

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

KENYA



25 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

Kenya 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 (15.6%).

The Industrial and Commercial Bank of China has submitted a strong letter of intent for providing a loan of up to 2,663 million KES for 25 Megawatt in total.

Assuming this loan financing the equity/loan ratio would be at 1 : 5.6
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 11.43 KES/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 7.6%).

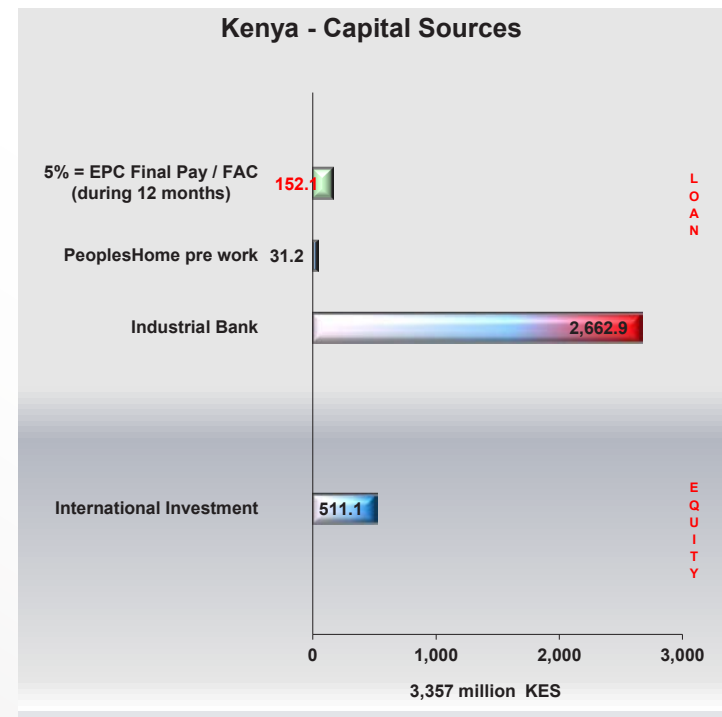
Programmatic carbon income is no part of the financial projections. It is estimated up to 2.7% of the investment cost throughout the entire operating period.



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Kenya - Capital Sources



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

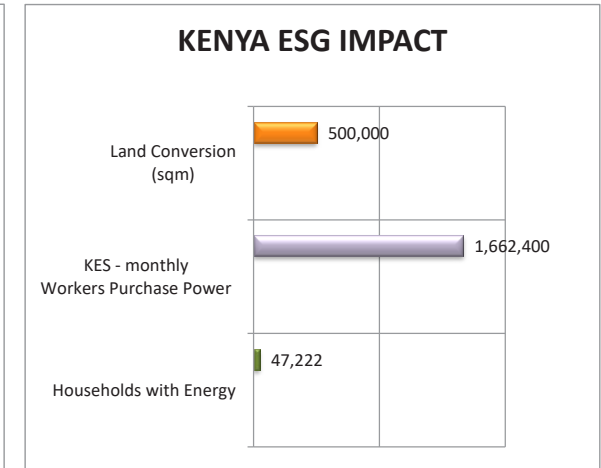
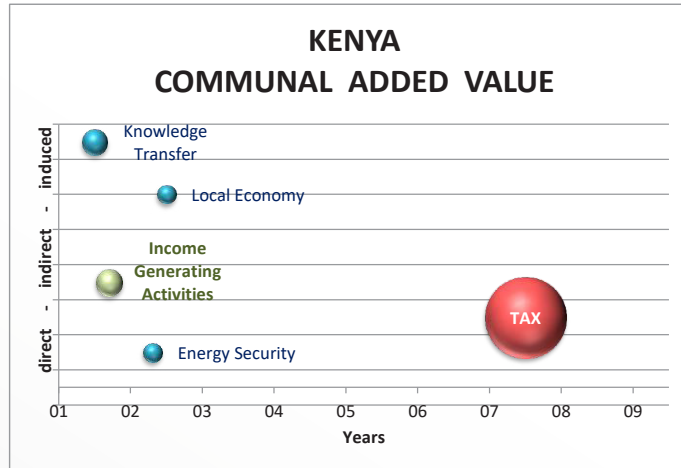
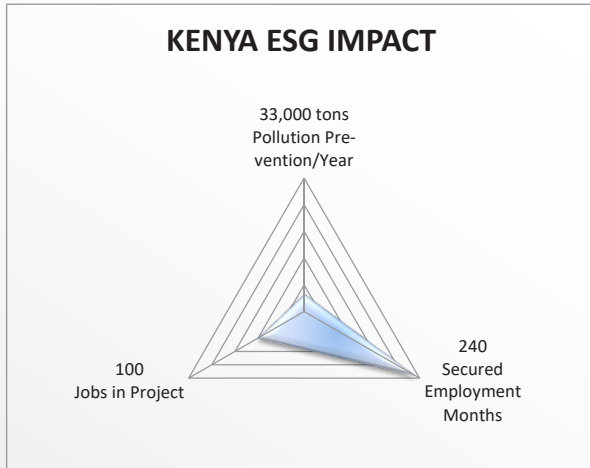
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

