

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

SOLAR POWER PLANT EGYPT



100 MEGAWATT RENEWABLE GRID POWER

ULRICH KRETZSCHMAR



The issue of environment has never been more important than today.

PEOPLESHOME Impact Investments link the renewable energy generation with the enhancement of infrastructure in emerging markets.

Ulrich Kretzschmar, 2017

Ulrich Kretzschmar, Founder
PEOPLESHOME & ASSOCIATES
Initiating of Impact Investments

Office Berlin:
PEOPLESHOME Association
Nassauische Strasse 6
D-10717 Berlin

Phone: D +49 / 30-509.249.02
Mail: info@peoples-home.org
www.peoples-home.org

THE BUSINESS

Egypt has a large scale of Solar yields with a moderate location characteristics and perform secure energy generation.

The investment scheme is based on the provision of international equity (16%).

The Industrial and Commercial Bank of China has submitted a strong letter of intent for providing a loan of up to 1,842 million EGP for 100 Megawatt in total.

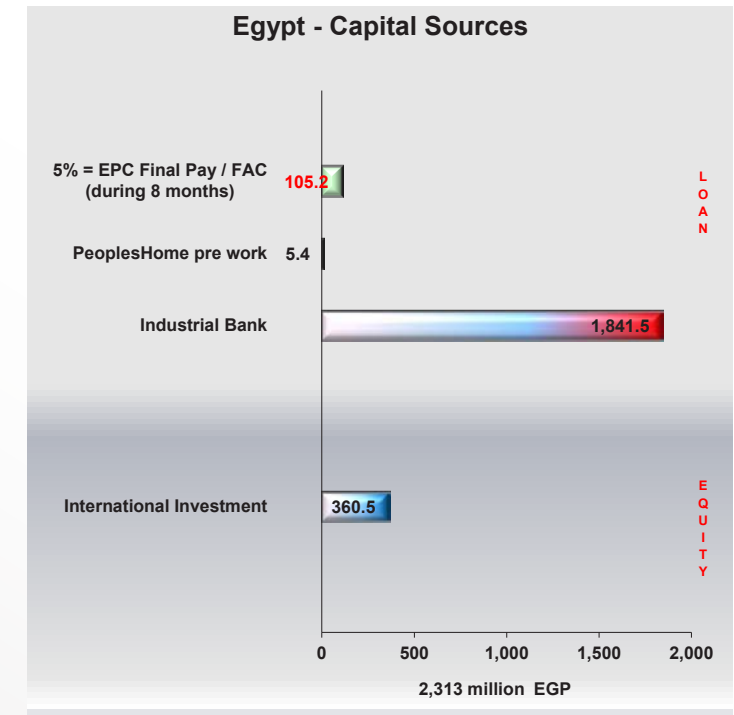
Assuming this loan financing the equity/loan ratio would be at 1 : 5.4
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 1.79 EGP/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 14.9%).

Programmatic carbon income is no part of the financial projections. It is estimated up to 3.5% of the investment cost throughout the entire operating period.



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Project Driver
NAZURA & PARTNER

Lead Investor
Family Office

Country Investor
National Institution or Entity

Prime Contractor
World Technology Leader

Project Initiator
PEOPLESHOME & Associates

Operator
National Company

Power Purchaser
National Electricity Provider

Rent to Land Owner
Local Municipality

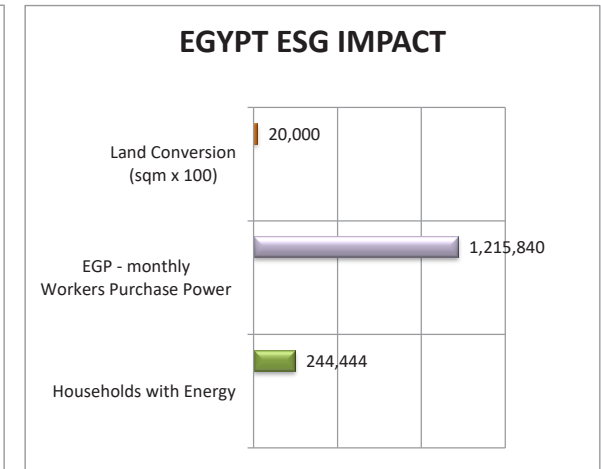
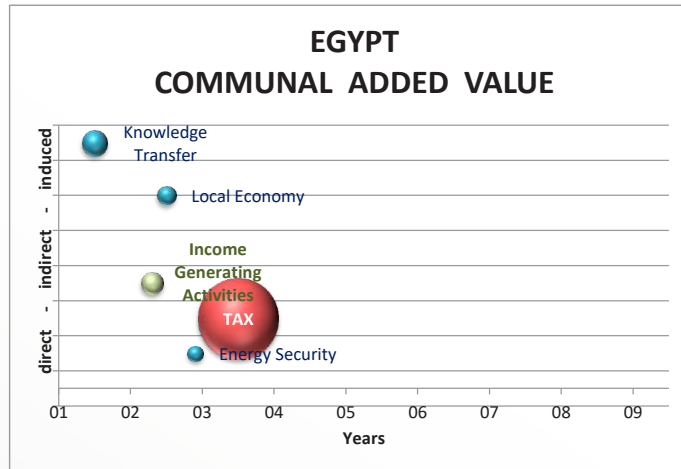
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

