

- ОБЩЕЕ ОПИСАНИЕ ПРОЕКТА
- ФИНАНСОВЫЙ ПЛАН С ПРИЛОЖЕНИЯМИ
- УСЛОВИЯ ИНВЕСТИРОВАНИЯ

- General Introduction

High concerns for the environment and the need to conserve energy and to prevent soil and water contamination by reducing landfill disposal of garbage and municipal solid wastes (MSWs) are certain to remain high on the technical agenda of various Governments, businesses and communities.

KTL's project to deploy, manage, operate and maintain a 6MW biomass gasification facility in Bobruisk, Belarus will be the first of a number of renewable power generation plants that will mitigate the destructive environmental and ecological effects of landfill garbage (LFGb) by properly converting waste into greener, cleaner power. In the 2002 Report of EEA, an agency of the European Union that is the counterpart of the US-EPA, national strategies to reduce the amount of biodegradable municipal waste should comprise an integrated package of measures including tax-legislation provisions, bolder enforcement initiatives, establishment of markets supporting BMW related products as well as making available various means to contain BMW like centralized composting and biomass energy.¹

This business plan will highlight the lucrative financial, socio-economic value, and eco-environmentally positive aspects of financing a project that will generate electricity from an automated BIOMASS-G derived processing of synthesis gas ("syngas") for power production.

- 13. - Financial Plan

13.1 Important Assumptions

[1] There is a 10-year minimum term Power Purchase Agreement (PPA) with the Government of Belarus that will guarantee the purchase of generated electricity fixed at €0.16 per 1 kWh (or €160 per 1 kW);

[2] The financial plan assumes that the project operating expenses and maintenance costs will have a 2% increase per year;

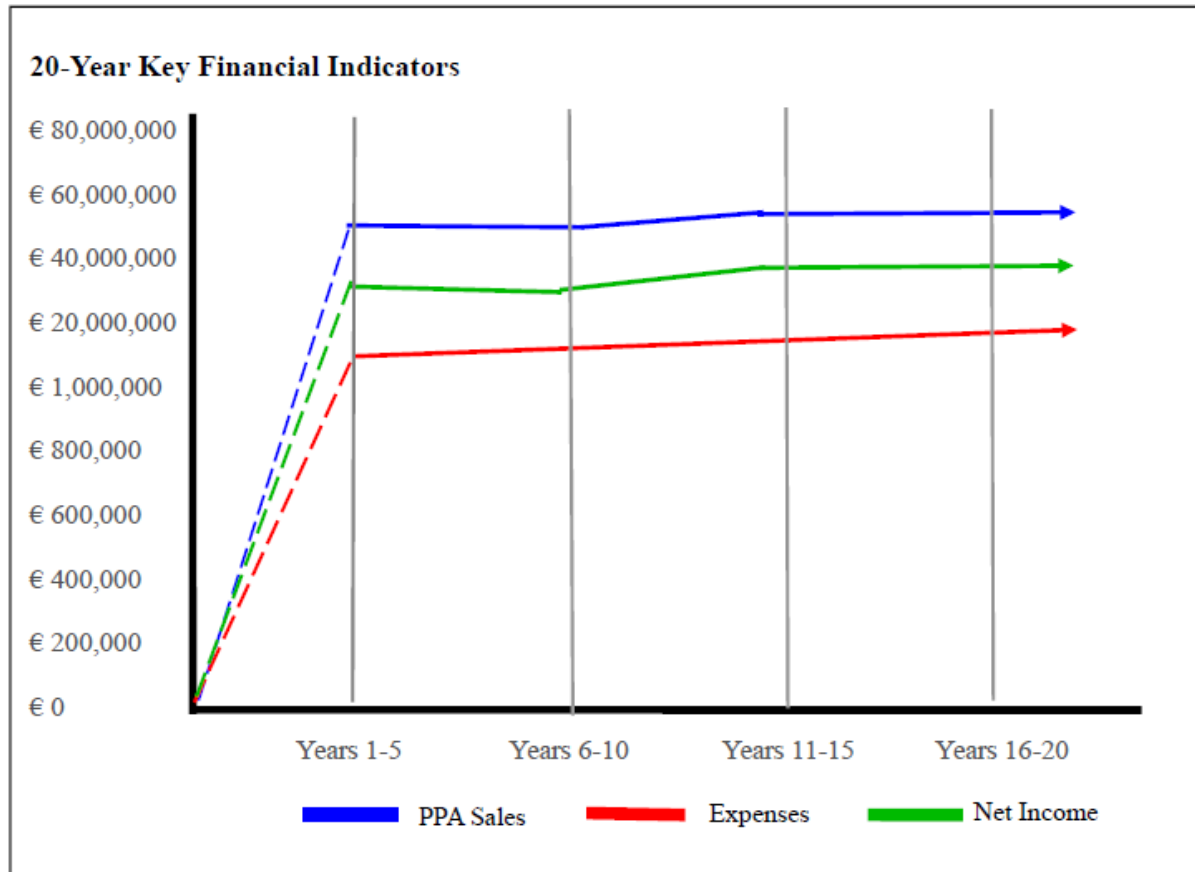
[3] Per the terms and conditions of the PPA, given a regular supply of 150,000 metric tons of MSW per annum for the next 10 years, the production of electrical energy will be: 6MW/hour or 6000 kW/hour x 24 hours x 365 days/year = 52,560,000 kWh of electricity which will be purchased at € 8,409,600.00 per annum (or € 700,800 per month);

