

EUROPEAN INVESTMENT HOLDING LIMITED

BUSINESS PLAN

FOR

**THE ESTABLISHMENT OF SOLAR POWER PROJECT IN
NAMPALAHALA VILLAGE, GEITA REGION.**



1. Introduction

1.1 Overview of the Energy Sector in Tanzania

Tanzania's energy sector plays a crucial role in the country's economic growth and development. The country relies on a mix of hydropower, natural gas, biomass, and renewable energy sources to meet its growing energy demands. Despite its vast energy potential, Tanzania faces challenges in energy access, infrastructure development, and investment in modern energy technologies. The sector is dominated by biomass, which accounts for over 80% of total energy consumption, mainly through firewood and charcoal. The remaining share comes from electricity, petroleum, natural gas, and renewable energy sources. The electricity supply is generated from Hydropower (35%) – Main hydropower plants include Kidatu, Kihansi, Mtera, and the ongoing Julius Nyerere Hydropower Project (2,115 MW). Natural Gas which accounts for 55% of the total energy supply. Tanzania has significant natural gas reserves, primarily from the Songo Songo and Mnazi Bay gas fields and Renewable Energy which accounts 10% of the total energy produced in the country which includes solar, wind, geothermal, and biomass.

1.2 The Key Players in the Energy Sector in Tanzania

The Tanzanian energy sector is regulated by 3 leading players who are Tanzania Electric Supply Company (**TANESCO**) – The main public utility responsible for electricity generation, transmission, and distribution, Energy and Water Utilities Regulatory Authority (**EWURA**) – Regulates electricity, petroleum, and water supply industries and Rural Energy Agency (**REA**) – Supports rural electrification through renewable energy initiatives.

The government has kept in place various policies to develop the countries sector, tracking the record. Access to electricity has increased significantly, from 7% in 2010 to over 40% in 2023, with urban areas having higher coverage than rural regions. Despite the growth there are number of challenges that are still facing the sector which makes rural electrification to remain a challenge, with off-grid solutions such as solar mini-grids being promoted to bridge the gap. Infrastructure development is also slow, with transmission losses and aging power plants affecting efficiency. And Financing and investment constraints limit the expansion of the energy sector, requiring more public-private partnerships (PPPs).

The Tanzanian government has implemented various policies and reforms to improve the energy sector, including: National Energy Policy (2015) which aims to ensure reliable,

affordable, and sustainable energy for all. Electricity Supply Industry Reform Strategy (2021-2031) – Focuses on modernizing and diversifying energy sources. Renewable Energy Strategy – Encourages the development of solar, wind, and geothermal projects. With ongoing investment in hydropower, natural gas, and renewables, Tanzania is poised to become an energy hub in East Africa, ensuring greater energy security and industrial growth.

1.3 Solar Power in Tanzania

Tanzania has abundant solar energy resources, receiving an average solar radiation of 4.5 – 6.5 kWh/m² per day. This makes solar power a viable and sustainable energy solution, especially for off-grid electrification in rural areas. The government and private sector have invested in solar home systems, mini-grids, and large-scale solar farms to increase energy access. The Rural Energy Agency (REA) has been actively promoting solar energy, leading to the installation of over 200 solar mini-grids in remote communities. Independent Power Producers (IPPs) have developed solar projects to support Tanzania's energy transition. The government aims to increase solar energy penetration to reduce dependence on hydropower and fossil fuels.

Key Solar Projects in Tanzania:

- **Kigoma Solar Power Plant (5 MW)** – One of the largest grid-connected solar farms in the country.
- **Arusha Solar Mini-Grids** – Providing clean energy to off-grid communities.
- **NextGen Solar Park (50 MW)** – A planned large-scale project aimed at supporting industrial growth.

There are various policies in place to support the growth of solar in Tanzania. This includes the National Energy Policy (2015), which supports the adoption of solar power. Tax incentives and subsidies for solar equipment encourage investments. Public-private partnerships (PPPs) are being promoted to accelerate solar energy expansion. The target is 75% electrification by 2035, with solar energy playing a crucial role.

