

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

SOLAR POWER PLANT EL SALVADOR



50 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
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THE BUSINESS

El Salvador 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 could provide a loan of up to 451 million SVC for 50 Megawatt in total.

Assuming this loan financing the equity/loan ratio would be at 1 : 5.4

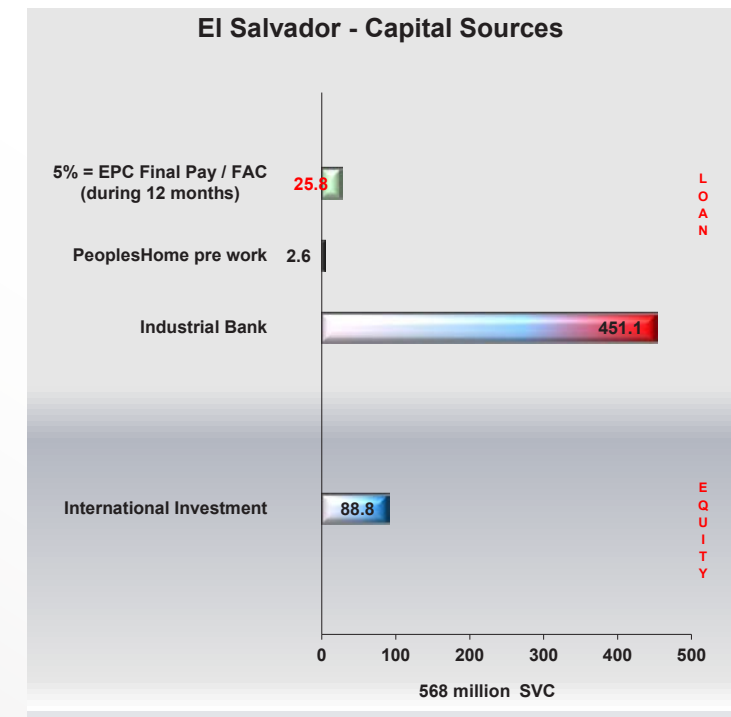
The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 0.88 SVC/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 8.2%).

Programmatic carbon income is no part of the financial projections. It is estimated up to 2.9% 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

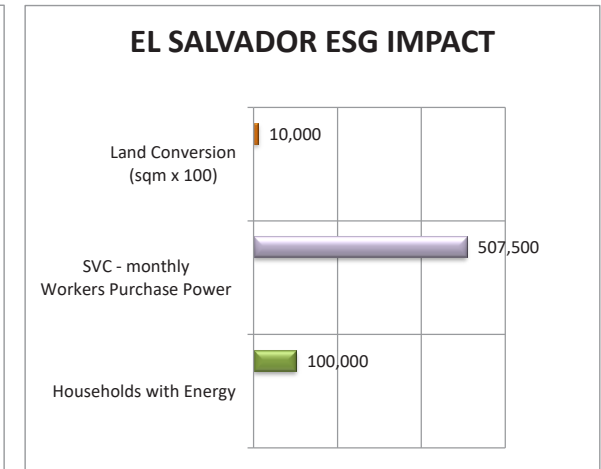
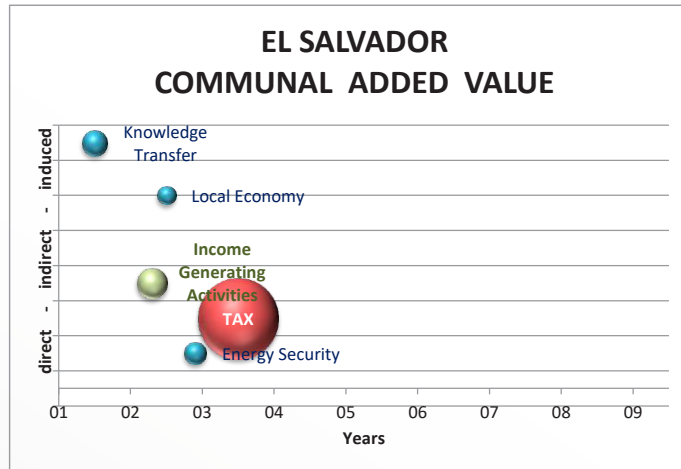
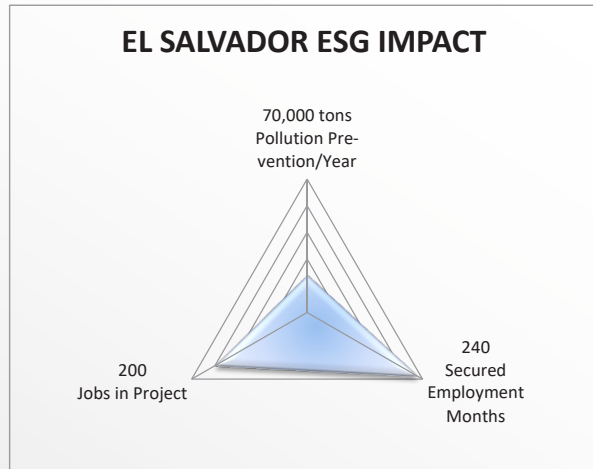
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