[4] From Years 1-10, all administrative-operating & maintenance expenses represents an average of 17.3% of the total amount of gross PPA revenue sales;

[5] The investment financing plan is assumed to be 100% equity, although the investors shall determine the final type, structure, terms and conditions of either a 100% debt or a debt-equity combination;

13.2 Key Financial Indicators

The Benchmark Comparison Chart highlights our ambitious plans to get an extension to 20 years from the current 10 year-PPA and obtaining at least a 10% increase for a flat PPA acquisition price from the 10th year to the 20th year, while keeping flat the expenses for the same extended period of time. (see APPENDIX E - 20 Year Project Financial Highlights)



Based on the data of APPENDIX E, the projected pre-tax net income will be € 69,525,972.75 and with a 10% increase in a decade-term renewed PPA rate of €0.176 per kWh, should result in a 10.18% income increase at a total amount of € 76,603,119.80 for Years 11-20.

13.3 Break-Even Analysis

Given a flat income for the next 10 years maxed at € 8,409,000.00 per year (representing €0.16 per 1 kWh unit fixed PPA rate) and considering an expense requirement of € 1,330,630.00 for the first year, with a 2% yearly increase, the calculated break-even points per annum for the next decade in terms of kWh power that needs to be generated are as follows

(see APPENDIX F - Project Break Even Analysis):

Year	PPA KWH/Year	Break-Even KWH	Break-Even % as to Total KWH/Year
1	52,560,000	7,860,384.06	14.96%
2	52,560,000	8,017,591.74	15.25%
3	52,560,000	8,177,943.57	15.56%
4	52,560,000	8,341,502.44	15.87%
5	52,560,000	8,508,332.49	16.19%
6	52,560,000	8,678,299.14	16.51%
7	52,560,000	8,852,069.12	16.84%
8	52,560,000	9,029,110.51	17.18%
9	52,560,000	9,209,692.72	17.52%
10	52,560,000	9,393,886.57	17.87%

By producing those above-mentioned annual minimum number of kWh units, there will be a break-even in the business.

The total flat production output of 52,560,000 kWh per annum already represents more than 5X the required minimum break-even amount of electrical power from Year 1 until Year 10.

Amazingly, at a total expense of € 110,885.83 for the first month in Year 1, and considering the fixed flat monthly kWh production of electricity at 4,380,000 kWh valued at € 700,800.00, the operation of the first month yields 6X the minimum requirements for reaching a break-even point in business.

13.4 Projected Cash Flow

Financial figures extracted from APPENDIX G - Projected Statement of Cash Flows point to a positive cash flow every year commencing from Year 1 of operations:

	Cash, Beginning of Year	Cash, End of Year
Year 1	35,000,000.00	7,078,970.00
Year 2	7,078,970.00	14,131,327.40
Year 3	14,131,327.40	21,156,539.95
Year 4	21,156,539.95	28,154,064.75
Year 5	28,154,064.75	35,123,348.04
Year 6	35,123,348.04	42,063,825.00
Year 7	42,063,825.00	48,974,919.50
Year 8	48,974,919.50	55,856,043.89
Year 9	55,856,043.89	62,706,598.77
Year10	62,706,598.77	69,525,972.75

13.5 Projected Profit & Loss

See APPENDIX H - Projected 10-Year Project Profit & Loss

	Year 1	Year 2	Year 3
Gross Sales	8,409,600.00	8,409,600.00	8,409,600.00
LESS			
KTL Expenses	764,360.00	779,647.20	795,240.14
KEL Expenses	566,270.00	577,595.40	589,147.31
Net Profit	7,078,970.00	7,052,357.40	7,025,212.55
% Net Profit	+84.18%	+83.86%	+83.54%

