

INVESTOR FORUM II

Terms for Our Current Capital Raise - Convertible Note

Company Information:

Name: Dan Klinck
Email: dk@eastafricanpower.com
Company: East African Power
Mentor: Douglas Williamson

Overall # of Outstanding Shares: 15710

Current Cap Table (fully diluted):

Founders and Management: 100
Investors in previous rounds: 0
Total: 100%

Total Target Raise:

Principal: 5000000
Annual Interest Rate: 5%
Disposition of Interest at Conversion: Convert
Conversion Discount: 15
Conversion Cap: 50000000
Minimum Raise to Trigger Conversion: 20000000
Minimum Investment / Note Amount: 250000

Anticipated Next Round:

Security: Preferred Equity
Liquidation Preference: 2x
Target Raise: 20000000
Anticipated Timing of Next Round: 01312023



Financials	2021	2022	2023	2024	2025	2026	2027	2028
	US\$							
Revenue	1.85	5.97	12.97	26.03	37.12	60.03	72.45	79.10
Cost of Services	0.53	3.92	9.91	15.51	17.65	21.76	23.25	24.83
Gross Profit	1.32	2.05	3.06	10.52	19.47	38.26	49.21	54.27
OPEX	1.31	1.75	2.06	3.19	3.79	3.40	4.96	4.38
EBIT	0.01	0.30	1.00	7.34	15.68	34.86	44.25	49.89
Interest	0.01	0.25	0.26	0.28	-	-	-	-
EBT	0.00	0.05	0.74	7.06	15.68	34.86	44.25	49.89
Tax	-	-	-	2.20	3.81	6.33	5.94	5.41
PAT	0.001	0.05	0.74	4.86	11.87	28.53	38.30	44.49

Discount Rates	DCF	Mult. Ind.
25.0%	243.57	544.44

Business Valuation Scenarios

Discount Rates	DCF Mn \$	Mult. Ind. Mn \$
	:	:
25%	US\$244	US\$544
20%	US\$320	US\$581
15%	US\$444	US\$626