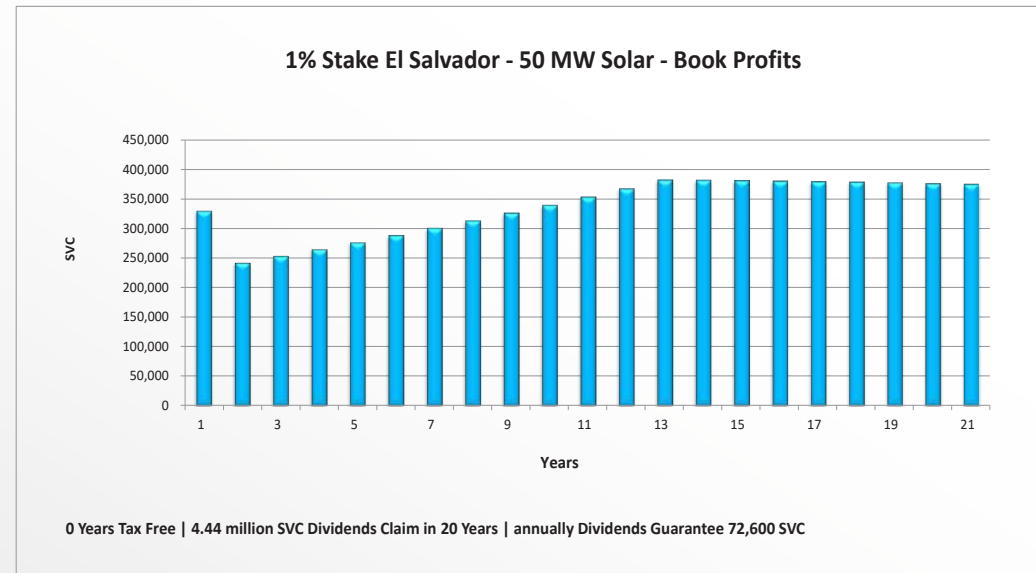


ESG IMPACT & DIVIDENDS

ENVIRONMENT - SOCIAL - GOVERNANCE



El Salvador Invest	565,618,143 SVC
PeoplesHome (pre-work)	2,625,000 SVC ✓
External Capital	451,098,396 SVC ✓
Private Equity	88,754,776 SVC ✓
Final Pay out of Revenues	25,764,971 SVC ✓
ROI (20 years)	5.5 %
Net Present Value	284,944,800 SVC
Profitability Index	3.2
Price per installed Kilowatt	10,306 SVC
Operating & Maintenance 1% / year	4,128,675 SVC
IRR (20 years)	9.54 %
DSCR	1.48