	Year 4	Year 5	Year 6
Gross Sales	8,409,600.00	8,409,600.00	8,409,600.00
LESS			
KTL Expenses	811,144.95	827,367.85	843,915.20
KEL Expenses	600,930.25	612,948.86	625,207.84
Net Profit	6,997,524.80	6,969,283.29	6,940,476.96
% Net Profit	+83.21%	+82.87%	+82.53%

	Year 7	Year 8	Year 9
Gross Sales	8,409,600.00	8,409,600.00	8,409,600.00
LESS			
KTL Expenses	860,793.51	878,009.38	895,569.56
KEL Expenses	637,711.99	650,466.23	663,475.56
Net Profit	6,911,094.50	6,881,124.39	6,850,554.88
% Net Profit	+82.18%	+81.82%	+81.46%

	Year 10	10-Year Totals
Gross Sales	8,409,600.00	84,096,000.00
LESS		
KTL Expenses	913,480.96	8,369,528.75
KEL Expenses	676,745.07	6,200,498.51
Net Profit	6,819,373.97	69,525,972.74
% Net Profit	+81.09%	+82.68%

13.6 Projected Payback Period

With the consistency and stability of the project income due to the 10-Year initial period of a PPA with the best estimated return on the Euro 35 million investment is within sixty (60) calendar months or five (5) calendar years from the first operational date of the BIOMASS-G & SPG Plant in Bobruisk.

The supporting data are as follows:

Investment Amount: € 35,000,000.00

Operational Year	Annual EBITDA Amount	Investment Recovery as of the end of each year (Accumulated Amounts)
Year 1	€ 7,078,970.00	
Year 2	€ 7,052,357.40	€ 14,131,327.40
Year 3	€ 7,025,212.55	€ 21,156,539.95
Year 4	€ 6,997,524.80	€ 28,154,064.75
Year 5	€ 6,969,283.29	€ 35,123,348.04
Year 6	€ 6,940,476.96	
Year 7	€ 6,911,094.50	
Year 8	€ 6,881,124.39	
Year 9	€ 6,850,554.88	
Year 10	€ 6,819,373.98	

Original Investment:	€ 35,000,000.00
Total Recovered Investment as of Year 4:	<u>€ 28,154,064.75</u>
Investment still to be recovered in Year 5:	€ 6,845,935.25
EBITDA Amount at the end of Year 5:	€ 6,969,283.29

% of recovery for the remaining unrecovered investment (Year 5):
0.982301
or 11.78761 months

Total Payback Period then is 4 years and 11.79 months, which for practical purposes is 5 years.

13.7 Projected Balance Sheet

The balance sheet shows a very healthy growth of net worth and strong financial position. (see APPENDIX I - Ten Year Projected Balance Sheet)

	YEAR 1	YEAR 2
<u>Assets</u>		
CURRENT (Cash)	7,078,970.00	14,131,327.40
NON-CURRENT	<u>32,283,000.00</u>	<u>30,916,000.00</u>
Total Assets	39,361,970.00	45,047,327.40
<u>Equity & Liabilities</u>		
EQUITY		
Capital, Beginning	35,000,000.00	39,361,970.00
Net Income for Year	<u>4,361,970.00</u>	<u>5,685,357.40</u>
Total Equity	39,361,970.00	45,047,327.40

	YEAR 3	YEAR 4
<u>Assets</u>		
CURRENT (Cash)	21,156,539.95	28,154,064.75
NON-CURRENT	<u>29,549,000.00</u>	<u>28,182,000.00</u>
Total Assets	50,705,539.95	56,336,064.75
<u>Equity & Liabilities</u>		
EQUITY		
Capital, Beginning	45,047,327.40	50,705,539.95
Net Income for Year	<u>5,658,212.55</u>	<u>5,630,524.80</u>
Total Equity	50,705,539.95	56,336,064.75

	YEAR 5	YEAR 6
<u>Assets</u>		
CURRENT (Cash)	35,123,348.04	42,063,825.00
NON-CURRENT	<u>26,815,000.00</u>	<u>25,448,000.00</u>
Total Assets	61,938,348.04	67,511,825.00
<u>Equity & Liabilities</u>		
EQUITY		
Capital, Beginning	56,336,064.75	61,938,348.04
Net Income for Year	<u>5,602,283.29</u>	<u>5,573,476.96</u>
Total Equity	61,938,348.04	67,511,825.00