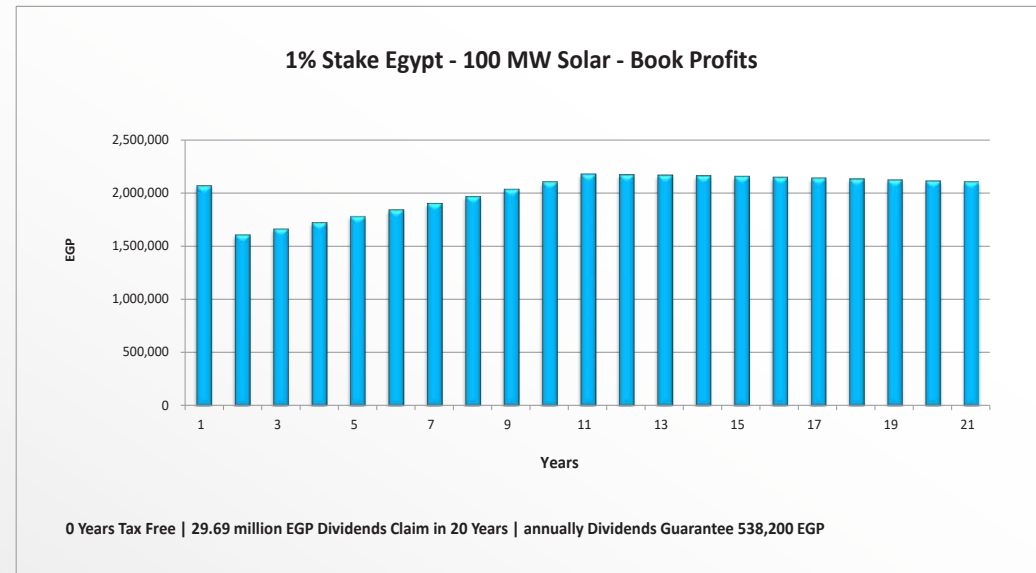


ESG IMPACT & DIVIDENDS

ENVIRONMENT - SOCIAL - GOVERNANCE



| | |
|-----------------------------------|--------------------------|
| Egypt Invest | 2,307,226,793 EGP |
| PeoplesHome (pre-work) | 5,364,000 EGP ✓ |
| External Capital | 1,841,505,381 EGP ✓ |
| Private Equity | 360,544,941 EGP ✓ |
| Final Pay out of Revenues | 105,176,471 EGP ✓ |
| ROI (20 years) | 8.3 % |
| Net Present Value | 2,149,135,693 EGP |
| Profitability Index | 6.0 |
| Price per installed Kilowatt | 21,035 EGP |
| Operating & Maintenance 1% / year | 16,873,404 EGP |
| IRR (20 years) | 13.09 % |
| DSCR | 1.44 |