CRC RISKS & INVESTORS RELATION



ROE

34.6%

NPV

285M SVC

IRR

9.5%

FINANCIAL PROJECTION

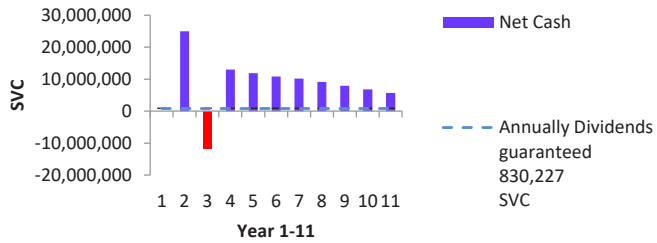
SUMMARY

El Salvador Solar Power Park Total Power 50 MW
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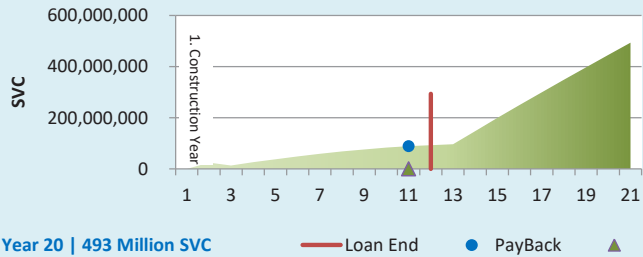
I	Volumes	SVC	1 USD = 8.75 SVC	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	50 MW Solar Power		
	Served Households	100,000 (à 75 Kwh/m)	(90 GWh/Year - Gain 1,800)	
	Village Land	0 ha	8.75 SVC/sqm	
	Land Surface - Solar Power Park	100 ha	0.00 SVC/sqm	
II	Use of Capital	565,618,143 SVC		
	Technology & Production Machinery	515,299,425 SVC	Price per KW Std. - Premium - IDC	
	Land	0 SVC	10306 11050 11312	
	* Construction Material Houses	0 SVC		
	* Labour Cost	0 SVC		
	Infrastructure + Labour Cost	0 SVC		
	Management + Fees & IDC	50,318,719 SVC		
	Qualification Budget	0 SVC		
	Social Village Package	0 SVC		
III	Capital Part 2017	542,478,172 SVC	16.0% Projected Equity 10%	
	PeoplesHome pre-costs	2,625,000 SVC	shares 15.0%	actual 0.5%
	National Loans	0 SVC		0.0%
	International Loans (IR ~4.5%)	451,098,396 SVC		85.9%
	National Grants	0 SVC		0.0%
	International Grants	0 SVC		0.0%
	National Investments	0 SVC	20.0%	0.0%
	International Investments	88,754,776 SVC	65.0%	16.0%
	Co-/Interims Investment	0 SVC		0.0%
			100.0%	102.4%
IV	Social Impact			
	Jobs	200		
	Purchase Power	507,500 SVC	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 SVC		
	Tax to pay per Year	26,276,977 SVC	Average (30% tax rate)	
	Project Locations	1		
	Total Projected Carbon Credits	6,101,550 SVC	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.88 SVC	per Kwh (break even 0.79/ 0.66 SVC)	
	- El Salvador			
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.61 SVC	2017	
	Electricity Price Inflation	3.00 %	per Year	
	El Salvador Surplus	257,495,901 SVC	(20 Years)	
	- Net Income Operator	4,128,675 SVC	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	2,406,250 SVC		
	Working Capital	3,018,750 SVC		
	R-O-E (NPM 34.9%), ROI 5.5%	34.6 %		
			672,915,505 SVC Stuttgarter Model	
			284,944,800 SVC NPV	C 0.4

