



BUSINESS PLAN



FIVE-YEAR BUSINESS PLAN

Ezeetec Limited – Tanzania Branch

Business Plan in Support of Tanzania Investment Centre (TIC) Licence Application

Planning Horizon: 2025 – 2029

1. Executive Summary

Ezeetec Limited (“Ezeetec Ltd” or “the Branch”) is the Tanzania branch of Ezeetec Limited, a regional engineering, procurement and construction (EPC) contractor specialising in power generation, transmission and distribution projects. The Branch is registered in Tanzania under Certificate of Compliance No. 165138414 issued by BRELA on 20 April 2023, allowing the Kenyan parent company to officially operate in Tanzania as a foreign branch.

This business plan has been prepared to support the application by Ezeetec Ltd for a Tanzania Investment Centre (TIC) Certificate of Incentives. It sets out the investment, employment and operational plan for the next five years, anchored on the Nyanzaga Gold Mine 220 kV Grid Connection project and TANESCO high-voltage EPC contracts, complemented by a growing pipeline of additional utility and industrial power projects.

The Nyanzaga project has an awarded contract amount of TZS 16,396,388,888 for construction, erection, installation, testing, commissioning, and handover of a 220 kV transmission line and associated substations. In addition, the Ezeetec is executing two TANESCO contracts:

- TANESCO (G41)PA/001/2021-22/HQ/G/41 – Supply, Install & Commission – USD 719,445.13.
- TANESCO (W-27 LOT2) – Design, Supply, Construct, Install & Commission – USD 5,627,609.

Together these TANESCO contracts amount to approximately USD 6.35 million and, at a planning exchange rate of USD 1 = TZS 2,600, represent an indicative TZS 16.5 billion of additional revenue over the plan period.

Ezeetec Ltd will leverage the technical capacity, references, and balance sheet of the Kenyan parent while building a strong local team. Over the 2025–2029 period, the Branch plans to grow annual revenues to the TZS 10–14 billion range, create 80–100 direct jobs, and establish Tanzania as a key hub for regional EPC and operation and maintenance (O&M) services in high-voltage and industrial power systems.

1.1 Base Financial Position

The first full reporting year for Ezeetec Ltd was 2023. During this start-up period, the Branch focused on setting up operations, mobilising for upcoming projects, and meeting

compliance obligations. As at 31 December 2023:

- Total assets stood at approximately TZS 419.8 million, mainly cash and bank balances.
- Trade and other receivables were about TZS 21.1 million, and cash and bank balances about TZS 398.7 million.
- Current liabilities (trade and other payables) totalled about TZS 806.5 million.
- The Branch recorded a start-up loss of approximately TZS 386.7 million in 2023, reflecting pre-operational expenses.

These results are typical for a newly established branch awaiting revenue from major contracts. The Nyanzaga project and TANESCO contracts will move the branch into a revenue-generating and profitable position from 2025 onwards.

1.2 Five-Year Outlook (Summary)

Based on secured contracts and a conservative pipeline, the five-year outlook for Ezeetec Ltd is as follows:

- Revenue ramping up from around TZS 12 billion in 2025 to approximately TZS 14 billion in 2026, then stabilising around TZS 10–11 billion per year by 2029.
- Gross margins targeted at about 25 percent, reflecting EPC contracting norms in the region.
- Operating profit targeted at around 10 percent of revenue once the Branch reaches steady state.
- Net profit after tax expected to stabilise at roughly 6–7 percent of revenue by 2027 onwards.
- Cumulative capital and working-capital investment of approximately USD 5–6 million over the first three years, funded by the parent company and project cash flows.
- Direct employment of 80–100 Tanzanian nationals supported by structured training and skills transfer.

2. Company Background – Ezeetec Ltd Branch

Ezeetec Limited is a regional EPC contractor incorporated in Kenya, with more than two decades of experience delivering power and industrial projects across East and West Africa. To support growing opportunities in Tanzania, the company registered a branch under Section 435 of the Companies Act, 2002, and obtained a Certificate of Compliance (No. 165138414) from BRELA on 20 April 2023.

The Tanzania Branch operates from Dar-es-Salaam and serves as the legal and operational vehicle through which Ezeetec executes projects for Tanzanian utilities, mining companies, and industrial clients. While the Branch benefits from the technical capacity, equipment, and financial strength of the parent company, it maintains its own books of account, statutory compliance, and local management structure in Tanzania.