1.4 Proposed plant capacity of European Investment Holding Limited.

Investors plan to establish a solar power plant with an installed capacity of 12.5 MW power and an annual installed capacity of 31,250 MW.

1.5 Capital Investment and Financing Plan

The proposed Establishment of the plant will attract investment capital of 13,125,000 USD (excluding interest and depreciations of machineries and equipment's). The project promoters are planning to finance project cost by 30% which includes project initial operational cost and pre operational cost amounted to 3,937,500 USD.

The 70% investment capital will be purchased from commercial banks at a long-term payment not less than 10 years project economic life, all these will be for major construction of the site, purchase of machineries and equipment's, pre operational cost and initial working capitals of project. The proposed long-term loan is approximated to 9,187,500 USD.

2.0. PROJECT OVERVIEW

2.1 The project location and ownership structure

European Investment Holding Limited is a limited liability company incorporated in Tanzania under the Companies Act, 2002 with Certificate of Incorporation No.180592814 from Registrar of Companies with effect from 19th December, 2024. The office of the company is located in Bukombe District, Geita Region.

The initial Authorized Share Capital of the company is TZS 20,000,000/= divided into 1,000 ordinary shares of TZS 20,000. each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 2.1 below.

Table 2.1: Company Ownership and Principal Shareholders

S/No.	Shareholder's Name	Occupation of Subscriber	Number of Shares
1.	Peter Krupanszky (Hungarian) (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 180592814	250
2.	Jason Joliart (Hungarian) (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 180592814	130
3.	Zsolt Zoltan Sari (Hungarian) (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 180592814	120

4.	Gabor Krupanszky (Hungarian) (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 180592814	250
5.	Deogratias Felician Rwagasore	Private Company By Share, Domicile In Tanzania- Incorporate Number 180592814	250

2.2. Project site analysis

Based on physical inspection of the proposed site, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, telecommunication system and security were all checked out. The current physical condition of infrastructure and utilities on the proposed site is as shown on the pictorial overview of the project site as follows:

2.3 Utilities and Other supporting Facilities

The realization of the project development requires successful completion of a number of necessary activities and facilities to enable a successful development of the project. Strategic and situational analysis of project, the project needs reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services. The regional government under M “Geita Urban Water Supply Authority” water to ensure water network reaches peri urban areas especially where the project will be located. Electricity is still a challenge in the neighbouring areas. The following are reliable utilities found at the site;

2.3.1 Electricity and water supply

The proposed site will be supplied with electricity generated from Solar project as it has all potentials to have high production of electricity and supply to the neighbouring villages. The project promoters are also looking forward to sell generated power to the neighbouring villages through REA. Water will be harvested from rain water as well as from Lake Victoria.

2.3.2 Transportation network and communication system

The proposed project is located in Nampalahala Ward which is connected to the near by District by good road passable throughout the year the project is accessible in all mean of ground transport, such as heavy vehicles, Light Vehicle and public transports. The mobile tower operators and service providers available to the project area are such as Vodacom, Tigo, Airtel and Halotel. The particular business communication system with external world/entities is expected to improve once the company becomes operational. The National Fibre Optical line transmission is closer the project area, actually just close to project area.

2.4. Project Description

2.4.1. Basic requirement of the project establishments

European Investment Holding Limited is a private company based in in Geita region. The company is intending to establish a solar power project in Geita region. The objective of the project promoters is to generate 31,250 MW of power and sell to the villagers who currently don't have access to electricity. Nampalala village and the neighbouring village is dominated by artisanal miners and the demand for electricity is so high to reduce their production cost since they are currently using generators which is costful for them.

The project will have a capacity of producing 31,250 MW of electricity annually. The company will start by constructing administration block, importation and installation of panels and other equipment as well as installation of transmission lines from the solar farm to the consumers.

The Business Plan report explores the viability of the proposed Establishment and modernization project in an economy whose liberalization in recent years has witnessed private sector increasing in number and the demand of electricity. In addition, the study will enable the sponsors to present the parameters and objectives of the proposed project to external financiers such as development and commercial banks, NGOs etc based in Tanzania.

