

Year	PROFITABILITY ANALYSIS			
	2021	2022	2023	2024
Revenue	182,024,675	207,171,166	214,292,598	528,952,974
Gross Profit	6,073,058	8,775,075	8,338,746	16,734,024
Gross Profit Margin	3.34%	4.24%	3.89%	3.16%
Net Profit	276,229	1,267,083	995,955	3,478,511
Net Profit Margin	0.15%	0.61%	0.46%	0.66%

Adjustment of 2024 Revenue*

Audited 2024 Revenue	528,952,974
Less: TKC Plaza Revenue	(68,141,485)
60% NRFA toll price increase**	(77,426,911)
Adjusted 2024 Revenue***	383,384,578

* Adjustment of Revenue is to adjust for revenue arising from single instance factors

** NRFA increased toll prices by ~60% across vehicle categories

*** Adjusted 2024 revenue is a more sustainable measure of performance

P/E ANALYSIS		
Company	Business Type	P/E Multiple
Payment Processors Avg	Low-margin processors	13.3
Government Contractors Avg	Single-Customer Dependent	6.5
Zambian Market Avg	Local Market Conditions	7.5
Appropriate P/E Multiple		9.1

REALISTIC EARNING BASE

2024 Reported Net Profit	3,478,511
3 Year Average Net Profit	846,422
Adjusted for one single instance factors*	2,956,734
Conservative Earnings Base	2,427,223

*15% haircut for the one time revenue

Realistic P/E Valuation

Conservative Earnings Base	2,427,223
Appropriate P/E Multiple	9.1
Equity Value	22,070,195
Shares Outstanding:	10,000,000
Adjusted Value Per share	2.21

DCF Projections	DISCOUNTED CASHFLOW PROJECTION				
	2025	2026	2027	2028	2029
Revenue Growth %	10%	8%	7%	6%	5%
Revenue	421,723,036	421,723,037	421,723,038	421,723,038	421,723,039
EBITDA Margin %	1.50%	1.60%	1.70%	1.80%	1.90%
EBITDA	6,325,846	6,747,569	7,169,292	7,591,015	8,012,738

DCF Calculation	2025	2026	2027	2028	2029	Final Risk Adjustments*	
						Unlevered Future Cashflows*	Base Average Valuation
Discount Factor	78%	61%	47%	37%	28%	78%	3.3
PV of FCF	3,690,692	3,062,418	2,531,170	2,084,840	1,711,913	NRFA Dependency Discount	3.0
Terminal Value					22,101,685		
PV of Terminal Value					6,296,004		

Enterprise Value	44,561,051
Value Per Share	4.5

*Assumes 75% EBITDA Converts to Cash

Component	Input	Weighted Average Cost of Capital Calculation			
		Cost of Equity	Result		
Risk-Free Rate (Rf)		18% Source: BoZ 2025			
Market Risk Premium		8.5% Emerging Market Premium			
β Beta		1.3 Payment Processor Avg (1.1+0.2 risk premium)			
Cost of Equity (Re)			28.55%		
Cost of Debt					
Base Lending Rate		24.5% BoZ Policy Rate			
Company Credit Spread		3.0% NRFA Dependency Premium			
Pre-Tax Cost of Debt (Kd)			27.50%		
Tax Rate		30% 30% Corporate Tax Rate			
Post-Tax Cost of Debt			19.25%		
CAPITAL STRUCTURE					
Market Value of Equity (E)	100,000,000	Conservative Market Cap (1m shares @ K10)			
Market Value of Debt (D)	0	Company is debt-free per prospectus	*From Balance Sheet		
Total Capital (V)		100,000,000			
Weight of Equity (E/V)		1			
WACC CALCULATION					
WACC Formula	(E/V)*Re+(D/V)*Rd*(1-Tax)				
WACC			28.55%		
VALUATION SUMMARY					
Valuation Method	Value Per Share (ZMW)				
P/Ex Method	2.2				
DCF Method	4.5				
Average Valuation	3.3				
Final Risk Adjustments*					
Base Average Valuation	3.3				
NRFA Dependency Discount	3.0				
Generosity Premiums					
Growth Potential	30%				
Market Leadership	20%				
Strategic Value	15%				
Homegrown Tech IPO	10%				
Total Valuation Premium Adjustment	75%				
ABSOLUTE VALUATION CEILING		K5.83			

**VALUATION:
ZMW 5.83**