

FEASIBILITY STUDY & BUSINESS PLAN

MUGUMU & NACHINGWEA – TANZANIA

DEPLOYMENT OF TWO PHOTOVOLTAIC POWER PLANTS

5MWp & 5MWp

MUGUMU, MARA, TANZANIA

5MWp Solar power plant

Investor profile

In accordance with energy strategic plan of Tanzania, Axian Energy initiated the Mugumu photovoltaic power plant projects, identifying an easy-to-use and available field, with very limited impact on the local environment and surrounding populations, in an accessible location, and offering flexible capabilities for a simplified connection to regional & national HV transmission line. In the endeavor of project development, AXIAN Energy (“AXIAN”), a leading African energy infrastructure developer, will conduct this project, and initiated the incorporation of the NEA TANZANIA SPV (New Energy Africa TANZANIA, a Special Purpose Vehicle).

AXIAN, capitalizing on its international experience in the energy sector, is working to support NEA TANZANIA in the development, financing, installation and operation of this ground-based solar photovoltaic projects (the “Projects”).

The Projects will sustain the objectives of the Strategic Plan of the Government of Tanzania for the energy sector, which have in perspective the massification of energy production sources.

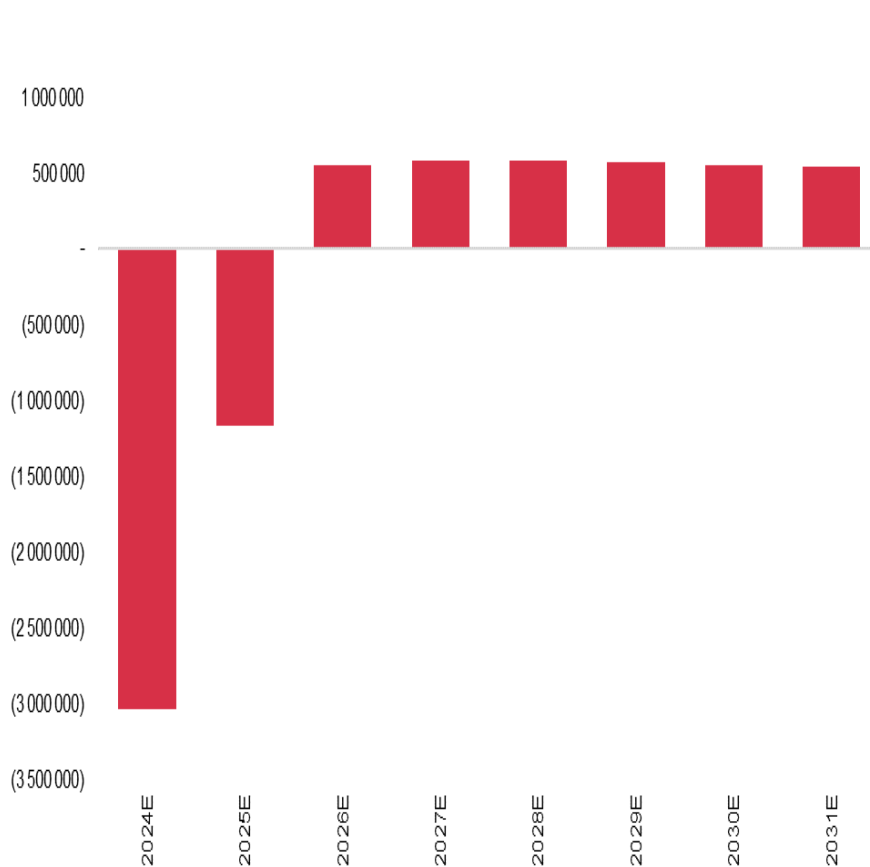
Proposed Implementation schedule



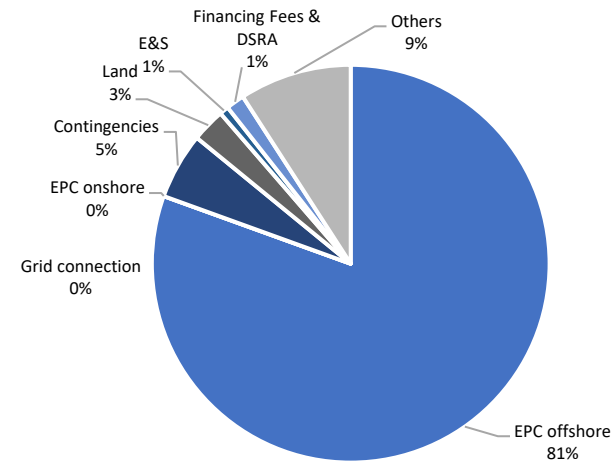
MUGUMU, MARA, TANZANIA

5MWp Solar power plant

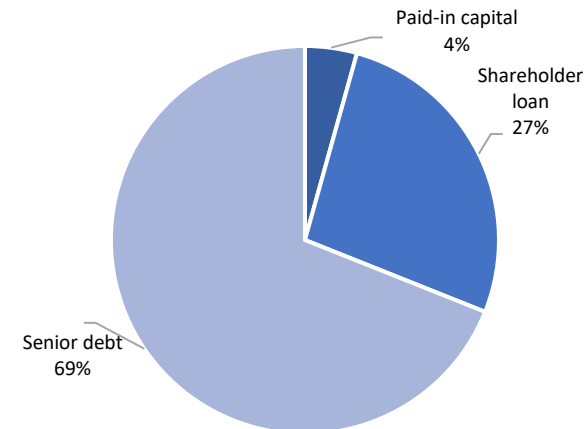
Free Cash Flows



Uses of Funds



Sources of Funds



MUGUMU, MARA, TANZANIA

5MWp Solar power plant

Financials (annualy)

Check master OK P90

	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Income Statement							
Revenues							
Net energy output	kWh	209 374 769	-	7 359 616	10 937 928	10 883 239	10 828 823
Utility PPA power price	USD/kWh	0,0700	-	0,0700	0,0700	0,0700	0,0700
Corporate PPA / Lease Agreement	USD	-	-	-	-	-	-
Transmission line revenue	USD	-	-	-	-	-	-