2.5. Project Cost & Financing Pattern

The proposed project is estimated to cost a total of USD 13,125,000 which includes 30% (3,937,500USD) owner's equity and long-term loan of 70% (9,187,500 USD) as proceeds from capital contribution of the project.

EQUITY + LOAN		USD
1	EQUITY (30%)	3,937,500.00
2	LOAN (70%)	9,187,500.00
TOTAL FINANCING		13,125,000 USD

2.6. Business Plan Objectives

The objectives of this study, first is to determine the viability of the proposed integrated project and serve as a business plan for the company's development program.

Also the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).

2.7. Market and pricing Analysis

The demand for alternative energy in rural areas is critical, as most rural communities in Tanzania rely on traditional energy sources for their daily needs. Geita is one of the country's key mining regions, with a strong presence of both large-scale and artisanal miners.

However, many artisanal miners depend on diesel generators to power their operations, leading to high operational costs that reduce their profit margins. Introducing an alternative and affordable energy source, such as solar power, will significantly lower production costs and improve their earnings. Moreover, solar power can also support domestic energy needs, reducing reliance on expensive and polluting fossil fuels.

Additionally, solar energy is environmentally friendly and aligns with Tanzania's green economy and renewable energy policies. Given the government's commitment to sustainable energy solutions, projects promoting solar power adoption will likely receive strong government support, as they help reduce the national energy burden and promote economic and social development in rural areas.

2.7 Technical aspect and related cost

2.7.1. Engineering, Procurement and Procurement (EPC)

The project will be located in Nampalala Village Geita, the project promoters have acquired 15 Ha of land for the establishment of solar farm. The total investment in the Engineering, Construction and Procurement of (PV modules, PV inverters, security, mechanical

installations, AC/DC installation, MV stations, road and ground works. Total investment in EPC is estimated to be 12,250,000 USD.

2.7.2. Pre-Operational Expenses

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of Incentives, legal fees, etc set aside of 650, 000 USD for any issue during the setting of the project. While 250,000 USD is set aside for other project developments.

PROJECT INVESTMENT BREAKDOWN			
	Item	Price (USD/MW)	Total USD
1	EPC	980,000	12,250,000
2	PV modules		
3	PV inverters		
4	1 xs tracker		
5	Security		
6	Mechanical installation		
7	AC/DC installation, incl cables and other materials		
8	MV stations		
9	Roads, ground works		
10	Storage	-	-
11	Project development (AC)	20,000	250,000
12	Substation	-	-
13	Others (DSRA + technical insp. + legal + accountant)	50,000	625,000
14	Basis of financed amount	1,070,000	13,125,000
15	Debt	70%	9,187,500
Total Financed amount			9,187,500

2.7.3. Project Financing

The project costs, including fixed costs (machinery, equipment, building renovations, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a combination of bank term loan and shareholders own resources. Working capital requirements will be financed by short term bank financing in form of overdraft facility.

3.0. PROPOSED SALARY BUDGET AND MANPOWER

3.1. Employment

The solar farm is looking at providing direct employment to 14 peoples on full implementation and operation of the project this includes electric engineers, accountants and local project director. Majority of the employees will be local with few foreign expatriates to transfer knowledge to local.

3.2. Training and the use of consultants

The European Investment Holding Limited plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the machineries and equipments of the factory which will be specified under sales agreement. In general, the factory will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the factory will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the factory.

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses, guidance to management and regularly monitor and evaluate performance of the project.

Table 3.1. Manpower requirement:

A.ADMINISTRATION DEPARTMENT	FULL TIME STAFF	MONTHLY SALARY FULL TIME STAFF	MONTHLY ALLOWANCE	TOTAL ANNUAL SALARY
DEPARTMENT	POSTS	AMOUNT USD	AMOUNT USD	AMOUNT USD
EXCUTIVE DIRECTOR - Local	1	800		9,600
DRIVER	2	150		3,600
SECURITY GUARD	4	100		4,800
SUB TOTAL	07	1050	0	18,000
B.FINANCE AND MARKETING DEPARTMENT	FULL TIME STAFF	MONTHLY SALARY FULL TIME STAFF	MONTHLY ALLOWANCE	TOTAL ANNUAL SALARY
DEPARTMENT	POSTS	AMOUNT USD	AMOUNT USD	AMOUNT USD
Chief Accountant	1	500		6,000
TOTAL	1	500	0	6,000
C. OPERATIONAL DEPARTMENT	FULL TIME STAFF	MONTHLY SALARY FULL TIME STAFF	MONTHLY ALLOWANCE	TOTAL ANNUAL SALARY
DEPARTMENT	POSTS	AMOUNT USD	AMOUNT USD	AMOUNT USD
Plant Engineers - Foreign	2	1,000		24,000
Local engineers	4	500		24,000
TOTAL	14	1500		48,000
GRAND TOTAL	14	3,050		72,000