FINANCIAL PROJECTION

El Salvador 50 MW - Solar Cash & Dividends

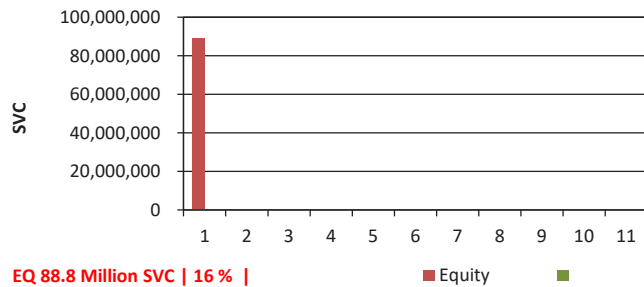


SPV | El Salvador Ending Cash



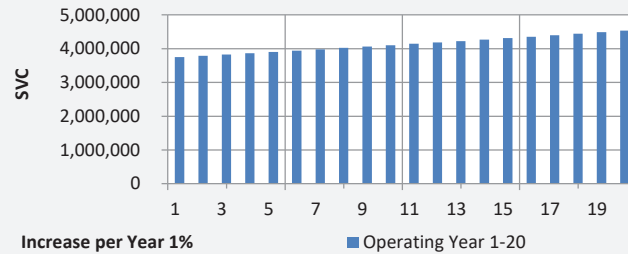
Year 20 | 493 Million SVC

Private Equity



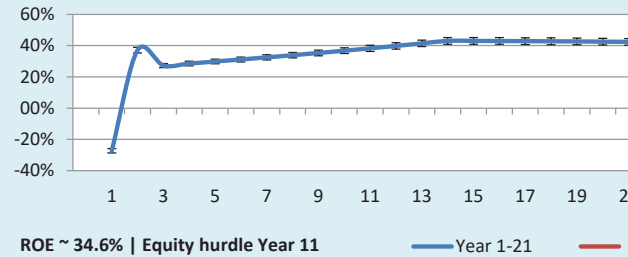
EQ 88.8 Million SVC | 16% |

Operating (O&M) El Salvador Turnover 83 Million SVC



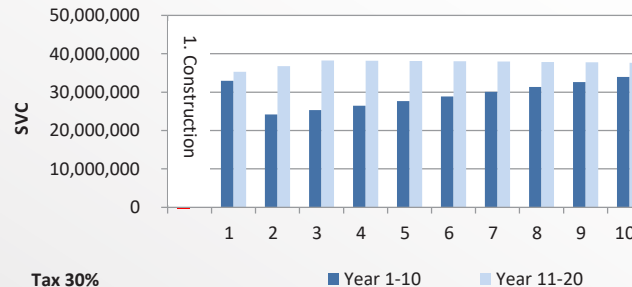
Increase per Year 1%

Return on Equity (ROE) SPV | El Salvador



ROE ~ 34.6% | Equity hurdle Year 11

SPV El Salvador Net Income



Tax 30%

KEY NUMBERS - 2.8.2017|14:32

50 MW Solar 1,800 Investment	565,618,143 SVC
Equity	88,754,776 SVC
Loan	453,723,396 SVC
Supplier Final Payment	25,764,971 SVC
Sub-payment	0 SVC
Global Interest Rate	4.5 %
Grants	0 SVC
R-O-E 20 years after tax	34.6 %
R-O-I 20 years after tax	5.5 %
NPV 20 years before tax (IR 4%)	284,944,800 SVC
Company Value (Stuttgar Model)	672,915,505 SVC
Guaranteed Pay-out Dividends	8.18 %
Pay Back Period	11 Years
PPA /KWh	0.88 SVC
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	307,039 SVC
1 \$-cent Income PPA/FiT (20 Years)	147,026,250 SVC
Off-taker Power Break Even	Year 14 2031
Tax Exemption	0 Years
Country Surplus in 20 Years	257,495,901 SVC
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 El Salvador Solar Power Park Total Power 50 MW