BESS compensation revenue	USD	-	-	-	-	-	-
Revenues	USD	14 600 845	-	515 173	765 655	761 827	758 018
Operating expenditure							
Operation & maintenance - PV	USD	(1 619 534)	-	(40 220)	(61 800)	(63 654)	(65 564)
Spare parts - PV	USD	-	-	-	-	-	-
Operation & maintenance - BESS	USD	-	-	-	-	-	-
Spare parts - BESS	USD	-	-	-	-	-	-
G&A (legal/audit/admin/security)	USD	(539 845)	-	(13 407)	(20 600)	(21 218)	(21 855)
Insurances	USD	(502 157)	-	(12 471)	(19 162)	(19 737)	(20 329)
Land tax / royalty	USD	(58 976)	-	(1 465)	(2 250)	(2 318)	(2 388)
E&S expenses	USD	-	-	-	-	-	-
BESS Guarantee	USD	-	-	-	-	-	-
Asset management	USD	-	-	-	-	-	-
Sponsor expenses	USD	-	-	-	-	-	-
Other expenses	USD	-	-	-	-	-	-
Invertors	USD	(451 276)	-	(11 207)	(17 220)	(17 737)	(18 269)
ADSL Services/Satellite	USD	-	-	-	-	-	-
SG&A	USD	-	-	-	-	-	-
Total operating expenditure	USD	(3 171 788)	-	(78 769)	(121 033)	(124 664)	(128 404)
EBITDA	USD	11 429 057	-	436 404	644 622	637 163	629 614
<i>EBITDA margin</i>	%	77,95%		84,71%	84,19%	83,64%	83,06%
Depreciation	USD	(4 551 849)	(25 590)	(281 485)	(307 075)	(307 075)	(307 075)
EBIT	USD	6 877 207	(25 590)	154 919	337 548	330 088	322 539
<i>EBIT margin</i>	%	47,51%		30,07%	44,09%	43,33%	42,55%
Senior debt interest	USD	(2 351 488)	-	(202 240)	(244 930)	(242 060)	(230 814)
FX gain/(loss)	USD	-	-	-	-	-	-
Working Capital line interest	USD	(246 626)	-	(1 866)	(11 333)	(12 618)	(12 618)
DSRA & Guarantee interest	USD	-	-	-	-	-	-
Bank fees	USD	(279 829)	(54 829)	(15 000)	(15 000)	(15 000)	(15 000)
Bank commitment fee	USD	(31 863)	(31 863)	-	-	-	-
PRI cost	USD	-	-	-	-	-	-
SHL interest	USD	(160 693)	(4 097)	(42 341)	(37 778)	(25 539)	(20 003)
EAC	USD	-	-	-	-	-	-
EBT	USD	3 806 709	(116 379)	(106 527)	28 507	34 872	44 104
<i>EBT margin</i>	%	27,62%		(20,68)%	3,72%	4,58%	5,82%
Taxes		(1 176 640)	-	-	-	-	-
Net income	USD	2 630 069	(116 379)	(106 527)	28 507	34 872	44 104
<i>Net profit margin</i>	%	19,24%		(20,68)%	3,72%	4,58%	5,82%