4. FINANCIAL ANALYSIS

- Annual Energy Production: 31,250 MWh
- CO2 Savings: 16,906.3 tons
- Investment Cost: \$13,125,000
- CAPEX per MWp: \$1,050,000
- Flat PPA Electricity Price: \$70/MWh (\$0.070/kWh)
 - This is the price at which electricity will be sold under a Power Purchase Agreement (PPA).
 - The price remains fixed (0% indexation) over time, meaning no price escalations.
- Post-Contract Electricity Price: \$70/MWh
 - This implies that the tariff will not change even after the PPA period.
- Loan Structure:
 - Maturity: 10 years
 - Interest Rate: 8% (USD basis)

Profitability & Returns

- **Internal Rate of Return (IRR): 16.9%**
 - This is a strong return on investment, exceeding typical cost of capital.
- **Cumulative Cash Flow (CF) over 25 years (after debt repayment): \$24.62 million**
 - This indicates significant long-term profitability.
- ✓ **Strong Revenue Generation:** The project earns **\$2.18 million annually** with a long-term Power Purchase Agreement (PPA).
- ✓ **Low Operational Costs:** With only **\$190,000 annual OPEX**, the project retains most of its revenue.
- ✓ **Tax Deductible Depreciation:** The depreciation amount of **\$1.31 million** annually reduces taxable income.
- ✓ **Positive Environmental Impact:** With **16,906 tons of CO2 savings annually**, the project aligns with global climate goals.

5.0. RISK ANALYSIS

5.1. Risk Analysis in investing a Solar Power Project in Geita

Investing in a solar power project in Geita comes with several risks that need to be considered to ensure the project's long-term success. These risks can be categorized into financial, regulatory, technical, environmental, and operational risks.

5.1.1 Financial Risks

- **High Initial Capital Requirement:** Solar power projects require significant upfront investment in land, equipment, and installation.
- **Uncertain Return on Investment (ROI):** The project's profitability depends on electricity tariffs, which may fluctuate.
- **Limited Financing Options:** Access to affordable loans and investment capital can be challenging due to high interest rates or limited investor confidence.
- **Foreign Exchange Risks:** If equipment is imported, fluctuations in exchange rates may increase costs.

5.1.2. Regulatory and Policy Risks

- **Changes in Government Policies:** Solar energy projects depend on government incentives and policies, which may change over time.
- **Grid Connection Regulations:** Delays or high costs in obtaining grid connection approvals can impact project timelines.
- **Land Acquisition Challenges:** Legal and bureaucratic processes in acquiring land for solar farms may be complicated.

5.1.3. Technical and Operational Risks

- **Intermittent Solar Resource:** The efficiency of solar panels depends on sunlight availability, which may be affected by weather conditions.
- **Technology Obsolescence:** Rapid advancements in solar technology may make existing systems outdated or less efficient.
- **Equipment Maintenance and Failures:** Solar panels, inverters, and other components require maintenance, and failures may disrupt power generation.
- **Grid Stability Issues:** If the national grid infrastructure is weak, integrating solar power may cause voltage fluctuations and inefficiencies.

5.1.4. Environmental and Social Risks

- Land Use Conflicts: The project may face opposition from local communities if land allocation affects their livelihoods.
- Environmental Impact: Though solar energy is clean, panel manufacturing and disposal can have environmental effects.
- Climate and Weather Challenges: Prolonged rainy seasons or dust accumulation on panels can reduce energy production.