CRC RISKS & INVESTORS RELATION



ROI

8.3%

NPV

2,149M EGP

IRR

13.1%

FINANCIAL PROJECTION

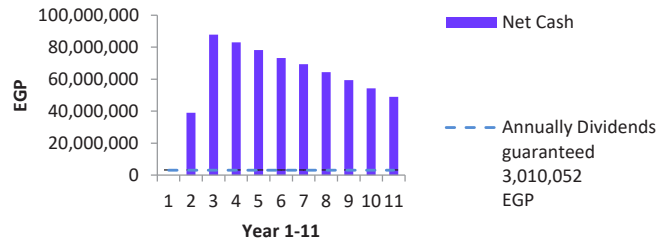
SUMMARY

Egypt - Solar Power Park Total Power 100 MW
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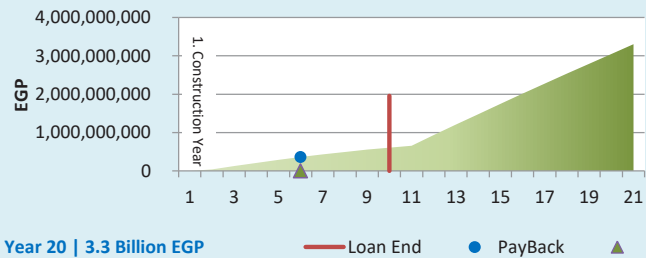
| I | Volumes | EGP | 1 USD = 17.88 EGP | 08.17 |
|-----|-----------------------------------|--|--|-------------------|
| | Houses (re-investment proposal) | 0 | | F 0 |
| | Renewable Energy | 100 MW Solar Power | | |
| | Served Households | 244,444 (à 75 Kwh/m) (220 GWh/Year - Gain 2,200) | | |
| | Village Land | 0 ha 17.88 EGP/sqm | | |
| | Land Surface - Solar Power Park | 200 ha 0.00 EGP/sqm | | |
| II | Use of Capital | 2,307,226,793 EGP | | |
| | Technology & Production Machinery | 2,103,529,412 EGP | Price per KW Std. - Premium - IDC | |
| | Land | 0 EGP | 21035 22537 23072 | |
| | * Construction Material Houses | 0 EGP | | |
| | * Labour Cost | 0 EGP | | |
| | Infrastructure + Labour Cost | 0 EGP | | |
| | Management + Fees & IDC | 203,697,381 EGP | | |
| | Qualification Budget | 0 EGP | | |
| | Social Village Package | 0 EGP | | |
| III | Capital Part 2017 | 2,207,414,323 EGP | 16.0% Projected Equity 10% | |
| | PeoplesHome pre-costs | 5,364,000 EGP | shares 15.0% | actual 0.2% |
| | National Loans | 0 EGP | | 0.0% |
| | International Loans (IR ~4.5%) | 1,841,505,381 EGP | | 11 Years 86.2% |
| | National Grants | 0 EGP | | 0.0% |
| | International Grants | 0 EGP | | 0.0% |
| | National Investments | 0 EGP | 20.0% | 0.0% |
| | International Investments | 360,544,941 EGP | 65.0% | 16.0% |
| | Co-/Interims Investment | 0 EGP | | 0.0% |
| | | | 100.0% | 102.4% |
| IV | Social Impact | | | |
| | Jobs | 400 | | |
| | Purchase Power | 1,215,840 EGP | per Month | |
| V | Common Numbers | | | |
| | Houses per Year (construction) | 0 | | |
| | House Sale Price | 0 EGP | | |
| | Tax to pay per Year | 209,923,194 EGP | Average (25% tax rate) | |
| | Project Locations | 1 | | |
| | Total Projected Carbon Credits | 30,477,533 EGP | extra Income (not in the Finance Scheme) | |
| | Power Purchase Agreement | 1.79 EGP | per Kwh (break even 1.61/ 1.25 EGP) | |
| | - Egypt | | | |
| | Yearly FIT Progression | 0.00 % | | |
| | Electricity Market Price KWh | 1.25 EGP | 2017 | |
| | Electricity Price Inflation | 8.50 % | per Year | |
| | Egypt Surplus | 6,455,676,899 EGP | (20 Years) | |
| | - Net Income - E C Group - Egypt | 16,873,404 EGP | per Year | |
| VI | R-O-E + Pre Costs | | | |
| | Feasibility Study | 4,917,000 EGP | | |
| | Working Capital | 6,168,600 EGP | | |
| | R-O-E (NPM 45.3%), ROI 8.3% | 51.7 % | | |
| | | | 3,304,469,294 EGP | Stuttgarter Model |
| | | | 2,149,135,693 EGP | NPV |

FINANCIAL PROJECTION

Egypt 100 MW - Solar Cash & Dividends



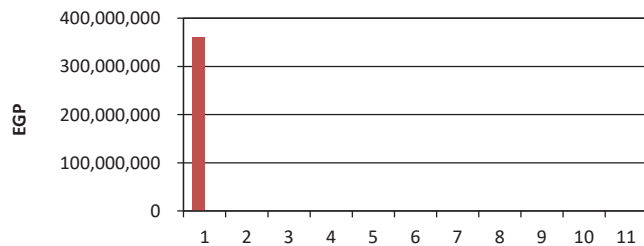
SPV | Egypt Ending Cash (cumulated)