MUGUMU, MARA, TANZANIA

5MWp Solar power plant

Financials (annualy)

Check master OK P90

	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Balance Sheet							
Net PPE	USD	41 690 807	3 008 977	4 244 775	3 937 700	3 630 625	3 323 551
MMRA	USD	-	-	-	-	-	-
Non-current assets	USD	41 690 807	3 008 977	4 244 775	3 937 700	3 630 625	3 323 551
Cash	USD	1 743 844	10 000	460 988	50 000	50 000	50 000
Account receivables	USD	2 371 424	-	84 686	125 861	125 232	124 606
Guarantee	USD	-	-	-	-	-	-
DSRA	USD	2 705 250	-	122 129	198 465	199 120	198 498
CAPEX VAT receivables	USD	-	-	-	-	-	-
Current assets	USD	6 820 518	10 000	667 803	374 326	374 352	373 104
Total assets	USD	48 511 326	3 018 977	4 912 578	4 312 026	4 004 977	3 696 655
Paid-in capital	USD	6 210 000	10 000	200 000	200 000	200 000	200 000
SHL from AEG	USD	5 320 048	997 062	1 525 677	894 619	707 635	522 011
SHL from other shareholders	USD	-	-	-	-	-	-
Retained earnings	USD	2 370 272	(116 379)	(222 906)	(194 399)	(159 527)	(115 423)
Shareholders' equity	USD	13 900 320	890 683	1 502 771	900 220	748 108	606 588
Senior debt	USD	31 565 753	2 124 196	3 265 734	3 265 734	3 110 200	2 942 783
Working Capital line	USD	2 482 048	-	84 686	126 177	126 177	126 177
Non-current liabilities	USD	34 047 801	2 124 196	3 350 420	3 391 911	3 236 377	3 068 959
Account payables	USD	512 668	-	12 948	19 896	20 493	21 107
SHL interest payables	USD	50 536	4 097	46 439	-	-	-
Current liabilities	USD	563 204	4 097	59 387	19 896	20 493	21 107
Total liabilities & shareholder's equity	USD	48 511 326	3 018 977	4 912 578	4 312 026	4 004 977	3 696 655

Check

USD

MUGUMU, MARA, TANZANIA

5MWp Solar power plant

Financials (annualy)