5.1.5. Market and Demand Risks

- Competition from Other Energy Sources: Hydropower and fossil fuels may provide cheaper or more consistent energy alternatives.
- Consumer Payment Risks: If selling electricity to consumers, non-payment or delayed payments can affect cash flow.
- Market Demand Uncertainty: The demand for solar power may vary, especially in rural areas with limited electricity infrastructure.

5.2 Mitigation Strategies

By undertaking the following strategies the project promoters will improve the feasibility and sustainability of the solar project in Geita region:

- Diversified Financing Options: Seek government grants, investor partnerships, or favorable bank loans.
- Regulatory Compliance: Work closely with authorities to ensure all licenses and permits are secured.
- Robust Maintenance Plan: Implement a regular maintenance schedule to optimize solar panel efficiency.
- Community Engagement: Involve local communities in decision-making to gain support and avoid conflicts.
- Insurance Coverage: Insure against natural disasters, equipment failures, and business interruptions.

6.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the European Investment Holding Limited solar project in Nampalahala village. The analysis is based on the assumptions that have been taken for the implementation of the site development. The purpose of Establishment of the solar farm is to ensure the availability of power in Nampalala and the neighbouring village.

Project investment Summary

PROJECT INVESTMENT BREAKDOWN		
Item	Price (USD/MW)	Total USD
EPC	980,000	12,250,000
PV modules		
PV inverters		
1 xs tracker		
Security		
Mechanical installation		
AC/DC installation, incl cables and other materials		
MV stations		
Roads, ground works		
Storage	-	-
Project development (AC)	20,000	250,000
Substation	-	-
Others (DSRA + technical insp. + legal + accountant)	50,000	625,000
Basis of financed amount	1,070,000	13,125,000
Debt	70%	9,187,500
Total Financed amount		9,187,500

6.2. Objective and Scope of Financial Model

6.2.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of European Investment Holding Limited based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

6.2.2. Scope

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the factory on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

Project assumptions		
Installed capacity	12.5	MW
Annual production	31,250	MWh
CO2 saving	16,906.3	t
Investment costs	13,125,000	USD
Investment CAPEX / MWp	1,050,000	USD
Electricity price sales USD/MWh	70.0	USD
GO credit price USD/MWh	-	USD

Assumptions:			
<i>Revenues</i>	Units	Growth	Total
Radiation	kWh		2,500
Adjusted Annual Production	kWh	-0.30%	
Tariff	USD/MWh		70.0
Adjusted annual revenues	USD		2,187,500
<i>Operating expenses (excl. depreciation)</i>	Units	Growth	Total
Land lease	USD	1.0%	-
Insurance	USD	1.0%	10,000
Security costs	USD	1.0%	15,000
Maintenance	USD	1.0%	150,000
Administrative costs	USD	1.0%	15,000
Annual operating expenses	USD	1.0%	190,000

Annual depreciation			10
for tax purposes			1,312,500
for accounting			1,312,500
Senior debt:			
Loan period in years			10

Inputs	Value	Units
Plot size	15	ha
AC	10.0	MW
DC	12.5	MW
Flat PPA electricity price	70	USD/MWh
<i>Price of 1kWh</i>	<i>0.070</i>	<i>USD/kWh</i>
Indexation of price yearly	0.0%	
Energy yield	2,500	kWh/kWp
Equity financing	30%	%
Bank loan maturity (incl. grace period)	10	years
Interest rate on bank loan (USD basis)	8.0%	%
Duration of the PPA/FeedinTariff contract	20	years
GO credit price USD/MWh	-	USD/MWh
Local tax rate (on profit before tax)	30%	
Land lease / year	-	USD/yr
EPC	980,000	USD/MW

Electricity price after contracted period (start)	70	USD/MWh
<i>Price of 1kWh</i>	<i>0.070</i>	<i>USD/kWh</i>
Indexation of price yearly (after contr. per)	0.0%	

