

SAKANIA PROJECT ECONOMIC AND FINANCIAL SUMMARY

<u>Primary Infrastructure (Improving Road Infrastructure)</u> <ul style="list-style-type: none"> • M4, M5 Four-lane @ US\$463,750 per km per lane) (80 km x 4 lanes) • Access Road to Sakania Border Post (1 km) • Toll Plazas (2) Plazas @ US\$2.5 million each • Weighbridges (2) @ US\$1.8 million each • Truck Parking Bays (1,500 trucks capacity- Sakania/Mokambo) • Perimeter Security gravel road (2.9 km) 	US\$ 148.40 million US\$0.70 million US\$5.00 million US\$3.60 million US\$36.24 million US\$0.04 million
<u>Secondary Infrastructure (Improving Trade Facilitation)</u> <ul style="list-style-type: none"> • Government Cluster Offices • Other Buildings (warehousing) • Equipment including Scanners, ICT • Procurement of cold chain facilities • Procurement of ClearVU security fencing 	US\$36.00 million US\$2.00 million US\$18.50 million US\$1.20 million US\$1.70 million
<u>Social Infrastructure (Improving economic and social Facilitation)</u> <ul style="list-style-type: none"> • Procurement of Engineering Consultancies • Procurement for environmental and social management 	(US\$ 3.00 million) US\$ 2.10 million
<u>Project Cost at Financial Close (less procurement of Engineering consultancies)</u>	US \$ 255.48 million
<u>Contingency</u>	US\$25.55 million
<u>Interest During Implementation @ 6% per annum</u>	US\$20.51 million p.a.
<u>Interest Accumulated over 23 years</u>	US\$216.157 million
<u>Total Debt</u>	US\$471.64 million
<u>O & M Costs @ 7.325% of Construction Costs</u>	US\$18.713 million
<u>Funding:</u> Government Grant Debt Equity	0% 80% 20%
<u>Concession Period</u>	25 Years
<u>Toll Gate Tariffs escalation</u>	Assumed at 6% per annum for first 12 years and thereafter at 4% for the remainder of the Concession
<u>Truck Traffic Revenue Forecast (Border Crossing Fees)</u>	US\$2,201 million
<u>Revenue Forecast (Road Toll)</u>	US\$37.4 million
<u>Rental Revenue</u>	US\$5.16 million
<u>Total Revenue</u>	US\$2,244 million
<u>Returns on Investment</u> (Surpasses the ADB/World Bank required threshold of 12.0% EIRR)	EIRR = 18.17%; NPV = US\$ 194.64 million Gross Return = 778.53% Net Cash Flow= US\$1,988.993 million