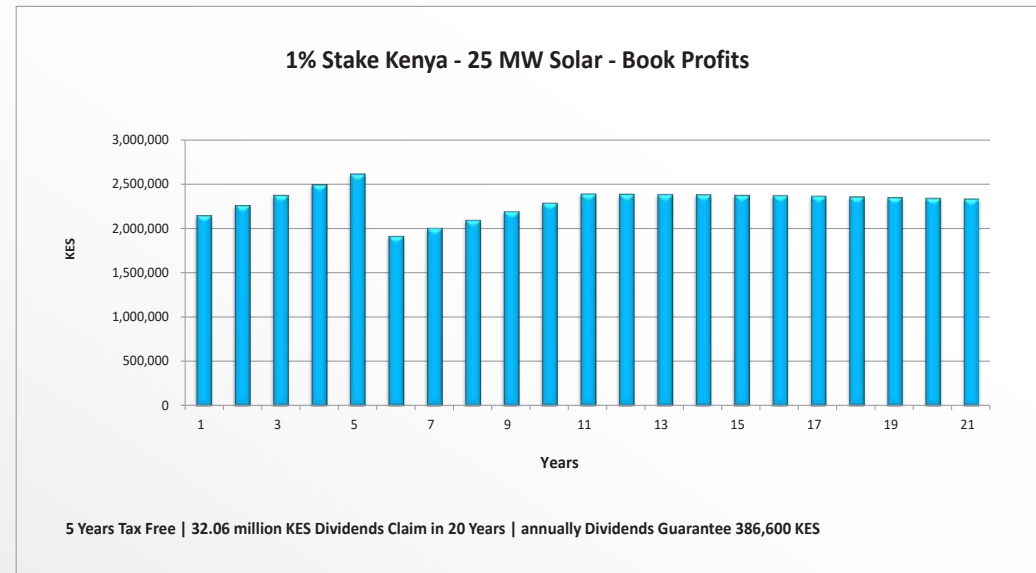


ESG IMPACT & DIVIDENDS

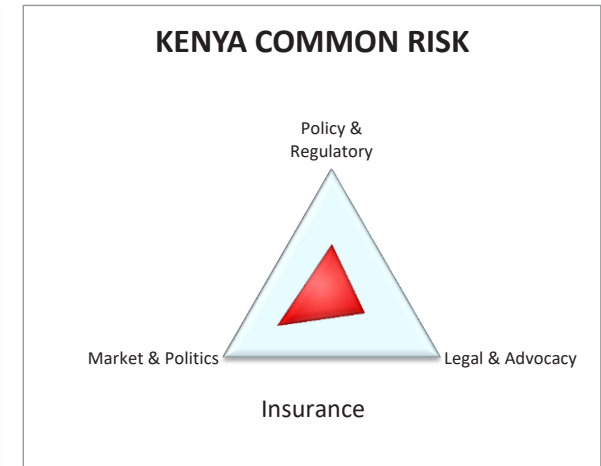
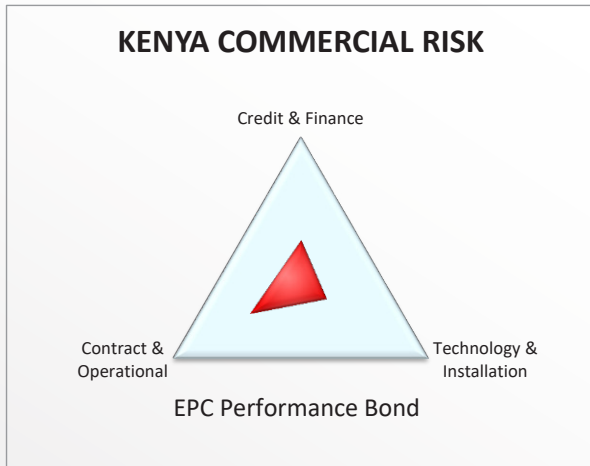
ENVIRONMENT - SOCIAL - GOVERNANCE



Kenya Invest	3,326,070,433 KES
PeoplesHome (pre-work)	31,170,000 KES ✓
External Capital	2,662,889,072 KES ✓
Private Equity	511,092,033 KES ✓
Final Pay out of Revenues	152,089,329 KES ✓
ROI (20 years)	6.5 %
Net Present Value	2,028,930,415 KES
Profitability Index	4.0
Price per installed Kilowatt	121,671 KES
Operating & Maintenance 1% / year	24,512,233 KES
IRR (20 years)	10.43 %
DSCR	1.22



