



Radiant Solar

Financial Forecast

15th November 2018

Overview

The financial forecast illustrates that the Company will generate yearly revenue of £4,384,351 by 31/11/2020, once their first site is fully operational.

These forecasts are based on the company solely developing a 60MW site and do not include any of the other potential sites the Company is looking to develop or the sale of any of these assets.

These figures are to illustrate the value and income generating capability of a single site, however, the Company is seeking to develop multiple sites in tandem across Poland, and may sell these solar sites to solar development partners at different stages in the development process to add to the profitability of the business. This would occur when the site is either “ready-to-build”, with the relevant permits and grid connection in place, or once it is fully developed and “ready for operations”.

The directors reasonably believe from their current involvement with major solar developers in Poland that the below are reasonable estimated selling prices for a 60MW site at the various stages of development.

Stage	With Energy Zoning Plan	With Grid Connection	With Construction Permit	With PPA/ Government Auction	Ready for Operations
Value (£/Mwh)	£15,000	£25,000	£60,000	£120,000	£850,000
Value for 60MW site	£900,000	£1,500,000	£3,600,000	£7,200,000	£51,000,000

Consolidated Income Statement and Other Comprehensive Income

	2019	2020	2021	2022	2023	2024	2025	2026
Net revenues from sales	155,520	4,384,351	4,471,279	4,559,993	4,650,229	4,749,706	4,835,340	4,930,248
Operating Costs	22,722	278,530	286,503	294,449	302,619	311,024	319,655	328,533
Administrative Expenses	25,379	408,309	401,959	395,588	389,384	383,566	380,074	374,399
EBITDA	107,420	3,697,512	3,782,817	3,869,955	3,958,226	4,055,116	4,135,611	4,227,316
Depreciation	149,541	1,794,488	1,794,488	1,794,488	1,794,488	1,783,816	1,666,416	1,666,416
EBIT	(42,121)	1,903,024	1,988,328	2,075,467	2,163,738	2,271,300	2,469,195	2,560,899
Finance Costs	493,827	1,584,158	1,602,442	1,871,745	667,968	607,926	547,884	487,842
Finance Income	-	-	-	-	-	-	-	-
Profit/(loss) before tax	(535,948)	318,866	385,887	203,722	1,495,769	1,663,374	1,921,311	2,073,057
Income tax – corporation tax	-	60,584	73,319	38,707	284,196	316,041	365,049	393,881
Profit/(loss)	(535,948)	258,281	312,568	165,014	1,211,573	1,347,333	1,556,262	1,679,176

Key assumptions

The above financials have been prepared at the project level and converted into GBP at the rate of exchange set out below for ease of understanding. The financials do not include any potential tax on the loan between the Company and Azuryt or any withholding tax, as further detailed in Part 6 Taxation of the Offering Memorandum.

Project timeframe

The pre-development phase is expected to start in November 2018 and have a duration of four months. The development phase is expected to start in March 2019 and have a duration of seven months.

Radiation level and electricity generation

The above financials have been prepared considering the Jaworzno site as the location for the 60MW plant. The company will install crystalline silicon with PV modular power (Pmax) of 330 Wp.

The following technical assumptions have been considered:

- Location: 50°13'47" North, 19°20'19" East, Elevation: 275 m a.s.l.,
- Inclination angle: 35°
- Orientation: 0°
- Estimated losses due to temperature and low irradiance: 7.4% (using local ambient temperature)
- Estimated loss due to angular reflectance effects: 2.9%
- Other losses (cables, inverter etc.): 11.0%
- Combined PV system losses: 20.0%

Fixed system: inclination=35°, orientation=0°				
Month	E_d	E_m	H_d	H_m
Jan	0.96	29.70	1.09	33.70
Feb	1.61	45.00	1.86	52.10
Mar	2.93	90.90	3.51	109.00
Apr	3.94	118.00	4.90	147.00
May	4.00	124.00	5.11	158.00
Jun	3.94	118.00	5.11	153.00
Jul	4.04	125.00	5.31	164.00
Aug	3.84	119.00	5.02	156.00
Sep	3.07	92.10	3.86	116.00
Oct	2.21	68.40	2.68	83.00
Nov	1.20	36.00	1.41	42.40
Dec	0.87	27.10	1.00	31.10
Yearly average	2.72	82.80	3.41	104.00
Total for year		994.00		1250.00

With:

- E_d : Average daily electricity production from the given system (kWh)
- E_m : Average monthly electricity production from the given system (kWh)
- H_d : Average daily sum of global irradiation per square meter received by the modules of the given system (kWh/m²)
- H_m : Average sum of global irradiation per square meter received by the modules of the given system (kWh/m²)

The radiation levels for the given location have been taken from PVGIS-CMSAF/PVGIS © European Communities, 2001-2012 irradiation database for an optimal inclination angle of 35° and an annual irradiation deficit due to shadowing (horizontal) of 0.0% and are set out in the below table:

Radiation level in this location kWh/m ²					
No of month	Month	kWh/m ² /day	Days in Period	kWh/m ² /month	
1	January	1.09	31.00	33.79	
2	February	1.86	28.00	52.08	
3	March	3.51	31.00	108.81	
4	April	4.90	30.00	147.00	
5	May	5.11	31.00	158.41	
6	June	5.11	30.00	153.30	
7	July	5.31	31.00	164.61	
8	August	5.02	31.00	155.62	
9	September	3.86	30.00	115.80	
10	October	2.68	31.00	83.08	
11	November	1.41	30.00	42.30	
12	December	1.00	31.00	31.00	
Monthly average in kWh/m²/month		3.41	30.42	103.82	
Total in year in kWh/m²/year		x	365.00	1245.80	

The monthly electricity generation forecasted are set out in the below table:

Electricity generation level in kWh/kWp					
No of month	Month	kWh/kWp/day	Days in Period	kWh/kWp/month	
1	January	0.96	31.00	29.76	
2	February	1.61	28.00	45.08	
3	March	2.93	31.00	90.83	
4	April	3.94	30.00	118.20	
5	May	4.00	31.00	124.00	
6	June	3.94	30.00	118.20	
7	July	4.04	31.00	125.24	
8	August	3.84	31.00	119.04	
9	September	3.07	30.00	92.10	
10	October	2.21	31.00	68.51	
11	November	1.20	30.00	36.00	
12	December	0.87	31.00	26.97	
Monthly average in kWh/kWp/month		2.72	30.42	82.83	
Total in year in kWh/kWp/year		2.72	365.00	993.93	

With:

- *kWp the kilowatt-peak, a measure of the peak output of the chosen photovoltaic system.*

Project production capability and monthly sales figures

The Company believes, based on its experience of the Polish solar market and on the Polish government auctions price of renewables (set on a 15-year basis), that it will be able to secure an electricity price of at least 360 PLN/MWh under the Corporate PPA.

With the above yields, it is estimated that in the first year of operation the installed 60MWp will produce the monthly levels of electricity and monthly revenues outlined below:

No of month	Month	Electricity generation level in MWh	Monthly Revenue	
		MWh/month	PLN/Month	GBP/Month
1	January	1,785.60	642,816.00	131,455.21
2	February	2,704.80	973,728.00	199,126.38
3	March	5,449.80	1,961,928.00	401,212.27
4	April	7,092.00	2,553,120.00	522,110.43
5	May	7,440.00	2,678,400.00	547,730.06
6	June	7,092.00	2,553,120.00	522,110.43
7	July	7,514.40	2,705,184.00	553,207.36
8	August	7,142.40	2,571,264.00	525,820.86
9	September	5,526.00	1,989,360.00	406,822.09
10	October	4,110.60	1,479,816.00	302,620.86
11	November	2,160.00	777,600.00	159,018.40
12	December	1,618.20	582,552.00	119,131.29
Monthly Average		4,969.65	1,789,074.00	365,863.80
Total 1st year of operations		59,635.80	21,468,888.00	4,390,365.64

Operating costs

Operating expenses include:

- materials and spare parts
- energy
- payroll
- social security and other benefits

Administrative expenses

Administrative expenses include:

- tax and accounting
- service, maintenance and support
- insurance of machines and equipment
- insurance of buildings, facilities and other fixed assets
- land security
- land leases

Exchange rate and inflation rate forecasts

The exchange rates PLN/GBP used for the above forecasts are set out in the below table:

	2018	2019	2020	2021
PLN/GBP	4.89	5.00	5.00	5.00

The levels of inflation (CPI Index) used in the profit forecasts are based on estimates from the Polish National Bank (Narodowy Bank Polski), as follows:

	2018	2019	2020	2021
Annual Inflation CPI	2.10%	2.70%	3.00%	2.80%