IRR	16.9%	
Cumulated CF 25yr (After Repayment)	24,621,384	USD

Annex 2: Income Statement

	0	1	2	3	4	5	6	7
	2024	2025	2026	2027	2028	2029	2030	2031
INCOME								
		PPA/FeedinTariff	PPA/FeedinTariff	PPA/FeedinTariff	PPA/FeedinTariff	PPA/FeedinTariff	PPA/FeedinTariff	PPA/FeedinTariff
Electricity sale (USD/MWh)		70.00	70.00	70.00	70.00	70.00	70.00	70.00
GO credit sale (USD/MWh)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Estimated production decrease		-1.00%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%
Estimated annual production (MWh)		30,938	30,845	30,752	30,660	30,568	30,476	30,385
Estimated annual CO2 saving (t)		16,737	16,687	16,637	16,587	16,537	16,488	16,438
Income from electricity sales USD		2,165,625	2,159,128	2,152,651	2,146,193	2,139,754	2,133,335	2,126,935
Income from GO sales USD		0	0	0	0	0	0	0
TOTAL OPERATIONAL INCOME USD		2,165,625	2,159,128	2,152,651	2,146,193	2,139,754	2,133,335	2,126,935
OPERATION COSTS								
Prediction of annual rate of inflation's growth (%)		1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Land lease		0	0	0	0	0	0	0
Insurance		10,000	10,100	10,201	10,303	10,406	10,510	10,615
Security costs		15,000	15,150	15,302	15,455	15,609	15,765	15,923
Maintenance		150,000	151,500	153,015	154,545	156,091	157,652	159,228
Administrative costs		15,000	15,150	15,302	15,455	15,609	15,765	15,923
TOTAL OPERATION COSTS USD		190,000	191,900	193,819	195,757	197,715	199,692	201,689
EBITDA		1,975,625	1,967,228	1,958,832	1,950,436	1,942,039	1,933,643	1,925,246
Depreciation		1,312,500	1,312,500	1,312,500	1,312,500	1,312,500	1,312,500	1,312,500
EBIT		663,125	654,728	646,332	637,936	629,539	621,143	612,746
Interest expenses		735,000	735,000	684,263	629,468	570,288	506,375	437,348
Gross profit		-71,875	-80,272	-37,932	8,468	59,251	114,768	175,398
Tax Corporate Tax		0	0	0	2,540	17,775	34,430	52,619
Net profit		-71,875	-80,272	-37,932	5,928	41,476	80,338	122,779
Principal repayment		634,208	684,945	739,741	798,920	862,834	931,860	1,006,409
EBITDA – Tax	30%	1,975,625	1,967,228	1,958,832	1,947,895	1,924,264	1,899,213	1,872,627
Cash flow BEFORE repayment of installments		1,240,625	1,232,228	1,274,568	1,318,428	1,353,976	1,392,838	1,435,279
Cash flow AFTER repayment of installments	-3,937,500	606,417	547,283	534,828	519,508	491,142	460,977	428,869
Cumulated Cash Flow		606,417	1,153,700	1,688,527	2,208,035	2,699,177	3,160,154	3,589,024
IRR	16.9%							

Annex 3: Loan Repayment Schedule

FINANCING											
Senior bank financing	9,187,500										
Interest rate	8.00%										
Loan period	10										
koef.	14.90%										
	1	2	3	4	5	6	7	8	9	10	11
Capital Outstanding b/f	9,187,500	9,187,500	8,553,292	7,868,346	7,128,606	6,329,686	5,466,852	4,534,992	3,528,583	2,441,661	1,267,786
Total Payment (interest + principal)	735,000	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208	1,369,208
Interest	735,000	735,000	684,263	629,468	570,288	506,375	437,348	362,799	282,287	195,333	101,423
Loan Repaid	0	634,208	684,945	739,741	798,920	862,834	931,860	1,006,409	1,086,922	1,173,876	1,267,786
Capital Outstanding c/f	9,187,500	8,553,292	7,868,346	7,128,606	6,329,686	5,466,852	4,534,992	3,528,583	2,441,661	1,267,786	0
Interest Cover	0.00	2.69	2.68	2.86	3.09	3.37	3.75	4.28	5.08	6.43	9.12
DSCR		1.44	1.44	1.43	1.42	1.41	1.39	1.37	1.35	1.33	1.30