Principal activities of the Branch include:

- Design, engineering and construction of high-voltage transmission and distribution substations.
- Construction of overhead transmission lines and associated civil works.
- Industrial and mining electrical works, including high-voltage plant installations.
- Testing, commissioning, operation and maintenance of electrical infrastructure.
- Turnkey delivery of power connection projects for mines, industrial plants and large commercial clients.

2.1 Governance and Management

The Branch is overseen by the Board of Directors of Ezeetec Limited in Kenya, with day-to-day operations in Tanzania managed by an in-country leadership team including an Operations Director, Project Managers, a Head of Finance, HR & Administration and HSE personnel. The Branch applies the same governance and internal control framework as the parent company, including:

- Regular board oversight and reporting.
- Structured project management and approval processes.
- Adoption of international financial reporting standards and strong internal controls.
- Compliance with Tanzanian tax, labour and regulatory requirements.

3. Anchor Projects and Secured Order Book

The Branch's five-year business plan is anchored on a combination of secured and targeted projects. The most important secured projects are the Nyanzaga Gold Mine 220 kV Grid Connection and two TANESCO high-voltage EPC contracts. These projects provide strong forward visibility of revenues over the plan period.

3.1 Nyanzaga Gold Mine 220 kV Grid Connection (Onshore)

Under Contract No. NNZ-0010-G-CS-004A (Rev 5), Ezeetec Limited Tanzania has been appointed by Sotta Mining Corporation Limited (Perseus Mining group) as Contractor for the construction, erection, installation, testing, commissioning and handover of a 220 kV transmission line and associated substations to connect the Nyanzaga Gold Mine to the national grid.

Key commercial and technical highlights of the onshore contract include:

- Contract Amount: TZS 16,396,388,888 (lump sum, fixed and firm, exclusive of VAT and duties).
- Scope: Full onshore works for 220 kV overhead line and substations, including civil works, erection, installation, testing, commissioning and handover.
- Commencement Date: 30 July 2025.
- Final Delivery and Contract Completion Date: 30 November 2026.
- Defects Notification Period: 365 days after completion, followed by a further 365-day latent defects period.

The Nyanzaga project will require a significant Tanzanian presence, including project offices, workshops, storage yards, construction camps, and a large workforce of engineers, technicians, and artisans. It will be a flagship reference for high-voltage mining connections in Tanzania and is fully aligned with TIC's objectives of local value addition and skills transfer.

3.2 Secured TANESCO EPC Contracts

In addition to Nyanzaga, Ezeetec Ltd has secured two important EPC contracts with Tanzania Electric Supply Company Limited (TANESCO):

1. TANESCO (G41)PA/001/2021-22/HQ/G/41 – Supply, Install & Commission
 - Scope: Supply, installation, and commissioning of high-voltage substation equipment and associated works.
 - Contract Currency and Value: USD 719,445.13.
2. TANESCO (W-27 LOT2) – Design, Supply, Construct, Install & Commission
 - Scope: Design, supply, construction, installation and commissioning of high-voltage

substation and line works.

- Contract Currency and Value: USD 5,627,609.

At a planning exchange rate of USD 1 = TZS 2,600, these TANESCO contracts represent approximately TZS 16.5 billion of additional revenue spread mainly across the 2025–2027 period. They further consolidate Ezeetec’s relationship with TANESCO and demonstrate the Branch’s capability to execute critical power infrastructure projects for the national utility.

3.3 Additional Target Projects and Pipeline

Beyond the secured Nyanzaga and TANESCO projects, Ezeetec Ltd is actively targeting additional projects for TANESCO, mining companies, and industrial clients. These include:

- Substation upgrades and new 33–220 kV substations.
- Transmission line extensions and bay additions.
- Industrial plant electrification and grid connections.
- Renewable and hybrid power systems for mines and industrial facilities.

The combination of confirmed contracts and a growing pipeline underpins the projected revenue profile for the Branch over the next five years.

4. Market and Industry Analysis – Tanzania

Tanzania’s power sector is undergoing significant expansion to meet growing demand from households, commerce, industry and mining. TANESCO and the Rural Energy Agency (REA) continue to invest in transmission lines, distribution networks and substations, while major mining projects such as Nyanzaga require reliable high-voltage grid connections.

Key drivers of demand for Ezeetec Ltd.’s services include:

- Expansion of the national grid to support electrification and industrialisation.
- Development of large-scale mining projects in gold and other minerals.
- Growth in industrial parks, special economic zones, and large commercial developments.
- Increasing need for reliable, high-quality power infrastructure and maintenance services.