			Check master	OK	P90		
			2024E	2025E	2026E	2027E	2028E
	Unit	Total/Average					
x Cash Flow Statement							
Net income	USD	2 630 069	(116 379)	(106 527)	28 507	34 872	44 104
Plus : interest & fin. fees	USD	3 070 499	90 789	261 447	309 041	295 216	278 435
Plus : depreciation	USD	4 551 849	25 590	281 485	307 075	307 075	307 075
Change in account receivables	USD	-	-	(84 686)	(41 175)	629	626
Change in CAPEX VAT receivables	USD	-	-	-	-	-	-
Change in account payables	USD	-	-	12 948	6 947	597	615
Cash Flow from Operations	USD	10 252 417	-	364 667	610 395	638 389	630 855
CAPEX	USD	(4 551 849)	(3 034 566)	(1 517 283)	-	-	-
Maintenance CAPEX	USD	-	-	-	-	-	-
Cash Flow from Investing	USD	(4 551 849)	(3 034 566)	(1 517 283)	-	-	-
Free Cash Flow	USD	5 700 568	(3 034 566)	(1 152 616)	610 395	638 389	630 855
Senior debt drawdown	USD	3 186 295	2 124 196	1 062 098	-	-	-
Working Capital line drawdown	USD	126 177	-	84 686	41 491	-	-
SHL from AEG drawdown	USD	1 669 486	1 050 021	619 465	-	-	-
SHL from other shareholders drawdown	USD	-	-	-	-	-	-
Paid-in capital injection	USD	200 000	10 000	190 000	-	-	-
Senior debt repayment	USD	(3 265 734)	-	-	-	(155 534)	(167 417)
Working Capital line repayment	USD	(126 177)	-	-	-	-	-
Senior debt interest	USD	(2 272 049)	-	(122 801)	(244 930)	(242 060)	(230 814)
Working Capital line interest	USD	(246 626)	-	(1 866)	(11 333)	(12 618)	(12 618)
DSRA & Guarantee interest	USD	-	-	-	-	-	-
Bank fees	USD	(279 829)	(54 829)	(15 000)	(15 000)	(15 000)	(15 000)
Bank commitment fee	USD	(31 863)	(31 863)	-	-	-	-
PRI Cost	USD	-	-	-	-	-	-
Change in DSRA	USD	-	-	(122 129)	(76 336)	(655)	622
Change in Guarantee	USD	-	-	-	-	-	-
Change in MMRA	USD	-	-	-	-	-	-
SHL interest to AEG	USD	(160 693)	-	-	(84 217)	(25 539)	(20 003)
SHL interest to other shareholders	USD	-	-	-	-	-	-
SHL from AEG repayment	USD	(1 669 486)	(52 959)	(90 850)	(631 058)	(186 984)	(185 624)
SHL from other shareholders repayment	USD	-	-	-	-	-	-
Dividends pre-tax	USD	(2 830 069)	-	-	-	-	-
Cash flow from Financing	USD	(5 700 568)	3 044 566	1 603 604	(1 021 383)	(638 389)	(630 855)
Net Cash Flow	USD	(0)	10 000	450 988	(410 988)	-	-
Opening cash	USD	1 743 844		10 000	460 988	50 000	50 000
FX effect	USD	(0)		-	-	(0)	0
Closing cash	USD	1 743 844	✓ 10 000	✓ 460 988	✓ 50 000	✓ 50 000	✓ 50 000
Closing cash incl. Reserve Account	USD	4 439 094	✓ 10 000	✓ 583 117	✓ 248 465	✓ 249 120	✓ 248 498
Check			-	-	-	-	-
Check cash +			-	-	-	-	-

MUGUMU, MARA, TANZANIA

5MWp Solar power plant

Financials (annualy)

Check master OK P90

	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Free Cash Flow Analysis							
NOPAT	USD	4 814 045	(25 590)	116 120	236 283	231 062	225 778
Plus: D&A	USD	4 551 849	25 590	281 485	307 075	307 075	307 075
Less: CAPEX	USD	(4 551 849)	(3 034 566)	(1 517 283)	-	-	-
Less: change in NWC	USD	(0)	-	(71 738)	(34 228)	1 226	1 241
FCFF	USD	4 814 045	(3 034 566)	(1 191 415)	509 130	539 363	534 093
Cumulative FCFF	USD		(3 034 566)	(4 225 982)	(3 716 851)	(3 177 488)	(2 643 395)
Positive FCFF	1/0		1	1	1	1	1
Project IRR	%	8,7%	0,0%	0,0%	0,0%	0,0%	0,0%

NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

Investor profile

In accordance with energy strategic plan of Tanzania, Axian Energy initiated the Nachingwea photovoltaic power plant projects, identifying an easy-to-use and available field, with very limited impact on the local environment and surrounding populations, in an accessible location, and offering flexible capabilities for a simplified connection to regional & national HV transmission line. In the endeavor of project development, AXIAN Energy (“AXIAN”), a leading African energy infrastructure developer, will conduct this project, and initiated the incorporation of the NEA TANZANIA SPV (New Energy Africa TANZANIA, a Special Purpose Vehicle).

AXIAN, capitalizing on its international experience in the energy sector, is working to support NEA TANZANIA in the development, financing, installation and operation of this ground-based solar photovoltaic projects (the “Projects”).

The Projects will sustain the objectives of the Strategic Plan of the Government of Tanzania for the energy sector, which have in perspective the massification of energy production sources.

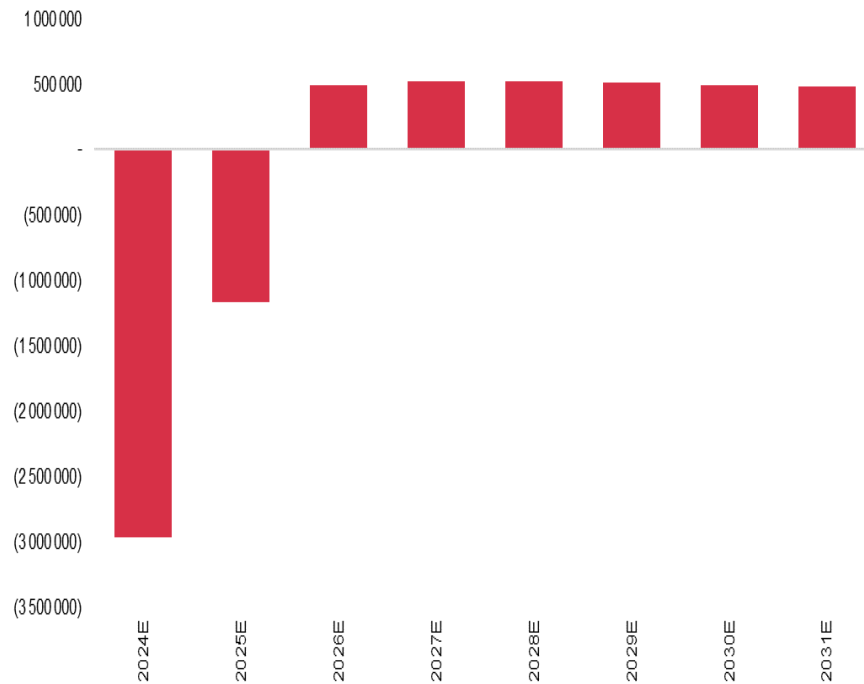
Proposed Implementation schedule



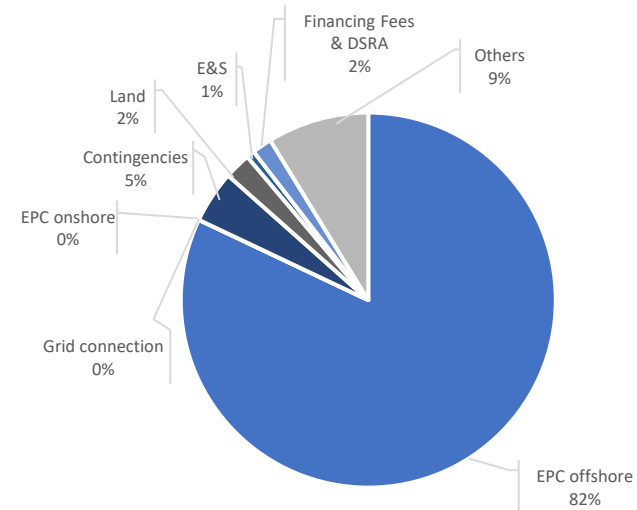
NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