Year 20 | 3.3 Billion EGP

— Loan End ● PayBack ▲

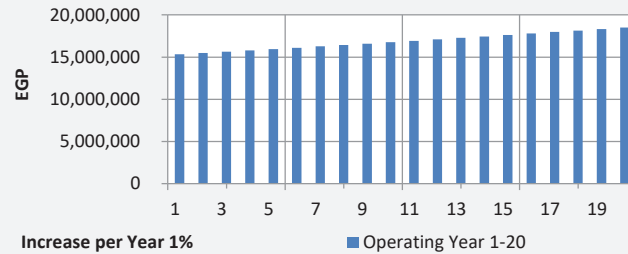
Private Equity



EQ 360.5 Million EGP | 16% |

■ Equity

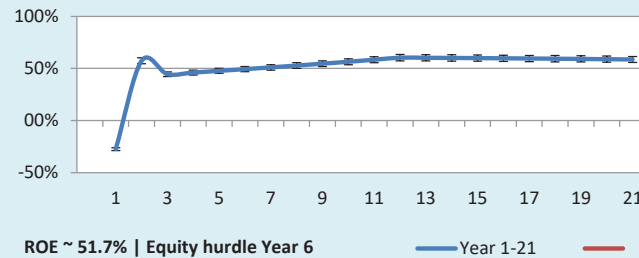
Operating (O&M) Egypt Turnover 337 Million EGP



Increase per Year 1%

■ Operating Year 1-20

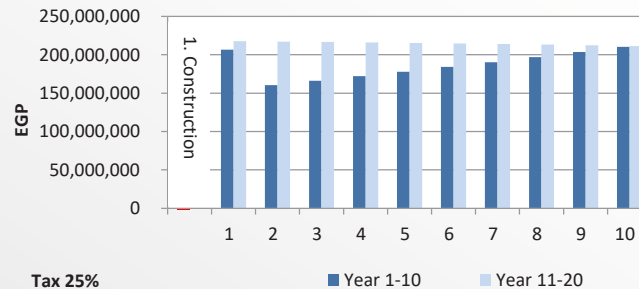
Return on Equity (ROE) SPV | Egypt



ROE ~ 51.7% | Equity hurdle Year 6

— Year 1-21

SPV Egypt Net Income



Tax 25%

■ Year 1-10 ■ Year 11-20

KEY NUMBERS - 2.8.2017|14:14

100 MW Solar 2,200

Investment
2,307,226,793 EGP

Equity
360,544,941 EGP

Loan
1,846,869,381 EGP

Supplier Final Payment
105,176,471 EGP

Sub-payment
0 EGP

Global Interest Rate
4.5 %

Grants
0 EGP

R-O-E 20 years after tax
51.7 %

R-O-I 20 years after tax
8.3 %

NPV 20 years before tax (IR 4%)
2,149,135,693 EGP

Company Value (Stuttgar Model)
3,304,469,294 EGP

Guaranteed Pay-out Dividends
14.93 %

Pay Back Period
6 Years

PPA /KWh
1.79 EGP

Fit/PPA Rise Anually
0.00 %

1% Profit Ø per Year
1,865,261 EGP

1 \$-cent Income PPA/FIT (20 Years)
734,403,120 EGP

Off-taker Power Break Even
Year 6 | 2023

Tax Exemption
0 Years

Country Surplus in 20 Years
6,455,676,899 EGP

Nat-Capital : Int'l.-Capital Quote
0 : 1

Equity : Loan Quote
1 : 5.4

FINANCIAL PROJECTION

FINANCIAL ANALYSIS MODEL

ANALYST'S NAME Dr. Glenn L. Stevens - <http://staging-cms.fandm.edu/glenn-stevens>
 NAME OF COMPANY Egypt Solar Power Park Total Power 100 MW