Ezeetec's niche is turnkey high-voltage and industrial power projects, where strong engineering capability, equipment resources and track record are essential. The Branch's strategy is to position itself as a preferred EPC and O&M partner to TANESCO, mining companies and large industrial clients in Tanzania.

5. Strategy and Implementation Plan

The strategic objective for Ezeetec Ltd is to build a sustainable, profitable and compliant EPC and O&M business over the 2025–2029 period, anchored on the Nyanzaga project and the secured TANESCO contracts, and expanded through additional TANESCO and industrial work.

The key pillars of the strategy are:

1. Project Delivery Excellence – Execute Nyanzaga and TANESCO projects safely, on time and within budget, using robust project management, QHSE systems and strong local teams.
2. Localisation and Skills Transfer – Gradually increase the proportion of Tanzanian staff in technical and leadership roles through structured mentoring, training and certification programmes.
3. Asset and Systems Investment – Establish permanent offices, workshops, yards, tools, plant and ICT systems in Tanzania to support multiple concurrent projects.
4. Market Development – Deepen relationships with TANESCO, mining houses and industrial clients, and selectively pursue renewable and hybrid power opportunities.
5. Strong Governance and Compliance – Maintain high standards of financial reporting, tax compliance, health and safety, and environmental management in line with Tanzanian law and international best practice.

5.1 Implementation Roadmap (2025–2029)

2025 – Mobilisation and Early Works

- Finalise TIC approvals, permits and contractual securities.
- Establish Dar es Salaam head office and Nyanzaga/TANESCO project offices and yards.
- Mobilise core Tanzanian project team, recruit and train local staff.
- Begin detailed engineering, procurement and early site works for Nyanzaga and TANESCO projects.

2026 – Peak Construction and Revenue

- Execute peak construction activities for Nyanzaga transmission line and substations.
- Progress construction and commissioning of TANESCO (G41) and TANESCO (W-27 LOT2) works.
- Ramp up utilisation of local subcontractors, suppliers and logistics providers.
- Secure and mobilise at least one additional TANESCO or industrial project.

2027 – Transition and Diversification

- Complete Nyanzaga and TANESCO construction and commissioning; enter defects notification periods.
- Grow services and O&M contracts with mining and industrial clients.
- Expand into new regions within Tanzania (e.g., Lake Zone, Central Corridor).

2028–2029 – Consolidation and Growth

- Maintain a stable portfolio of 3–4 medium to large EPC projects plus O&M contracts.
- Optimise asset utilisation, overheads and project delivery processes.
- Prepare the Branch for long-term expansion into neighbouring countries using Tanzania as a hub.

6. Organisation, Human Resources and Capacity Building

Ezeetec Ltd's organization will mirror the proven structure of the parent company while prioritising Tanzanian talent in key roles. The core functions will include:

- Country Management and Administration
- Project Management and Engineering
- Site Construction and Supervision
- Health, Safety, Environment and Quality
- Finance, Procurement and Logistics

Human-resource targets over the plan period are:

- Year 1–2: 30–40 staff including managers, engineers, supervisors, technicians and support staff.
- Year 3–5: 80–100 staff as project portfolio and O&M work expand.

Training and capacity-building measures will include on-the-job training during Nyanzaga

and TANESCO projects, formal HSE and technical training, and mentoring by experienced regional experts. Preference will be given to local recruitment in project areas, supporting community development and social licence to operate.

7. Investment and Infrastructure Plan

To deliver Nyanzaga, the TANESCO contracts, and the broader project pipeline, Ezeetec Ltd will invest in the following over the first three years:

Fixed Assets / Capital Expenditure:

- Office premises fit-out and ICT systems in Dar es Salaam and project locations.
- Workshop facilities, tools, and testing equipment for substation and line works.
- Construction plant and vehicles (crane trucks, boom lifts, excavators, pickups, etc.).
- Site camps and temporary facilities at Nyanzaga and other project sites.

Indicative capex envelope: USD 2.0–2.5 million equivalent.

Working Capital:

- Mobilisation costs, advance payments to suppliers and subcontractors.
- Payroll and overheads during early stages of projects.
- Bonds, guarantees and insurances required under contracts.

Indicative working-capital envelope: USD 3.0–3.5 million revolving, supported by the parent company and project cash flows.