CRC RISKS & INVESTORS RELATION



ROE
41.7%

NPV
2,029M KES

IRR
10.4%

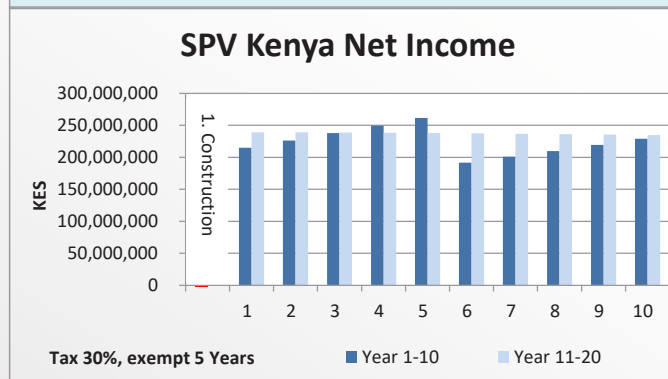
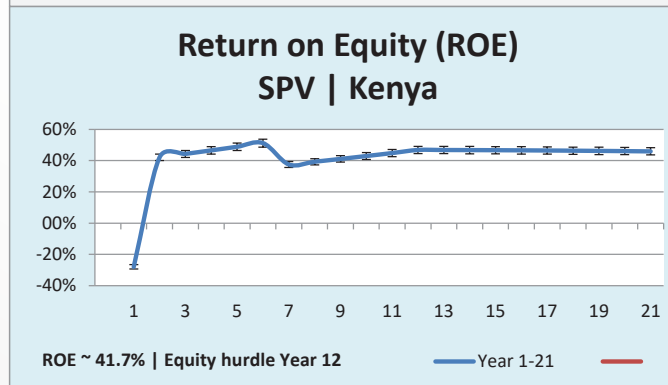