Profit & Loss statement

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Revenues from Project Mgt Services	\$ 895,232	\$ 5,970,000	\$ 12,970,000	\$ 25,630,306	\$ 32,994,892	\$ 44,349,717	\$ 46,214,450	\$ 45,596,925	\$ 48,565,575	\$ 51,364,550
Hydro Assets Pipeline	\$ 215,278	\$ 1,245,000	\$ 4,869,167	\$ 4,783,056	\$ 3,329,167	\$ 4,445,833	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
New Hydro Assets	\$ -	\$ -	\$ 1,553,333	\$ 2,616,667	\$ 2,822,000	\$ 1,725,000	\$ 1,776,000	\$ 1,872,000	\$ 1,872,000	\$ 1,872,000
Solar Assets Pipeline	\$ -	\$ 550,000	\$ 550,000	\$ 2,859,833	\$ 847,167	\$ 5,182,667	\$ 5,860,400	\$ 5,860,400	\$ 5,860,400	\$ 5,860,400
New Solar Assets	\$ -	\$ -	\$ 570,000	\$ 2,750,000	\$ 2,016,933	\$ 3,269,067	\$ 4,305,600	\$ 4,305,600	\$ 4,305,600	\$ 4,305,600
Future Hydro Assets	\$ -	\$ -	\$ -	\$ 3,080,000	\$ 11,019,000	\$ 14,467,000	\$ 13,603,000	\$ 12,229,000	\$ 13,864,000	\$ 17,669,000
Future Solar Assets	\$ -	\$ -	\$ -	\$ 2,485,000	\$ 3,969,925	\$ 5,830,150	\$ 6,239,450	\$ 6,899,925	\$ 8,233,575	\$ 7,227,550
External Services	\$ 679,954	\$ 4,175,000	\$ 5,427,500	\$ 7,055,750	\$ 8,990,700	\$ 9,430,000	\$ 9,430,000	\$ 9,430,000	\$ 9,430,000	\$ 9,430,000
Total Revenues from Electricity Sales Dividends	\$ 958,333	\$ -	\$ -	\$ 400,137	\$ 4,128,536	\$ 15,677,271	\$ 26,237,823	\$ 33,604,301	\$ 41,388,012	\$ 50,485,505
Hydro Assets Pipeline	\$ 958,333	\$ -	\$ -	\$ 400,137	\$ 702,785	\$ 3,419,858	\$ 5,365,416	\$ 5,112,610	\$ 5,112,610	\$ 5,112,610
New Hydro Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,792	\$ 183,960	\$ 515,088	\$ 515,088	\$ 515,088
Committed Solar Assets	\$ -	\$ -	\$ -	\$ -	\$ 312,375	\$ 3,061,275	\$ 3,061,275	\$ 3,061,275	\$ 3,061,275	\$ 3,061,275
New Solar Assets	\$ -	\$ -	\$ -	\$ -	\$ 999,600	\$ 1,999,200	\$ 2,249,100	\$ 2,249,100	\$ 2,249,100	\$ 2,249,100
Future Hydro Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,730,672	\$ 7,156,901	\$ 10,056,312	\$ 13,874,263	\$ 17,283,521
Future Solar Assets	\$ -	\$ -	\$ -	\$ -	\$ 2,113,776	\$ 4,429,474	\$ 8,221,171	\$ 12,509,916	\$ 16,575,676	\$ 22,263,911
Total Net Revenue	\$ 1,853,565	\$ 5,970,000	\$ 12,970,000	\$ 26,030,443	\$ 37,123,427	\$ 60,026,988	\$ 72,452,273	\$ 79,101,226	\$ 89,953,587	\$ 101,850,055
CoGS Operational Hydro Assets	\$ 155,347	\$ 910,750	\$ 954,208	\$ 1,089,569	\$ 1,165,208	\$ 1,556,042	\$ 1,750,000	\$ 1,750,000	\$ 1,750,000	\$ 1,750,000
CoGS New Hydro Assets	\$ -	\$ 300,000	\$ 733,667	\$ 935,833	\$ 777,700	\$ 603,750	\$ 621,600	\$ 655,200	\$ 655,200	\$ 655,200
CoGS Committed Solar Assets	\$ -	\$ 250,000	\$ 870,000	\$ 880,000	\$ 299,000	\$ 1,794,000	\$ 2,930,200	\$ 2,930,200	\$ 2,930,200	\$ 2,930,200
CoGS New Solar Assets	\$ -	\$ 160,000	\$ 1,280,000	\$ 775,000	\$ 25,000	\$ 1,196,000	\$ 2,152,800	\$ 2,152,800	\$ 2,152,800	\$ 2,152,800
Future Hydro Assets	\$ -	\$ -	\$ 2,240,000	\$ 5,820,000	\$ 7,311,250	\$ 7,873,750	\$ 7,013,750	\$ 7,967,500	\$ 9,063,750	\$ 10,022,500
Future Solar Assets	\$ -	\$ -	\$ 850,000	\$ 2,125,000	\$ 3,129,563	\$ 3,554,375	\$ 3,592,125	\$ 4,184,563	\$ 4,750,188	\$ 4,813,125
CoGS External Services	\$ 373,975	\$ 2,296,250	\$ 2,985,125	\$ 3,880,663	\$ 4,944,885	\$ 5,186,500	\$ 5,186,500	\$ 5,186,500	\$ 5,186,500	\$ 5,186,500
Total Cost of Goods Sold	\$ 529,322	\$ 3,917,000	\$ 9,913,000	\$ 15,506,065	\$ 17,652,606	\$ 21,764,417	\$ 23,246,975	\$ 24,826,763	\$ 26,488,638	\$ 27,510,325
Gross Profit	\$ 1,324,243	\$ 2,053,000	\$ 3,057,000	\$ 10,524,377	\$ 19,470,821	\$ 38,262,571	\$ 49,205,298	\$ 54,274,464	\$ 63,464,950	\$ 74,339,730
Expenses										
Staff Related Costs	\$ 879,660	\$ 1,012,255	\$ 1,055,522	\$ 2,098,148	\$ 2,595,861	\$ 2,131,969	\$ 3,562,425	\$ 2,844,100	\$ 4,395,936	\$ 3,794,101
Office, General & Admin Overheads	\$ 434,709	\$ 739,983	\$ 1,000,635	\$ 1,088,699	\$ 1,193,569	\$ 1,268,926	\$ 1,395,818	\$ 1,535,400	\$ 1,688,940	\$ 1,857,834
Total Expenses	\$ 1,314,369	\$ 1,752,238	\$ 2,056,157	\$ 3,186,847	\$ 3,789,430	\$ 3,400,895	\$ 4,958,243	\$ 4,379,500	\$ 6,084,876	\$ 5,651,935
Earnings Before Interest & Taxes	\$ 9,873	\$ 300,762	\$ 1,000,843	\$ 7,337,530	\$ 15,681,392	\$ 34,861,677	\$ 44,247,055	\$ 49,894,964	\$ 57,380,073	\$ 68,687,795
Interest	\$ 8,750	\$ 250,438	\$ 262,959	\$ 276,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings Before Taxes	\$ 1,123	\$ 50,324	\$ 737,883	\$ 7,061,423	\$ 15,681,392	\$ 34,861,677	\$ 44,247,055	\$ 49,894,964	\$ 57,380,073	\$ 68,687,795
Earnings Before Taxes & Dividends	\$ (957,210)	\$ 50,324	\$ 737,883	\$ 6,661,286	\$ 11,552,856	\$ 19,184,405	\$ 18,009,232	\$ 16,390,662	\$ 15,992,061	\$ 18,202,290
Income taxes	\$ -	\$ -	\$ -	\$ 2,198,224	\$ 3,812,443	\$ 6,330,854	\$ 5,943,046	\$ 5,408,919	\$ 5,277,380	\$ 6,006,756
Net Earnings	\$ 1,123	\$ 50,324	\$ 737,883	\$ 4,863,199	\$ 11,868,949	\$ 28,530,823	\$ 38,304,008	\$ 44,486,045	\$ 52,102,693	\$ 62,681,039
Calculation of Loss Carry Forward										
Cumulative Loss/Profit	\$ (957,210)	\$ (906,885)	\$ (169,002)	\$ 6,492,284	\$ 18,045,140	\$ 37,229,546	\$ 55,238,777	\$ 71,629,440	\$ 87,621,501	\$ 105,823,791