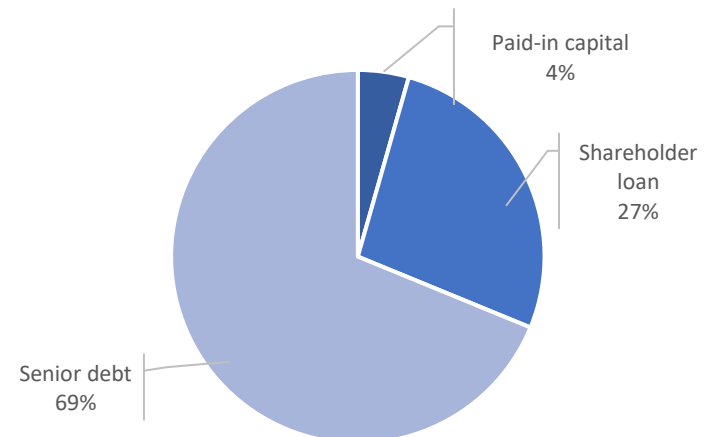
Free Cash Flows



Uses of Funds



Sources of Funds



NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

Financials (annualy)

			Check master	OK	P50		
	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Income Statement							
Revenues							
Net energy output	kWh	198 330 211	-	6 971 396	10 360 952	10 309 147	10 257 599
Utility PPA power price	USD/kWh	0,0700	-	0,0700	0,0700	0,0700	0,0700
Corporate PPA / Lease Agreement	USD	-	-	-	-	-	-
Transmission line revenue	USD	-	-	-	-	-	-
BESS compensation revenue	USD	-	-	-	-	-	-
Revenues	USD	13 830 648	-	487 998	725 267	721 640	718 032
Operating expenditure							
Operation & maintenance - PV	USD	(1 619 534)	-	(40 220)	(61 800)	(63 654)	(65 564)
Spare parts - PV	USD	-	-	-	-	-	-
Operation & maintenance - BESS	USD	-	-	-	-	-	-
Spare parts - BESS	USD	-	-	-	-	-	-
G&A (legal/audit/admin/security)	USD	(539 845)	-	(13 407)	(20 600)	(21 218)	(21 855)
Insurances	USD	(502 157)	-	(12 471)	(19 162)	(19 737)	(20 329)
Land tax / royalty	USD	(58 976)	-	(1 465)	(2 250)	(2 318)	(2 388)
E&S expenses	USD	-	-	-	-	-	-
BESS Guarantee	USD	-	-	-	-	-	-
Asset management	USD	-	-	-	-	-	-
Sponsor expenses	USD	-	-	-	-	-	-
Other expenses	USD	-	-	-	-	-	-
Invertors	USD	(451 276)	-	(11 207)	(17 220)	(17 737)	(18 269)
ADSL Services/Satellite	USD	-	-	-	-	-	-
SG&A	USD	-	-	-	-	-	-
Total operating expenditure	USD	(3 171 788)	-	(78 769)	(121 033)	(124 664)	(128 404)
EBITDA	USD	10 658 860	-	409 229	604 234	596 977	589 628
<i>EBITDA margin</i>	%	76,72%		83,86%	83,31%	82,72%	82,12%
Depreciation	USD	(4 457 436)	(24 674)	(271 413)	(296 087)	(296 087)	(296 087)
EBIT	USD	6 201 424	(24 674)	137 816	308 147	300 889	293 541
<i>EBIT margin</i>	%	45,25%		28,24%	42,49%	41,70%	40,88%
Senior debt interest	USD	(2 302 714)	-	(198 045)	(239 850)	(237 039)	(226 027)
FX gain/(loss)	USD	-	-	-	-	-	-
Working Capital line interest	USD	(233 616)	-	(1 767)	(10 735)	(11 952)	(11 952)
DSRA & Guarantee interest	USD	-	-	-	-	-	-
Bank fees	USD	(279 003)	(54 003)	(15 000)	(15 000)	(15 000)	(15 000)
Bank commitment fee	USD	(31 202)	(31 202)	-	-	-	-
PRI cost	USD	-	-	-	-	-	-
SHL interest	USD	(186 023)	(4 015)	(41 432)	(37 392)	(26 500)	(21 942)
EAC	USD	-	-	-	-	-	-
EBT	USD	3 168 866	(113 893)	(118 429)	5 169	10 398	18 620
<i>EBT margin</i>	%	24,52%		(24,27)%	0,71%	1,44%	2,59%
Taxes	USD	(1 010 100)	-	-	-	-	-
Net income	USD	2 158 766	(113 893)	(118 429)	5 169	10 398	18 620
<i>Net profit margin</i>	%	16,89%		(24,27)%	0,71%	1,44%	2,59%

NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

Financials (annualy)

			Check master	OK	P50		
	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Balance Sheet							
Net PPE	USD	41 152 495	2 946 950	4 161 349	3 865 261	3 569 174	3 273 087
MMRA	USD	-	-	-	-	-	-
Non-current assets	USD	41 152 495	2 946 950	4 161 349	3 865 261	3 569 174	3 273 087
Cash	USD	1 752 310	10 000	434 659	50 000	50 000	50 000
Account receivables	USD	2 246 331	-	80 219	119 222	118 626	118 033
Guarantee	USD	-	-	-	-	-	-
DSRA	USD	2 649 138	-	119 596	194 349	194 990	194 381
CAPEX VAT receivables	USD	-	-	-	-	-	-
Current assets	USD	6 647 779	10 000	634 474	363 570	363 616	362 414
Total assets	USD	47 800 274	2 956 950	4 795 822	4 228 832	3 932 790	3 635 500
Paid-in capital	USD	6 210 000	10 000	200 000	200 000	200 000	200 000
SHL from AEG	USD	6 104 079	976 692	1 491 534	918 571	763 841	611 262
SHL from other shareholders	USD	-	-	-	-	-	-
Retained earnings	USD	1 661 922	(113 893)	(232 322)	(227 153)	(216 754)	(198 135)
Shareholders' equity	USD	13 976 001	872 798	1 459 212	891 418	747 087	613 128
Senior debt	USD	30 911 024	2 080 137	3 197 997	3 197 997	3 045 689	2 881 744
Working Capital line	USD	2 351 120	-	80 219	119 521	119 521	119 521
Non-current liabilities	USD	33 262 143	2 080 137	3 278 215	3 317 518	3 165 210	3 001 265
Account payables	USD	512 668	-	12 948	19 896	20 493	21 107
SHL interest payables	USD	49 462	4 015	45 447	-	-	-
Current liabilities	USD	562 130	4 015	58 396	19 896	20 493	21 107
Total liabilities & shareholder's equity	USD	47 800 274	2 956 950	4 795 822	4 228 832	3 932 790	3 635 500
Check	USD	-	-	-	-	-	-

NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

Financials (annualy)