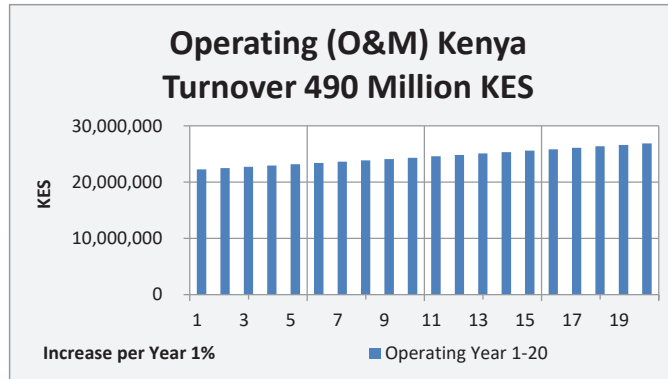
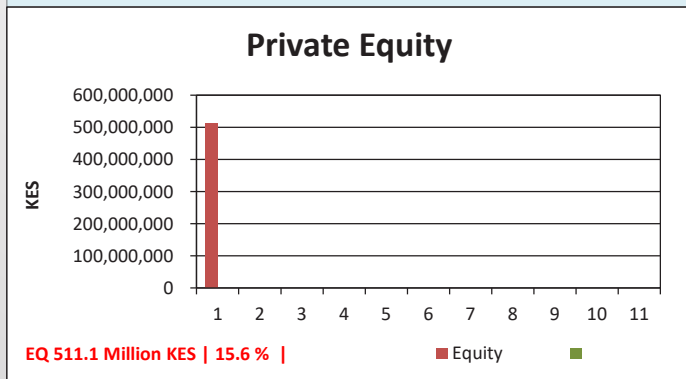
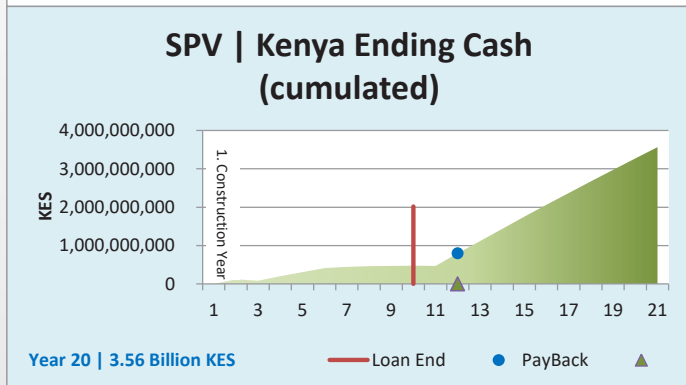
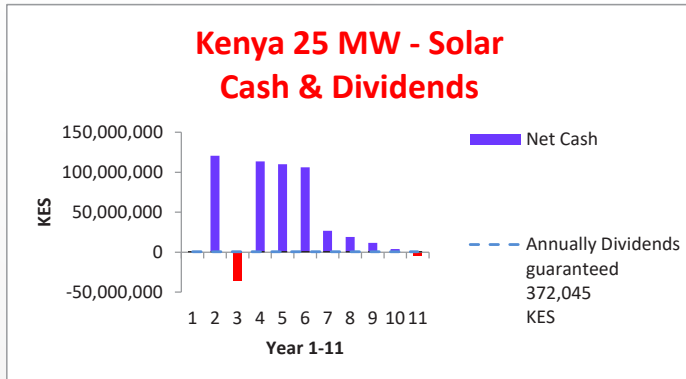
FINANCIAL PROJECTION