	YEAR 7	YEAR 8
<u>Assets</u>		
CURRENT (Cash)	48,974,919.50	55,856,043.89
NON-CURRENT	<u>24,081,000.00</u>	<u>22,714,000.00</u>
Total Assets	73,055,919.50	78,570,043.89
<u>Equity & Liabilities</u>		
EQUITY		
Capital, Beginning	67,511,825.00	73,055,919.50
Net Income for Year	<u>5,544,094.50</u>	<u>5,514,124.39</u>
Total Equity	73,055,919.50	78,570,043.89

	YEAR 9	YEAR 10
<u>Assets</u>		
CURRENT (Cash)	62,706,598.77	69,525,972.75
NON-CURRENT	<u>21,347,000.00</u>	<u>19,980,000.00</u>
Total Assets	84,053,598.77	89,505,972.75
<u>Equity & Liabilities</u>		
EQUITY		
Capital, Beginning	78,570,043.89	84,053,598.77
Net Income for Year	<u>5,483,554.88</u>	<u>5,452,373.98</u>
Total Equity	84,053,598.77	89,505,972.75

- Appendix "E" - Twenty Year Project Financial Highlights

Appendix "E"
Twenty Year Project Financial Highlights

Years 1-5

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Totals</i>
PPA Gross Sales Revenues	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	42,048,000.00
Total Expenses	1,330,630.00	1,357,242.60	1,384,387.45	1,412,075.20	1,440,316.71	6,924,651.96
Pre-Tax Net Profit	7,078,970.00	7,052,357.40	7,025,212.55	6,997,524.80	6,969,283.29	35,123,348.04

Years 6-10

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Totals</i>
PPA Gross Sales Revenues	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	42,048,000.00
Total Expenses	1,469,123.04	1,498,505.50	1,528,475.61	1,559,045.12	1,590,226.02	7,645,375.29
Pre-Tax Net Profit	6,940,476.96	6,911,094.50	6,881,124.39	6,850,554.88	6,819,373.98	34,402,624.71

Years 11-15

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Totals</i>
PPA Gross Sales Revenues	9,250,560.00	9,250,560.00	9,250,560.00	9,250,560.00	9,250,560.00	46,252,800.00
Total Expenses	1,590,226.02	1,590,226.02	1,590,226.02	1,590,226.02	1,590,226.02	7,951,130.10
Pre-Tax Net Profit	7,660,323.98	7,660,323.98	7,660,323.98	7,660,323.98	7,660,323.98	38,301,559.90

Years 16-20

	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Totals</i>
PPA Gross Sales Revenues	9,250,560.00	9,250,560.00	9,250,560.00	9,250,560.00	9,250,560.00	46,252,800.00
Total Expenses	1,590,226.02	1,590,226.02	1,590,226.02	1,590,226.02	1,590,226.02	7,951,130.10
Pre-Tax Net Profit	7,660,323.98	7,660,323.98	7,660,323.98	7,660,323.98	7,660,323.98	38,301,559.90

NOTES:

- 1) All of the above figures are in Euro Currency.
- 2) 20-Year FIXED Annual Power Production: 6MW x 1000 = 6000 kW x 24 hours/day x 365 days/year = 52,560,000 kWh per Annum
- 3) The PPA rate for the first 10 years (current PPA) is € 0.16 per 1 kWh. The aim is another 10-Year Extension of the PPA at renewed flat rate of € 0.176 per 1 kWh reflecting a 10% increase.
- 4) The annual expenses for the first 10 year term will reflect a 2% increase. All expenses thereafter (i.e. From Years 11-20) will flatten out from the 10th year.

