order to do this, it is generally understood that a regional presence should be there i.e. in the form of a depot under an appointed agent of the gas manufacturer. This is a practice that has been done and indeed continues to be practiced by others in our industry

There is no doubt that it brings about its advantages such as 1. confidence to the client that the company shall be there in case of emergency supply (especially for those in need of medical gases); 2. a public perception that a company has a larger market share than it actually does just by merely having a site 'upcountry' amongst others

However, these pros do need to be weighed up against the disadvantages: 1. a potential loss of control of a gas manufacturers' cylinders. Cases of the cylinders being illegally refilled by competitors are all too common and the location of the company assets being

unknown thereafter; 2. quality control - where it is any other filler - not authorized to fill our cylinders, the quality cannot be assured, nor can the pressures, the safety of the valves and so on. The potential risk to the consumers and operators and damage to the cylinder owners' (technically still Gas Africa) would be unimaginable

On balance, it is difficult to assess the best approach to take as it varies based on companies' policies

Perhaps in future there is a compromise to be had where we move from all deliveries being direct as is currently the case from its central Nairobi base, to a hybrid model of one where dispatches are made from several depots operated by Gas Africa

What is certain, is that the company maintains its position of never appointing third-party agents. It shall always deal directly with its clients to give the confidence of the service and quality of the product it receives

Social Responsibility

Bamba, Kilifi county, was the destination point for us and many other contributors in the last quarter for water and food efforts during sustained and severe droughts. Such is the scarcity of water; humans are now competing with wild animals - including elephants - for the same. Despite the contamination that can only ensue, the locals have no choice but to consume what little remains on offer

A report from the Kenya Food Security Steering Group (KFSSG) and Kilifi county Steering Group (CSG) on food and nutrition stated that Ganze, Kaloleni, Magarini had recorded crop failures for the last four seasons due to poor rains. The farmers that have been optimistic enough to plant crops on their farms are fearful of going back to their lands as wild animals have encroached and blocked sources to any local water points

Gas Africa contributed with free water to locals from surrounding villages. However, this is not a permanent, nor sustainable solution. There needs to be some government intervention here. There are boreholes in the areas but those are high in salinity and are not even suitable for livestock. With residents walking over 20km for food and water, something must be done and we hope more awareness can be made about the plight of the region to improve the lives of those affected