SUMMARY

Kenya Solar Power Park Total Power 25 MW
S--121671:20780

I Volumes		KES	1 USD = 103.90 KES	08.17
Houses (re-investment proposal)	0			F 0
Renewable Energy	25 MW Solar Power			
Served Households	47,222 (à 75 Kwh/m) (43 GWh/Year - Gain 1,700)			
Village Land	0 ha	103.90 KES/sqm		
Land Surface - Solar Power Park	50 ha	0.00 KES/sqm		
II Use of Capital		3,326,070,433 KES		
			Price per KW Std. - Premium - IDC	
Technology & Production Machinery	3,041,786,572 KES		121671 129948 133043	
Land	0 KES			
* Construction Material Houses	0 KES			
* Labour Cost	0 KES			
Infrastructure + Labour Cost	0 KES			
Management + Fees & IDC	284,283,861 KES			
Qualification Budget	0 KES			
Social Village Package	0 KES			
III Capital Part 2017		3,205,151,105 KES	15.6% Projected Equity 10%	
			shares	actual
PeoplesHome pre-costs	31,170,000 KES	15.0%	5 Years	1.0%
National Loans	0 KES			0.0%
International Loans (IR ~4.5%)	2,662,889,072 KES		11 Years	85.8%
National Grants	0 KES			0.0%
International Grants	0 KES			0.0%
National Investments	0 KES	20.0%		0.0%
International Investments	511,092,033 KES	65.0%		15.6%
Co-/Interims Investment	0 KES			0.0%
		100.0%		102.4%
IV Social Impact				
Jobs	100			
Purchase Power	1,662,400 KES	per Month		
V Common Numbers				
Houses per Year (construction)	0			
House Sale Price	0 KES			
Tax to pay per Year	199,142,052 KES	Average (30% tax rate) (5 Years no)		
Project Locations	1			
Total Projected Carbon Credits	34,213,231 KES	extra Income (not in the Finance Scheme)		
Power Purchase Agreement	11.43 KES	per Kwh (break even 10.42/ 9.38 KES)		
- Kenya				
Yearly FIT Progression	0.00 %			
Electricity Market Price KWh	10.39 KES	2017		
Electricity Price Inflation	4.20 %	per Year		
Kenya Surplus	5,294,766,339 KES	(20 Years)		
- Net Income Operator	24,512,233 KES	per Year		
VI R-O-E + Pre Costs				
Feasibility Study	28,572,500 KES			
Working Capital	35,845,500 KES		4,150,795,180 KES Stuttgarter Model	
R-O-E (NPM 48.3%), ROI 6.5%	41.7 %		2,028,930,415 KES NPV	

FINANCIAL PROJECTION



KEY NUMBERS - 2.8.2017|14:8

25 MW Solar	1,700
Investment	
	3,326,070,433 KES
Equity	
	511,092,033 KES
Loan	
	2,694,059,072 KES
Supplier Final Payment	
	152,089,329 KES
Sub-payment	
	0 KES
Global Interest Rate	
	4.5 %
Grants	
	0 KES
R-O-E 20 years after tax	
	41.7 %
R-O-I 20 years after tax	
	6.5 %
NPV 20 years before tax (IR 4%)	
	2,028,930,415 KES
Company Value (Stuttgar Model)	
	4,150,795,180 KES
Guaranteed Pay-out Dividends	
	7.56 %
Pay Back Period	
	12 Years
PPA /KWh	
	11.43 KES
Fit/PPA Rise Anually	
	0.00 %
1% Profit Ø per Year	
	2,129,453 KES
1 \$-cent Income PPA/FIT (20 Years)	
	824,420,525 KES
Off-taker Power Break Even	
	Year 4 2021
Tax Exemption	
	5 Years
Country Surplus in 20 Years	
	5,294,766,339 KES
Nat-Capital : Int'l.-Capital Quote	
	0 : 1
Equity : Loan Quote	
	1 : 5.6

FINANCIAL PROJECTION

FINANCIAL ANALYSIS MODEL

ANALYST'S NAME Dr. Glenn L. Stevens - <http://staging-cms.fandm.edu/glenn-stevens>
 NAME OF COMPANY Kenya Solar Power Park Total Power 25 MW