Total initial investment requirement is therefore estimated at around USD 5–6 million over the first three years of the plan.

8. Financial Plan and Projections

The financial plan for Ezeetec Ltd is based on the 2023 audited financial statements, the confirmed Nyanzaga contract, the two secured TANESCO EPC contracts and a pipeline of additional projects. Projections are presented in Tanzanian Shillings (TZS million) and are indicative; they should be updated periodically to reflect actual contract awards, exchange rates, and financing terms.

Key assumptions:

- Revenue from Nyanzaga is recognised mainly in 2025 and 2026, aligned with the construction schedule.
- Revenue from TANESCO (G41) and TANESCO (W-27 LOT2) is recognised primarily between 2025 and 2027.
- Additional revenue from other TANESCO and industrial projects increases gradually from 2026 onwards.
- Average gross margin is 25 percent of revenue; operating expenses are 15 percent of revenue, yielding an operating margin (EBIT) of around 10 percent.
- Finance costs are assumed at around 1 percent of revenue; corporate tax at 30 percent.
- Net profit margin stabilises around 6–7 percent of revenue once operations mature.

8.0 Projected Income Statement 2025–2029 (TZS million)

Year	Revenue	Gross Profit (25%)	EBIT (10%)	Profit Before Tax (9%)	Profit After Tax (30%)
2025	12,000.0	3,000.0	1,200.0	1,080.0	756.0
2026	14,000.0	3,500.0	1,400.0	1,260.0	882.0
2027	9,000.0	2,250.0	900.0	810.0	567.0
2028	10,000.0	2,500.0	1,000.0	900.0	630.0
2029	11,000.0	2,750.0	1,100.0	990.0	693.0

These projections indicate that, once Nyanzaga and the TANESCO contracts are fully mobilized, Ezeetec Ltd can attain annual revenues in the TZS 9–14 billion range and net profits in the TZS 550–900 million range, subject to market conditions, contract awards, and efficient project delivery.

9. Risk Analysis and Mitigation

Key risks and mitigation measures include:

- Project Execution Risk – Delays or cost overruns on major EPC contracts. Mitigation: robust project planning, experienced site leadership, strict change-control and close coordination with the Employer and Engineer.
- Currency and Payment Risk – Exchange-rate volatility and delayed payments. Mitigation: contracts denominated in TZS or USD with clear payment terms, advance

payments and performance securities; active cash-flow management.

- Regulatory and Compliance Risk – Non-compliance with Tanzanian tax, labour or environmental laws. Mitigation: use of competent local advisors, strong internal controls and ongoing engagement with regulators.
- Health, Safety and Environmental Risk – Construction and high-voltage work inherently carry HSE risks. Mitigation: strict adherence to Ezeetec’s QHSE systems, training, PPE and continuous monitoring.
- Market and Pipeline Risk – Fewer than expected new project awards. Mitigation: maintain strong relationships with TANESCO, mining and industrial clients; diversify into O&M and smaller projects; maintain flexible cost base.

10. Social, Environmental, and Economic Impact

Ezeetec Ltd is committed to contributing positively to Tanzania’s social and economic development while minimising environmental impacts. Over the plan period, the Branch will:

- Create up to 100 direct jobs for Tanzanians and additional indirect jobs through subcontractors and suppliers.
- Transfer specialised skills in high-voltage construction, testing and commissioning to Tanzanian engineers and technicians.
- Support local content by sourcing materials, logistics and services locally wherever feasible.
- Implement robust environmental and occupational health and safety practices in line with national regulations and international standards.
- Contribute to government revenues through corporate taxes, PAYE, VAT and levies.
- Improve electricity reliability for mines and industries, thereby supporting broader economic growth.

11. Conclusion

Ezeetec Ltd, as the duly registered branch of Ezeetec Limited, is well positioned to deliver complex high-voltage and industrial power projects in Tanzania. The Branch combines strong local presence with regional experience and financial backing from the parent company.

The Nyanzaga Gold Mine 220 kV Grid Connection project and the two secured

TANESCO EPC contracts provide a substantial, multi-year revenue base and a flagship reference platform for future mining, utility and industrial projects. Together with additional TANESCO and industrial opportunities, this underpins a realistic and impactful five-year investment plan.

Through this business plan, Ezeetec Ltd respectfully seeks TIC support and incentives to invest in permanent facilities, equipment, and human capital in Tanzania, thereby contributing to national electrification, industrialisation, and job creation.