- Appendix "F" - Ten Year Project Break-Even Analysis

Appendix "F"
Ten Year Project Break-Even Analysis

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<u>Fixed Cost</u>	<u>1,244,830.00</u>	<u>1,269,726.60</u>	<u>1,295,121.13</u>	<u>1,321,023.55</u>	<u>1,347,444.03</u>
Contribution Margin	0.1583676	0.1583676	0.1583676	0.1583676	0.1583676
Break-Even KW Hours	7,860,384.06	8,017,591.74	8,177,943.57	8,341,502.44	8,508,332.49
PPA KWH per Year	52,560,000.00	52,560,000.00	52,560,000.00	52,560,000.00	52,560,000.00
Break-Even Percentage as to Total KWH per Year	14.96%	15.25%	15.56%	15.87%	16.19%
	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<u>Fixed Cost</u>	<u>1,374,392.91</u>	<u>1,401,880.76</u>	<u>1,429,918.38</u>	<u>1,458,516.75</u>	<u>1,487,687.08</u>
Contribution Margin	0.1583676	0.1583676	0.1583676	0.1583676	0.1583676
Break-Even KW Hours	8,678,499.14	8,852,069.12	9,029,110.51	9,209,692.72	9,393,886.57
PPA KWH per Year	52,560,000.00	52,560,000.00	52,560,000.00	52,560,000.00	52,560,000.00
Break-Even Percentage as to Total KWH per Year	16.51%	16.84%	17.18%	17.52%	17.87%

NOTES: Contribution Margin = Revenue per KWH - Variable Costs per KWH
 = 0.16 - (85,800/52,560,000 kWh)
 = 0.16 - 0.00163242
 Contribution Margin = 0.1583676

- Appendix "G" - Ten Year Projected Statement of Cash Flows

Appendix "G"

Ten Year Projected Statement of Cash Flows

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipt from Bobruisk Plant PPA Sales	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
Payments for Salaries, Allowances, Other Benefits	-681,430.00	-695,058.60	-708,959.77	-723,138.97	-737,601.75
Payment for Office Rental	-108,000.00	-110,160.00	-112,363.20	-114,610.46	-116,902.67
Payment for Utilities (Power-Energy & Water)	-42,000.00	-42,840.00	-43,696.80	-44,570.74	-45,462.15
Payment for Communications (Mails, Phones, Cable)	-21,600.00	-22,032.00	-22,472.64	-22,922.09	-23,380.53
Payment for Office Supplies	-5,400.00	-5,508.00	-5,618.16	-5,730.52	-5,845.13
Payment for Vehicular Leases	-24,000.00	-24,480.00	-24,969.60	-25,468.99	-25,978.37
Payment for Gasoline & Tolls	-24,000.00	-24,480.00	-24,969.60	-25,468.99	-25,978.37
Payment for Marketing & Travel Expenses	-72,000.00	-73,440.00	-74,908.80	-76,406.98	-77,935.12
Payment to External Consultants	-108,000.00	-110,160.00	-112,363.20	-114,610.46	-116,902.67
Payment for Equipment Mechanical Maintenance	-158,400.00	-161,568.00	-164,799.36	-168,095.35	-171,457.25
Payment for Additives & Lubricants	-46,200.00	-47,124.00	-48,066.48	-49,027.81	-50,008.37
Payment for Conventional Fuels	-19,800.00	-20,196.00	-20,599.92	-21,011.92	-21,432.16
Payment for Other Maintenance Items	-19,800.00	-20,196.00	-20,599.92	-21,011.92	-21,432.16
NET CASH FROM OPERATING ACTIVITIES	7,078,970.00	7,052,357.40	7,025,212.55	6,997,524.80	6,969,283.29
<u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u>					
Hardware & System	-27,500,000.00				
Set-Up, Construction & Installation Fees	-3,250,000.00				
Transport Charges	-550,000.00				
Professional Engineering Fees/Charges	-2,000,000.00				
Office Furnitures & Fixtures	-350,000.00				
Other Investing Expenses	-1,350,000.00				
NET CASH USED IN INVESTMENT ACTIVITIES	-35,000,000.00				
NET INCREASE (DECREASE) IN CASH	-27,921,030.00	7,052,357.40	7,025,212.55	6,997,524.80	6,969,283.29
Cash, Beginning of the Year	35,000,000.00	7,078,970.00	14,131,327.40	21,156,530.05	28,154,064.75
CASH, End of the Year	7,078,970.00	14,131,327.40	21,156,539.95	28,154,064.75	35,123,348.04