			Check master	OK	P50		
	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E
x Cash Flow Statement							
Net income	USD	2 158 766	(113 893)	(118 429)	5 169	10 398	18 620
Plus : interest & fin. fees	USD	3 032 557	89 219	256 244	302 977	290 491	274 921
Plus : depreciation	USD	4 457 436	24 674	271 413	296 087	296 087	296 087
Change in account receivables	USD	-	-	(80 219)	(39 003)	596	593
Change in CAPEX VAT receivables	USD	-	-	-	-	-	-
Change in account payables	USD	-	-	12 948	6 947	597	615
Cash Flow from Operations	USD	9 648 759	0	341 958	572 178	598 170	590 836
CAPEX	USD	(4 457 436)	(2 971 624)	(1 485 812)	-	-	-
Maintenance CAPEX	USD	-	-	-	-	-	-
Cash Flow from Investing	USD	(4 457 436)	(2 971 624)	(1 485 812)	-	-	-
Free Cash Flow	USD	5 191 323	(2 971 624)	(1 143 854)	572 178	598 170	590 836
Senior debt drawdown	USD	3 120 205	2 080 137	1 040 068	-	-	-
Working Capital line drawdown	USD	119 521	-	80 219	39 302	-	-
SHL from AEG drawdown	USD	1 635 480	1 028 553	606 928	-	-	-
SHL from other shareholders drawdown	USD	-	-	-	-	-	-
Paid-in capital injection	USD	200 000	10 000	190 000	-	-	-
Senior debt repayment	USD	(3 197 997)	-	-	-	(152 308)	(163 945)
Working Capital line repayment	USD	(119 521)	-	-	-	-	-
Senior debt interest	USD	(2 224 923)	-	(120 253)	(239 850)	(237 039)	(226 027)
Working Capital line interest	USD	(233 616)	-	(1 767)	(10 735)	(11 952)	(11 952)
DSRA & Guarantee interest	USD	-	-	-	-	-	-
Bank fees	USD	(279 003)	(54 003)	(15 000)	(15 000)	(15 000)	(15 000)
Bank commitment fee	USD	(31 202)	(31 202)	-	-	-	-
PRI Cost	USD	-	-	-	-	-	-
Change in DSRA	USD	-	-	(119 596)	(74 752)	(641)	609
Change in Guarantee	USD	-	-	-	-	-	-
Change in MMRA	USD	-	-	-	-	-	-
SHL interest to AEG	USD	(186 023)	-	-	(82 840)	(26 500)	(21 942)
SHL interest to other shareholders	USD	-	-	-	-	-	-
SHL from AEG repayment	USD	(1 635 480)	(51 861)	(92 086)	(572 963)	(154 729)	(152 579)
SHL from other shareholders repayment	USD	-	-	-	-	-	-
Dividends pre-tax	USD	(2 358 766)	-	-	-	-	-
Cash flow from Financing	USD	(5 191 323)	2 981 624	1 568 512	(956 837)	(598 170)	(590 836)
Net Cash Flow	USD	(0)	10 000	424 659	(384 659)	-	-
Opening cash	USD	1 752 310		10 000	434 659	50 000	50 000
FX effect	USD	0	-	0	-	0	0
Closing cash	USD	1 752 310	10 000	434 659	50 000	50 000	50 000
Closing cash incl. Reserve Account	USD	4 391 448	10 000	554 255	244 349	244 990	244 381
Check			-	-	-	-	-
Check cash +			-	-	-	-	-

NACHINGWEA, LINDI, TANZANIA

5MWp Solar power plant

Financials (annualy)

			Check master	OK	P50			
	Unit	Total/Average	2024E	2025E	2026E	2027E	2028E	
x Free Cash Flow Analysis								
NOPAT	USD	4 340 996	(24 674)	103 873	215 703	210 623	205 479	
Plus: D&A	USD	4 457 436	24 674	271 413	296 087	296 087	296 087	
Less: CAPEX	USD	(4 457 436)	(2 971 624)	(1 485 812)	-	-	-	
Less: change in NWC	USD	0	-	(67 271)	(32 056)	1 193	1 208	
FCFF	USD	4 340 996	(2 971 624)	(1 177 796)	479 734	507 903	502 774	
Cumulative FCFF	USD		(2 971 624)	(4 149 420)	(3 669 686)	(3 161 783)	(2 659 009)	
Positive FCFF	1/0		1	1	1	1	1	
Project IRR	%	8,1%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%