



INSTALLATION OF SOLAR COLLECTORS AT THE HOTEL

Investor: XXXXXXXXXXXX

Project Location: Serbia

Currency: RSD

Date Activity: 21.03.2022

Description and Goal of the Investment

Hotel XXXXXX intends to install solar panels for electricity production on the parking canopy. The available area is about 5000 m². CCCCCCCC proposed a 869 kW power plant (2,717 panels (320 W each), with a total area of 4,850 m². The offered price of 551,423 EUR (61,759,384 RSD) is on a turnkey basis.) According to the insolation of the location, about 1,086,835 kWh of electricity The calculations show the price of electricity for customers at 400 V: 7,973 din / kWh VT, 2,233 din / kWh VT access to the system + 7.5% excise (total 10,971 RSD / kWh, the transformer has a compensator reactive forces) Calculations were made for the life of the project 15 years.

The life of the project

15

Tax of profit

20

Discount Rate

4

Realization of Investment in 1st year

6

Realization of Investment in 2nd year

1

Estimation of Future Annual Inflation

3

Investment value and investment dynamics

! Items	Invested			Year 1			Year 2		
	Price	Durability	Amortization	Price	Durability	Amortization	Price	Durability	Amortization
	RSD	(Years)	Depreciation	RSD	(Years)	Depreciation	RSD	(Years)	Depreciation
Projects, permits, supervision	0	0	0	100.000	0	0	0	0	0
Solar kit with installation	0	0	0	61.659.384	20	3.082.969	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Credit processing	0	0	0	0	0	0	0	0	0
Working capital	0	0	0	0	0	0	0	0	0
Total	0	0	0	61.759.384	0	3.082.969	0	0	0
Total Investment		61.759.384	Working capital turnover ratio		12				

Sources of financing for new investments

	Sources	Year 1	Year 2	Total
Loan	Own capital	61.759.384	0	61.759.384
	Amount	0	0	0
	Repayment	0	0	0
	Grace period	0	0	0
	Interest	0	0	0
	Shareholders	0	0	0
	Donations	0	0	0
	Total	61.759.384	0	61.759.384

Loan repayment plan

[illegible]

Loan in Year 1

[illegible]

Loan in Year 2

[illegible]

Total loans

[illegible]

Operating income and expenses

At current prices (excluding inflation)

Items	Unit of	Unit	Annual volume				Annual amount			
	measure	Price	Year 1	Year 2	Year 3	Next year	Year 1	Year 2	Year 3	Next year
INCOMES		0	0	0	0	0	5.957.253	11.923.666,79	11.923.666,79	11.923.666,79
Energy saving	kWh	10,971	543.000	1.086.835	1.086.835	1.086.835	5.957.253	11.923.666,79	11.923.666,79	11.923.666,79
Green certificates		0	0	0	0	0	0	0	0	0
CO2 loans		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
EXPENSES		0	0	0	0	0	430.000	440.000	440.000	440.000
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
		0	0	0	0	0	0	0	0	0
Gross wages of workers	Number of employees	0	0,5	0,5	0,5	0,5	0	0	0	0
Average per month	Gross wages	0	70.000	70.000	70.000	70.000	420.000	420.000	420.000	420.000
Gross management salaries		0	0	0	0	0	0	0	0	0
Maintenance		0	0	0	0	0	0	0	0	0
Insurance		0	0	0	0	0	10.000	20.000	20.000	20.000
Marketing		0	0	0	0	0	0	0	0	0
Other		0	0	0	0	0	0	0	0	0
OPERATIONAL RESULT		0	0	0	0	0	5.527.253	11.483.666,79	11.483.666,79	11.483.666,79

Income statement

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
INCOMES	5.957.253	11.923.667	12.281.377	12.649.818	13.029.313	13.420.192	13.822.798	14.237.482	14.664.606	15.104.544	15.557.681	16.024.411	16.505.143	17.000.298	17.510.307
Operating expenses	430.000	440.000	453.200	466.796	480.800	495.224	510.081	525.383	541.145	557.379	574.100	591.323	609.063	627.335	646.155
EBITDA	5.527.253	11.483.667	11.828.177	12.183.022	12.548.513	12.924.968	13.312.717	13.712.099	14.123.462	14.547.166	14.983.580	15.433.088	15.896.081	16.372.963	16.864.152
Amortization	1.541.485	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969	3.082.969
EBIT	3.985.769	8.400.698	8.745.208	9.100.053	9.465.544	9.841.999	10.229.748	10.629.130	11.040.493	11.464.197	11.900.611	12.350.119	12.813.112	13.289.994	13.781.183
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBT	3.985.769	8.400.698	8.745.208	9.100.053	9.465.544	9.841.999	10.229.748	10.629.130	11.040.493	11.464.197	11.900.611	12.350.119	12.813.112	13.289.994	13.781.183
Tax of profit	797.154	1.680.140	1.749.042	1.820.011	1.893.109	1.968.400	2.045.950	2.125.826	2.208.099	2.292.839	2.380.122	2.470.024	2.562.622	2.657.999	2.756.237
NET PROFIT	3.188.615	6.720.558	6.996.166	7.280.042	7.572.435	7.873.599	8.183.799	8.503.304	8.832.394	9.171.357	9.520.489	9.880.095	10.250.489	10.631.995	11.024.946

The years are not calendar, but are calculated from the day of providing financial resources.