	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipt from Bobruisk Plant PPA Sales	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
Payments for Salaries, Allowances, Other Benefits	-752,353.78	-767,400.86	-782,748.87	-798,403.85	-814,371.93
Payment for Office Rental	-119,240.73	-121,625.54	-124,058.06	-126,539.22	-129,070.00
Payment for Utilities (Power-Energy & Water)	-46,371.39	-47,298.82	-48,244.80	-49,209.69	-50,193.89
Payment for Communications (Mails, Phones, Cable)	-23,848.15	-24,325.11	-24,811.61	-25,307.84	-25,814.00
Payment for Office Supplies	-5,962.04	-6,081.28	-6,202.90	-6,326.96	-6,453.50
Payment for Vehicular Leases	-26,497.94	-27,027.90	-27,568.46	-28,119.83	-28,682.22
Payment for Gasoline & Tolls	-26,497.94	-27,027.90	-27,568.46	-28,119.83	-28,682.22
Payment for Marketing & Travel Expenses	-79,493.82	-81,083.69	-82,706.37	-84,359.48	-86,046.66
Payment to External Consultants	-119,240.73	-121,625.54	-124,058.05	-126,539.21	-129,070.00
Payment for Equipment Mechanical Maintenance	-174,886.40	-178,384.13	-181,951.81	-185,590.85	-189,302.66
Payment for Additives & Lubricants	-51,008.53	-52,028.70	-53,069.28	-54,130.66	-55,213.28
Payment for Conventional Fuels	-21,860.80	-22,298.02	-22,743.98	-23,198.86	-23,662.83
Payment for Other Maintenance Items	-21,860.80	-22,298.02	-22,743.98	-23,198.86	-23,662.83
NET CASH FROM OPERATING ACTIVITIES	6,940,476.96	6,911,094.50	6,881,124.39	6,850,554.87	6,819,373.97
<u>CASH FLOWS FROM INVESTMENT ACTIVITIES</u>					
Hardware & System					
Set-Up, Construction & Installation Fees					
Transport Charges					
Professional Engineering Fees/Charges					
Office Furnitures & Fixtures					
Other Investing Expenses					
NET CASH USED IN INVESTMENT ACTIVITIES					
NET INCREASE (DECREASE) IN CASH	6,940,476.96	6,911,094.50	6,881,124.39	6,850,554.87	6,819,373.97
Cash, Beginning of the Year	35,123,348.04	42,063,825.00	48,974,919.50	55,856,043.88	62,706,598.76
CASH, End of the Year	42,063,825.00	48,974,919.50	55,856,043.88	62,706,598.76	69,525,972.73

- Appendix "H" - Ten Year Projected Profit & Loss Estimates

Appendix "H"
Ten Year Projected Profit & Loss Estimates

YEARS 1-5	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME					
Annual Gross PPA Sales	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
Sub-Totals of Income	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
EXPENSES					
<u>Fixed Costs</u>					
KTL Operating Expenses	764,360.00	779,647.20	795,240.14	811,144.95	827,367.85
KEL Bobruisk Admin & Opns Expenses	322,070.00	328,511.40	335,081.63	341,783.26	348,618.93
KEL Bobruisk Eqpmnts-Mech Maintenance	158,400.00	161,568.00	164,799.36	168,095.35	171,457.25
Sub-Totals of Fixed Costs	1,244,830.00	1,269,726.60	1,295,121.13	1,321,023.56	1,347,444.03
<u>Variable Costs</u>					
KEL Bobruisk Operations-Maintenance	85,800.00	87,516.00	89,266.32	91,051.65	92,872.68
Sub-Totals of Variable Costs	85,800.00	87,516.00	89,266.32	91,051.65	92,872.68
Sub-Totals of All Expenses	1,329,830.00	1,357,242.60	1,384,387.45	1,412,075.21	1,440,316.71
EBITDA	7,079,770.00	7,052,358.00	7,025,212.55	6,997,524.79	6,969,283.29
% EBITDA	84.19%	83.86%	83.54%	83.21%	82.87%

YEARS 6-10	Year 6	Year 7	Year 8	Year 9	Year 10
INCOME					
Annual Gross PPA Sales	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
Sub-Totals of Income	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00	8,409,600.00
EXPENSES					
<u>Fixed Costs</u>					
KTL Operating Expenses	843,915.20	860,793.51	878,009.38	895,569.56	913,480.96
KEL Bobruisk Admin & Opns Expenses	355,591.30	362,703.13	369,957.19	377,356.34	384,903.46
KEL Bobruisk Eqpmts-Mech Maintenance	174,886.40	178,384.13	181,951.81	185,590.85	189,302.66
Sub-Totals of Fixed Costs	1,374,392.90	1,401,880.77	1,429,918.38	1,458,516.75	1,487,687.08
<u>Variable Costs</u>					
KEL Bobruisk Operations-Maintenance	94,730.13	96,624.74	98,557.23	100,528.37	102,538.94
Sub-Totals of Variable Costs	94,730.13	96,624.74	98,557.23	100,528.37	102,538.94
Sub-Totals of All Expenses:	1,469,123.03	1,498,505.51	1,528,475.61	1,559,045.12	1,590,226.02
EBITDA	6,940,476.97	6,911,094.49	6,881,124.39	6,850,554.88	6,819,373.98
% EBITDA	82.53%	82.18%	81.83%	81.46%	81.09%