FIRST CALENDAR YEAR OF DATA 2017 KES

NUMBER OF YEARS OF DATA 5

Equity 511,092,033

K P L C

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	485,732,500	482,332,373	478,932,245	475,532,118
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	485,732,500	482,332,373	478,932,245	475,532,118
Less: Operating Expenses:					
Operating Expense	0	22,265,147	22,487,700	22,712,540	22,939,665
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	65,597,399	128,570,902	123,428,066	118,490,943	113,751,306
Total Operating Expenses	65,597,399	150,836,049	145,915,766	141,203,483	136,690,971
Operating Profits	(65,597,399)	334,896,451	336,416,606	337,728,762	338,841,147
Less: Interest Expense	77,370,486	119,830,008	110,078,383	99,887,935	89,238,917
Net Profits Before Taxes	(142,967,885)	215,066,443	226,338,223	237,840,826	249,602,229
Less: Taxes	0	0	0	0	0
Net Profit After Taxes	(142,967,885)	215,066,443	226,338,223	237,840,826	249,602,229
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		215,066,443	226,338,223	237,840,826	249,602,229

BALANCE SHEET

Current Assets:

Cash	0	120,700,570	85,689,130	199,142,052	308,967,721
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	120,700,570	85,689,130	199,142,052	308,967,721
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	3,214,272,549	3,085,701,647	2,962,273,581	2,843,782,638	2,730,031,332
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	3,214,272,549	3,085,701,647	2,962,273,581	2,843,782,638	2,730,031,332
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	3,214,272,549	3,085,701,647	2,962,273,581	2,843,782,638	2,730,031,332
Other Assets	0	0	0	0	0
Total Assets	3,214,272,549	3,206,402,217	3,047,962,711	3,042,924,689	3,038,999,053

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)	2,846,148,401	2,623,211,626	2,238,433,897	1,995,555,049	1,742,027,183
Total Liabilities	2,846,148,401	2,623,211,626	2,238,433,897	1,995,555,049	1,742,027,183
Preferred Stock	0	0	0	0	0
Common Stock !!	368,124,148	583,190,591	809,528,814	1,047,369,640	1,296,971,870
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	368,124,148	583,190,591	809,528,814	1,047,369,640	1,296,971,870
Total Liab. & Stockholders' Equity	3,214,272,549	3,206,402,217	3,047,962,711	3,042,924,689	3,038,999,053

FINANCIAL PROJECTION

25 MW Kenya	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	0.16	0.16	0.17	0.17
Total Asset Turnover	0.00	0.15	0.16	0.16	0.16
Debt Ratio	0.89	0.82	0.73	0.66	0.57
Debt-to-Equity	7.73	4.50	2.77	1.91	1.34
Times Interest Earned		2.79	3.06	3.38	3.80
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		68.95%	69.75%	70.52%	71.26%
Net Profit Margin		44.28%	46.93%	49.66%	52.49%
Return on Total Assets (ROA)		6.71%	7.43%	7.82%	8.21%
Return on Equity (ROE)		42.08%	44.29%	46.54%	48.84%
Earnings Per Share (first 5 years tax exemption)		2,150,664	2,263,382	2,378,408	2,496,022
IPK Kenya - 20%		43,013,289	45,267,645	47,568,165	49,920,446
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		44.28%	46.93%	49.66%	52.49%
Sales/Total Assets	0.00%	15.15%	15.82%	15.74%	15.65%
ROA		6.71%	7.43%	7.82%	8.21%
Net Profit AT/Total Assets	0.00%	6.71%	7.43%	7.82%	8.21%
Total Assets/Stockholders. Equity	873.15%	549.80%	376.51%	290.53%	234.31%
ROE	0.00%	36.88%	27.96%	22.71%	19.24%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		215,066,443	226,338,223	237,840,826	249,602,229
Depreciation		128,570,902	123,428,066	118,490,943	113,751,306
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.		343,637,345	349,766,289	356,331,770	363,353,535
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		128,570,902	123,428,066	118,490,943	113,751,306
Cash Flow from Investments		128,570,902	123,428,066	118,490,943	113,751,306
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(222,936,775)	(384,777,729)	(242,878,848)	(253,527,866)
Changes in Stockholders' Equity		215,066,443	226,338,223	237,840,826	249,602,229
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid					
Cash Flow from Financing Activities		(7,870,332)	(158,439,506)	(5,038,022)	(3,925,637)
Net Incr. in Cash / Mark. Securities		464,337,915	314,754,849	469,784,691	473,179,204