FIRST CALENDAR YEAR OF DATA 2017

SVC

NUMBER OF YEARS OF DATA 5

Equity 88,754,776

CAESS

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	78,750,000	78,198,750	77,647,500	77,096,250
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	78,750,000	78,198,750	77,647,500	77,096,250
Less: Operating Expenses:					
Operating Expense	0	3,750,145	3,787,639	3,825,509	3,863,764
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	11,102,985	21,761,851	20,891,377	20,055,722	19,253,493
Total Operating Expenses	11,102,985	25,511,996	24,679,016	23,881,231	23,117,257
Operating Profits	(11,102,985)	53,238,004	53,519,734	53,766,269	53,978,993
Less: Interest Expense	13,093,885	20,299,428	18,986,741	17,614,984	16,181,497
Net Profits Before Taxes	(24,196,870)	32,938,576	34,532,993	36,151,286	37,797,496
Less: Taxes	0	0	10,359,898	10,845,386	11,339,249
Net Profit After Taxes	(24,196,870)	32,938,576	24,173,095	25,305,900	26,458,247
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		32,938,576	24,173,095	25,305,900	26,458,247

BALANCE SHEET

Current Assets:

Cash	0	25,004,613	13,295,614	26,276,977	38,174,973
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	25,004,613	13,295,614	26,276,977	38,174,973
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	544,046,273	522,284,422	501,393,045	481,337,324	462,083,831
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	544,046,273	522,284,422	501,393,045	481,337,324	462,083,831
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	544,046,273	522,284,422	501,393,045	481,337,324	462,083,831
Other Assets	0	0	0	0	0
Total Assets	544,046,273	547,289,036	514,688,659	507,614,301	500,258,804

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)	479,488,367	449,792,553	393,019,081	360,638,823	326,825,079
Total Liabilities	479,488,367	449,792,553	393,019,081	360,638,823	326,825,079
Preferred Stock	0	0	0	0	0
Common Stock !!	64,557,906	97,496,482	121,669,578	146,975,478	173,433,725
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	64,557,906	97,496,482	121,669,578	146,975,478	173,433,725
Total Liab. & Stockholders' Equity	544,046,273	547,289,036	514,688,659	507,614,301	500,258,804

FINANCIAL PROJECTION

50 MW El Salvador	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	0.15	0.16	0.16	0.17
Total Asset Turnover	0.00	0.14	0.15	0.15	0.15
Debt Ratio	0.88	0.82	0.76	0.71	0.65
Debt-to-Equity	7.43	4.61	3.23	2.45	1.88
Times Interest Earned		2.62	2.82	3.05	3.34
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		67.60%	68.44%	69.24%	70.02%
Net Profit Margin		41.83%	30.91%	32.59%	34.32%
Return on Total Assets (ROA)		6.02%	4.70%	4.99%	5.29%
Return on Equity (ROE)		37.11%	27.24%	28.51%	29.81%
Earnings Per Share		329,386	241,731	253,059	264,582
IPE El Salvador - 20%		6,587,715	4,834,619	5,061,180	5,291,649
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		41.83%	30.91%	32.59%	34.32%
Sales/Total Assets	0.00%	14.39%	15.19%	15.30%	15.41%
ROA		6.02%	4.70%	4.99%	5.29%
Net Profit AT/Total Assets	0.00%	6.02%	4.70%	4.99%	5.29%
Total Assets/Stockholders. Equity	842.73%	561.34%	423.02%	345.37%	288.44%
ROE	0.00%	33.78%	19.87%	17.22%	15.26%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		32,938,576	24,173,095	25,305,900	26,458,247
Depreciation		21,761,851	20,891,377	20,055,722	19,253,493
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.		54,700,427	45,064,472	45,361,622	45,711,740
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		21,761,851	20,891,377	20,055,722	19,253,493
Cash Flow from Investments		21,761,851	20,891,377	20,055,722	19,253,493
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(29,695,814)	(56,773,472)	(32,380,258)	(33,813,745)
Changes in Stockholders' Equity		32,938,576	24,173,095	25,305,900	26,458,247
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid		0	0	0	0
Cash Flow from Financing Activities		3,242,762	(32,600,377)	(7,074,358)	(7,355,497)
Net Incr. in Cash / Mark. Securities		79,705,040	33,355,472	58,342,986	57,609,736