NOTES:

- 1) Income Stream: Guaranteed Purchase of Generated Power by the Government of Belarus at Euro 160.00/kW or Euro 0.16/kWk
 - 2) BIOMASS-G & SPG Systems Production Output per day is 6MW from 150,000 metric tons of MSW delivered per annum
 - 3) Total Production in Kilowatt Hours: Annually = 52,560,000 kWh x Euro 0.16 = Euro 8,409,600.00 which is equivalent to Euro 700,800 per month
- All Administrative, Operational & Maintenance Expenses in both KTL and KEL entities will have a 2% increase per annum

- Appendix "I" - Ten Year Projected Statement of Financial Position - Balance Sheet

Appendix "I"

Ten Year Projected Statement of Financial Position - Balance Sheet

ASSETS	YEAR 1		YEAR 2	
		%		%
CURRENT ASSETS				
Cash (NOTE 1)	7,078,970.00	17.98%	14,131,327.40	31.37%
NONCURRENT ASSETS				
Plant Equipment, net	31,968,000.00	81.22%	30,636,000.00	68.01%
Plant Equipment	33,300,000.00		33,300,000.00	
Accumulated Depreciation, Plant Equipment (NOTE 2)	1,332,000.00		2,664,000.00	
Office Furniture and Fixtures, net	315,000.00	0.80%	280,000.00	0.62%
Office Furniture and Fixtures	350,000.00		350,000.00	
Accumulated Depreciation, Office Fumitures and Fixtures (NOTE 3)	35,000.00		70,000.00	
Total Noncurrent Assets	32,283,000.00		30,916,000.00	
TOTAL ASSETS	39,361,970.00	100.00%	45,047,327.40	100%
LIABILITIES AND EQUITY				
EQUITY				
Capital, Beginning	35,000,000.00	88.92%	39,361,970.00	87.38%
Net Income for the year	4,361,970.00	11.08%	5,685,357.40	12.62%
Capital, Ending	39,361,970.00		45,047,327.40	
TOTAL EQUITY	39,361,970.00	100.00%	45,047,327.40	100%

ASSETS	YEAR 3		YEAR 4	
		%		%
CURRENT ASSETS				
Cash (NOTE 1)	21,156,539.95	41.72%	28,154,064.75	49.98%
NONCURRENT ASSETS				
Plant Equipment, net	29,304,000.00	57.79%	27,972,000.00	49.65%
Plant Equipment	33,300,000.00		33,300,000.00	
Accumulated Depreciation, Plant Equipment (NOTE 2)	3,996,000.00		5,328,000.00	
Office Furniture and Fixtures, net	245,000.00	0.48%	210,000.00	0.37%
Office Furniture and Fixtures	350,000.00		350,000.00	
Accumulated Depreciation, Office Furnitures and Fixtures (NOTE 3)	105,000.00		140,000.00	
Total Noncurrent Assets	29,549,000.00		28,182,000.00	
TOTAL ASSETS	50,705,539.95	100%	56,336,064.75	100%
LIABILITIES AND EQUITY				
EQUITY				
Capital, Beginning	45,047,327.40	88.84%	50,705,539.95	90.01%
Net Income for the year	5,658,212.55	11.16%	5,630,524.80	9.99%
Capital, Ending	50,705,539.95		56,336,064.75	
TOTAL EQUITY	50,705,539.95	100%	56,336,064.75	100%

ASSETS	YEAR 5		YEAR 6	
		%		%
CURRENT ASSETS				
Cash (NOTE 1)	35,123,348.04	56.71%	42,063,825.00	62.31%
NONCURRENT ASSETS				
Plant Equipment, net	26,640,000.00	43.01%	25,308,000.00	37.49%
Plant Equipment	33,300,000.00		33,300,000.00	
Accumulated Depreciation, Plant	6,660,000.00		7,992,000.00	
Equipment (NOTE 2)				
Office Furniture and Fixtures, net	175,000.00	0.28%	140,000.00	0.21%
Office Furniture and Fixtures	350,000.00		350,000.00	
Accumulated Depreciation, Office	175,000.00		210,000.00	
Furnitures and Fixtures (NOTE 3)				
Total Noncurrent Assets	26,815,000.00		25,448,000.00	
TOTAL ASSETS	61,938,348.04	100%	67,511,825.00	100%
LIABILITIES AND EQUITY				
EQUITY				
Capital, Beginning	56,336,064.75	90.96%	61,938,348.04	91.74%
Net Income for the year	5,602,283.29	9.04%	5,573,476.96	8.26%
Capital, Ending	61,938,348.04		67,511,825.00	
TOTAL EQUITY	61,938,348.04	100%	67,511,825.00	100%