FIRST CALENDAR YEAR OF DATA 2017

EGP

NUMBER OF YEARS OF DATA 5

Equity 360,544,941

EEHC

INCOME STATEMENT

| | Start Year | Year 1 | Year 2 | Year 3 | Year 4 |
|--|--------------|-------------|-------------|-------------|-------------|
| Sales Revenue | 0 | 393,360,000 | 390,606,480 | 387,852,960 | 385,099,440 |
| Less: Cost of Goods Sold | 0 | 0 | 0 | 0 | 0 |
| Gross Profits | 0 | 393,360,000 | 390,606,480 | 387,852,960 | 385,099,440 |
| Less: Operating Expenses: | | | | | |
| Operating Expense | 0 | 15,326,307 | 15,479,556 | 15,634,344 | 15,790,686 |
| General / Admin. Exp. | 0 | 0 | 0 | 0 | 0 |
| Lease Expense | 0 | 0 | 0 | 0 | 0 |
| Depreciation Expense | 45,181,708 | 88,556,148 | 85,013,902 | 81,613,346 | 78,348,812 |
| Total Operating Expenses | 45,181,708 | 103,882,455 | 100,493,459 | 97,247,690 | 94,139,499 |
| Operating Profits | (45,181,708) | 289,477,545 | 290,113,021 | 290,605,270 | 290,959,941 |
| Less: Interest Expense | 53,505,381 | 82,867,742 | 76,124,063 | 69,076,918 | 61,712,652 |
| Net Profits Before Taxes | (98,687,090) | 206,609,803 | 213,988,958 | 221,528,352 | 229,247,290 |
| Less: Taxes | 0 | 0 | 53,497,240 | 55,382,088 | 57,311,822 |
| Net Profit After Taxes | (98,687,090) | 206,609,803 | 160,491,719 | 166,146,264 | 171,935,467 |
| Less: Pref. Stock Divds. | 0 | 0 | 0 | 0 | 0 |
| Earnings available for Common Stockholders | | 206,609,803 | 160,491,719 | 166,146,264 | 171,935,467 |

BALANCE SHEET

Current Assets:

| | | | | | |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|
| Cash | 0 | 39,057,142 | 126,886,746 | 209,923,194 | 288,120,045 |
| Marketable Securities | 0 | 0 | 0 | 0 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 0 | 0 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Total Current Assets | 0 | 39,057,142 | 126,886,746 | 209,923,194 | 288,120,045 |
| Gross Fixed Assets (at cost): | | | | | |
| Land & Buildings | 0 | 0 | 0 | 0 | 0 |
| Machinery and Equipment | 2,213,903,704 | 2,125,347,555 | 2,040,333,653 | 1,958,720,307 | 1,880,371,495 |
| Furniture & Fixtures | 0 | 0 | 0 | 0 | 0 |
| Vehicles | 0 | 0 | 0 | 0 | 0 |
| Other (Inc. Fin. Leases) | 0 | 0 | 0 | 0 | 0 |
| Total Gross Fixed Assets | 2,213,903,704 | 2,125,347,555 | 2,040,333,653 | 1,958,720,307 | 1,880,371,495 |
| Less: Accumulated Depreciation | 0 | 0 | 0 | 0 | 0 |
| Net Fixed Assets | 2,213,903,704 | 2,125,347,555 | 2,040,333,653 | 1,958,720,307 | 1,880,371,495 |
| Other Assets | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 2,213,903,704 | 2,164,404,698 | 2,167,220,399 | 2,168,643,501 | 2,168,491,540 |

Current Liabilities:

| | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Accounts Payable | 0 | 0 | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 | 0 | 0 |
| Accruals | 0 | 0 | 0 | 0 | 0 |
| Taxes Payable | 0 | 0 | 0 | 0 | 0 |
| Other Current Liabilities | 0 | 0 | 0 | 0 | 0 |
| Total Current Liabilities | 0 | 0 | 0 | 0 | 0 |
| L / T Debt (Inc. Financial Leases) | 1,952,045,852 | 1,695,937,043 | 1,538,261,026 | 1,373,537,864 | 1,201,450,435 |
| Total Liabilities | 1,952,045,852 | 1,695,937,043 | 1,538,261,026 | 1,373,537,864 | 1,201,450,435 |
| Preferred Stock | 0 | 0 | 0 | 0 | 0 |
| Common Stock !! | 261,857,851 | 468,467,654 | 628,959,373 | 795,105,637 | 967,041,104 |
| Paid-In Capital In Excess of Par | 0 | 0 | 0 | 0 | 0 |
| Retained Earnings | 0 | 0 | 0 | 0 | 0 |
| Total Stockholders' Equity | 261,857,851 | 468,467,654 | 628,959,373 | 795,105,637 | 967,041,104 |
| Total Liab. & Stockholders' Equity | 2,213,903,704 | 2,164,404,698 | 2,167,220,399 | 2,168,643,501 | 2,168,491,540 |