Cash Flow

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. INFLOWS	67.716.637	11.923.667	12.281.377	12.649.818	13.029.313	13.420.192	13.822.798	14.237.482	14.664.606	15.104.544	15.557.681	16.024.411	16.505.143	17.000.298	17.510.307
Equity	61.759.384	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating income	5.957.253	11.923.667	12.281.377	12.649.818	13.029.313	13.420.192	13.822.798	14.237.482	14.664.606	15.104.544	15.557.681	16.024.411	16.505.143	17.000.298	17.510.307
2. OUTFLOWS	62.986.538	2.120.140	2.202.242	2.286.807	2.373.909	2.463.624	2.556.030	2.651.209	2.749.243	2.850.218	2.954.222	3.061.347	3.171.685	3.285.334	3.402.391
Investments	61.759.384	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payment of old obligations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	430.000	440.000	453.200	466.796	480.800	495.224	510.081	525.383	541.145	557.379	574.100	591.323	609.063	627.335	646.155
Loan annuities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax of profit	797.154	1.680.140	1.749.042	1.820.011	1.893.109	1.968.400	2.045.950	2.125.826	2.208.099	2.292.839	2.380.122	2.470.024	2.562.622	2.657.999	2.756.237
FINANCIAL FLOW (1-2)	4.730.099	9.803.527	10.079.135	10.363.011	10.655.404	10.956.568	11.266.768	11.586.273	11.915.363	12.254.326	12.603.458	12.963.064	13.333.458	13.714.964	14.107.915
Financial flow cumulative	4.730.099	14.533.627	24.612.762	34.975.773	45.631.177	56.587.746	67.854.513	79.440.786	91.356.149	103.610.475	116.213.933	129.176.998	142.510.456	156.225.420	170.333.335

Note

From the future accumulation, the program automatically included in the projections the replacement of fixed assets with a shorter lifespan than the project life Residual (residual value of the project) after the project life is not calculated in the last year of the project life because the market value of fixed assets after the end of the project life cannot be realistically estimated, and can significantly affect the financial effects.

Financial results of the investment

Parameter	Amount
Investment	61.759.384 RSD
Average Income	13.979.259 RSD
Average Net profit	8.375.352 RSD
Σ Net profit / Investment	2,03
Liquidity in all years	Yes
Average Net profit / Average Income	59,91 %
NPV (net present value)	58.472.572 RSD
IRR (internal rate of return)	14,34 %
Return time discounted	7 Years

SWOT Analysis

Strength

Your strengths can be qualified staff, team, experience, available resources (technological equipment, raw material base), market position, innovative products, investment and creditworthiness.

Weaknesses

Poor creditworthiness, lack of team, experience, qualified staff, creditworthiness, ie. financial resources (especially for beginners in business), inflexibility (poor adaptation to market changes), poor financial analysis to prove the profitability of the idea and attract co-investors...

Opportunity

Innovative product, developed more advanced technology, profitability of the idea, favorable market situation, ie. favorable economic-socio-political environment,....

Threats

Unfavorable economic, socio-political environment, lack of state incentives and favorable loans, especially for business start-ups, strong competition in the planned activity, strong competition that quickly develops more innovative products.

Appendix

Agency	Standard and Poor's	Fitch Ratings	Moody's Service
Rating	BB+/stable appearance ↗	BB+/stable appearance ↗	Ba2/stable appearance ↗
Date Activity	6/11/2021 ↗	9/3/2021 ↗	3/12/2021 ↗
Activity	Rating confirmed ↗	Rating confirmed ↗	Increased rejting ↗

You can download the current Rating via the link https://nbs.rs/sr/finansijsko_trziste/informacije-za-investitore-i-analiticare/rejting_RS/. Attached is the latest rating rating from STANDARD & POOR'S, MOODY'S INVESTORS SERVICE and RATING FITCH. It is important if foreign investments or foreign investors are planned. More in the blog <https://investasistent.com/investiciona-i-kreditna-sposobnost-investitora/>

Note

An investment is eligible for realization if all indicators in the Financial Result have recommended values, if the SWOT analysis is realistic (more in the blog [SWOT Analysis](#)) and if the investment and creditworthiness is realistically assessed and accepted by a potential lender or co-investor (more in the blog [Investment and Investor Creditworthiness](#)). The key parameters on the basis of which it is concluded whether the investment is financially justified are: NPV (Net present value), which must be positive, and shows how much the investor will earn in the project life at current prices, IRR (internal rate of return) which is an indicator of interest invested capital, which in the basic variant must be at least 2 times higher than the discount rate, Discounted return on investment, which must be shorter than the life of the project, Average annual Net profit min 15-20% of average income. If the budget shows a loss on the Income Statement and / or illiquidity in the Financial Flow (often occurs in the first years of the project life if production is gradually established and / or due to the need to conquer the market, due to employee salaries, depreciation and due loan installments), and other above parameters are good, does not mean that you should give up the investment, but indicate that in those years it is necessary to invest additional external funds to maintain liquidity.

Disclaimer

We did not check the reliability of the input data (investment value, income and expenses, SWOT analysis), as well as investment and creditworthiness. Therefore, before starting the investment, all entered data should be checked again, especially the procurement and sales market.

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If you want our opinion on the investment in question, contact our consultants by [e-mail](#) with specific questions.