ASSETS	YEAR 7		YEAR 8	
		%		%
CURRENT ASSETS				
Cash (NOTE 1)	48,974,919.50	67.04%	55,856,043.89	71.09%
NONCURRENT ASSETS				
Plant Equipment, net	23,976,000.00	32.82%	22,644,000.00	28.82%
Plant Equipment	33,300,000.00		33,300,000.00	
Accumulated Depreciation, Plant Equipment (NOTE 2)	9,324,000.00		10,656,000.00	
Office Furniture and Fixtures, net	105,000.00	0.14%	70,000.00	0.09%
Office Furniture and Fixtures	350,000.00		350,000.00	
Accumulated Depreciation, Office Furnitures and Fixtures (NOTE 3)	245,000.00		280,000.00	
Total Noncurrent Assets	24,081,000.00		22,714,000.00	
TOTAL ASSETS	73,055,919.50	100%	78,570,043.89	100%
LIABILITIES AND EQUITY				
EQUITY				
Capital, Beginning	67,511,825.00	92.41%	73,055,919.50	92.98%
Net Income for the year	5,544,094.50	7.59%	5,514,124.39	7.02%
Capital, Ending	73,055,919.50		78,570,043.89	
TOTAL EQUITY	73,055,919.50	100%	78,570,043.89	100%

ASSETS	YEAR 9		YEAR 10	
		%		%
CURRENT ASSETS				
Cash (NOTE 1)	62,706,598.77	74.60%	69,525,972.75	77.68%
NONCURRENT ASSETS				
Plant Equipment, net	21,312,000.00	25.36%	19,980,000.00	22.32%
Plant Equipment	33,300,000.00		33,300,000.00	
Accumulated Depreciation, Plant	11,988,000.00		13,320,000.00	
Equipment (NOTE 2)				
Office Furniture and Fixtures, net	35,000.00	0.04%	-	0.00%
Office Furniture and Fixtures	350,000.00		350,000.00	
Accumulated Depreciation, Office	315,000.00		350,000.00	
Furnitures and Fixtures (NOTE 3)				
Total Noncurrent Assets	21,347,000.00		19,980,000.00	
TOTAL ASSETS	84,053,598.77	100%	89,505,972.75	100%
LIABILITIES AND EQUITY				
EQUITY				
Capital, Beginning	78,570,043.89	93.48%	84,053,598.77	93.91%
Net Income for the year	5,483,554.88	6.52%	5,452,373.98	6.09%
Capital, Ending	84,053,598.77		89,505,972.75	
TOTAL EQUITY	84,053,598.77	100%	89,505,972.75	100%

NOTE 1

Please see cash flow statement

NOTE 2**Plant Equipment**

Hardware & System	27,500,000.00	
Set-Up/Construction & Installation Fees	3,250,000.00	
Transport Charges	550,000.00	
Professional Engineering Charges	2,000,000.00	
Plant Equipment	33,300,000.00	
Estimated useful life		25 years
Depreciation Expense per year	1,332,000.00	

NOTE 3

Office Furniture and Fixture	350,000.00	
Estimated Useful Life		10 years
Depreciation Expense per year	35,000.00	

ТЕКУЩЕЕ ПРЕДЛОЖЕНИЕ ПО ИНВЕСТИРОВАНИЮ:

- 1) Размер необходимых инвестиций: 500 000 евро.
- 2) Варианты:
 - А) получение доли в компании в размере 10 % с возвратом по финансовому плану на второй квартал следующего года с момента получения инвестиций (первый год идет наладка производства);
 - Б) получение финансовых средств с Вашей стороны в виде займа – на условиях возврата в течение 4-х месяцев с момента получения инвестиций;
 - В) более гибкие варианты от Вас (пример: получение доли в размере 5% и возврат половины суммы как займ).
- 3) Дополнительно: на текущий момент, инициаторы данного проекта занимаются развитием компаний в сфере медицинских изделий и производства устройств 3D печати (включая, биотех), а потому заинтересованы в поиске долгосрочного финансового партнера.