FINANCIAL PROJECTION

| 100 MW Egypt | Start Year | Year 1 | Year 2 | Year 3 | Year 4 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Number of Common Shares | 100 | 100 | 100 | 100 | 100 |
| End-of-Year Stock Price | | | | | |
| RATIO ANALYSIS | | | | | |
| Current Ratio | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. |
| Quick Ratio | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. | no curr. Liabi. |
| Inventory Turnover | no Inventories | no Inventories | no Inventories | no Inventories | no Inventories |
| Average Collection Period | | 0.00 | 0.00 | 0.00 | 0.00 |
| Fixed Asset Turnover | 0.00 | 0.19 | 0.19 | 0.20 | 0.20 |
| Total Asset Turnover | 0.00 | 0.18 | 0.18 | 0.18 | 0.18 |
| Debt Ratio | 0.88 | 0.78 | 0.71 | 0.63 | 0.55 |
| Debt-to-Equity | 7.45 | 3.62 | 2.45 | 1.73 | 1.24 |
| Times Interest Earned | | 3.49 | 3.81 | 4.21 | 4.71 |
| Gross Profit Margin | | 100.00% | 100.00% | 100.00% | 100.00% |
| Operating Profit Margin | | 73.59% | 74.27% | 74.93% | 75.55% |
| Net Profit Margin | | 52.52% | 41.09% | 42.84% | 44.65% |
| Return on Total Assets (ROA) | | 9.55% | 7.41% | 7.66% | 7.93% |
| Return on Equity (ROE) | | 57.30% | 44.51% | 46.08% | 47.69% |
| Earnings Per Share | | 2,066,098 | 1,604,917 | 1,661,463 | 1,719,355 |
| IPE Egypt - 20% | | 41,321,961 | 32,098,344 | 33,229,253 | 34,387,093 |
| Price/Earnings Ratio | | | | | |
| DUPONT ANALYSIS | | | | | |
| Net Profit AT/Sales | | 52.52% | 41.09% | 42.84% | 44.65% |
| Sales/Total Assets | 0.00% | 18.17% | 18.02% | 17.88% | 17.76% |
| ROA | | 9.55% | 7.41% | 7.66% | 7.93% |
| Net Profit AT/Total Assets | 0.00% | 9.55% | 7.41% | 7.66% | 7.93% |
| Total Assets/Stockholders' Equity | 845.46% | 462.02% | 344.57% | 272.75% | 224.24% |
| ROE | 0.00% | 44.10% | 25.52% | 20.90% | 17.78% |

STATEMENT OF CASH FLOWS

| | | | | | |
|---|--|---------------------|--------------------|--------------------|--------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit after Taxes | | 206,609,803 | 160,491,719 | 166,146,264 | 171,935,467 |
| Depreciation | | 88,556,148 | 85,013,902 | 81,613,346 | 78,348,812 |
| Decrease in Accts. Receiv. | | 0 | 0 | 0 | 0 |
| Decrease in Inventories | | 0 | 0 | 0 | 0 |
| Decrease in Other Assets | | 0 | 0 | 0 | 0 |
| Increase in Accounts Pay. | | 0 | 0 | 0 | 0 |
| Increase in Accruals | | 0 | 0 | 0 | 0 |
| Increase in Taxes Payable | | 0 | 0 | 0 | 0 |
| Increase in Other Cur. Lia. | | 0 | 0 | 0 | 0 |
| Cash Flow from Oper. Act. | | 295,165,951 | 245,505,621 | 247,759,610 | 250,284,279 |
| CASH FLOW FROM INVESTMENT ACTIVITIES | | | | | |
| Increase in Gross Fixed Assets | | 88,556,148 | 85,013,902 | 81,613,346 | 78,348,812 |
| Cash Flow from Investments | | 88,556,148 | 85,013,902 | 81,613,346 | 78,348,812 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Increase in Notes Payable | | 0 | 0 | 0 | 0 |
| Increase in Long-Term Debt | | (256,108,809) | (157,676,017) | (164,723,162) | (172,087,428) |
| Changes in Stockholders' Equity | | 206,609,803 | 160,491,719 | 166,146,264 | 171,935,467 |
| Preferred Dividends Paid | | 0 | 0 | 0 | 0 |
| Common Dividends Paid | | | | | |
| Cash Flow from Financing Activities | | (49,499,006) | 2,815,701 | 1,423,102 | (151,961) |
| Net Incr. in Cash / Mark. Securities | | 334,223,093 | 333,335,225 | 330,796,058 | 328,481,131 |