

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
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

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 52 million US\$ for 50 Megawatt in total.

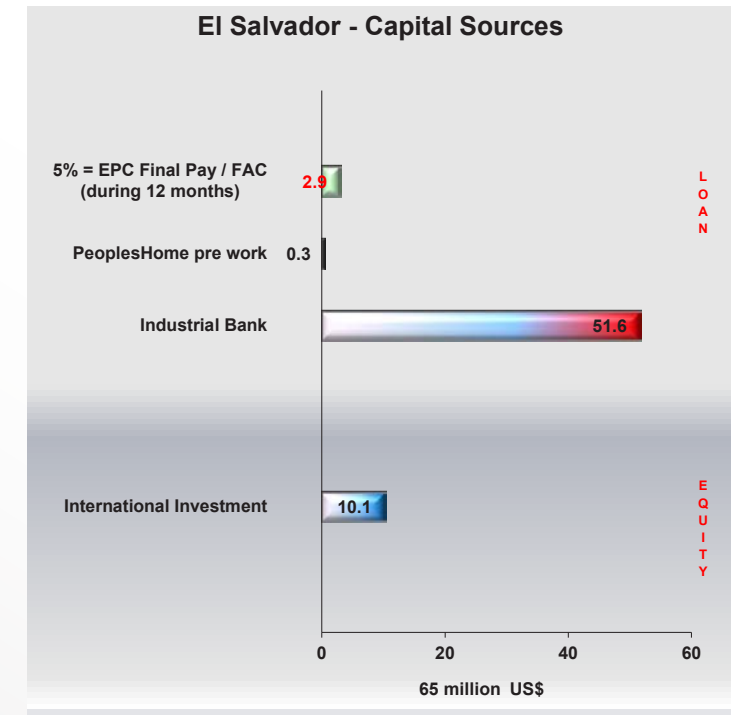
Assuming this loan financing the equity/loan ratio would be at 1 : 5.4
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 0.1 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 8.2%).

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.



Contents

PROJECT PARTICIPANTS	4
ESG IMPACT	5
CRC RISKS	6
FINANCIAL PROJECTION	7
IMPACT PROJECTION (option)	11



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

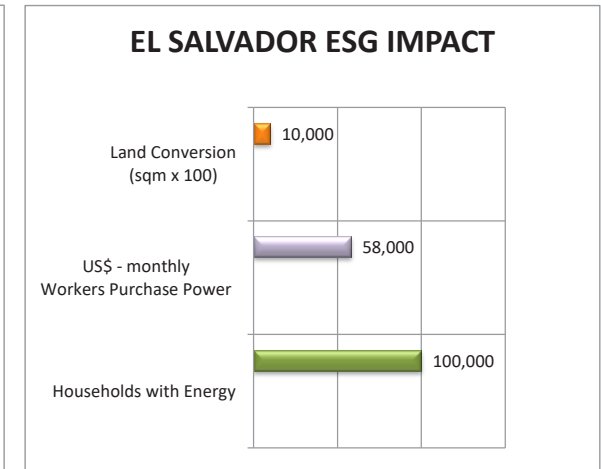
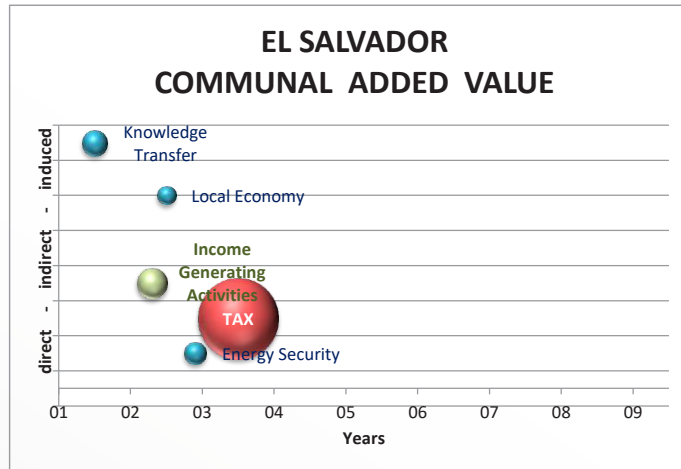
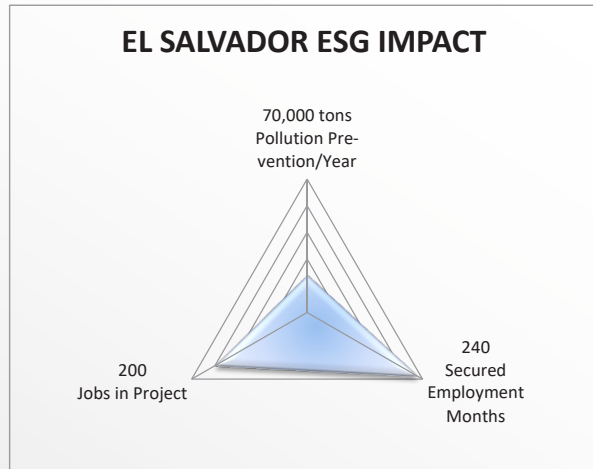
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

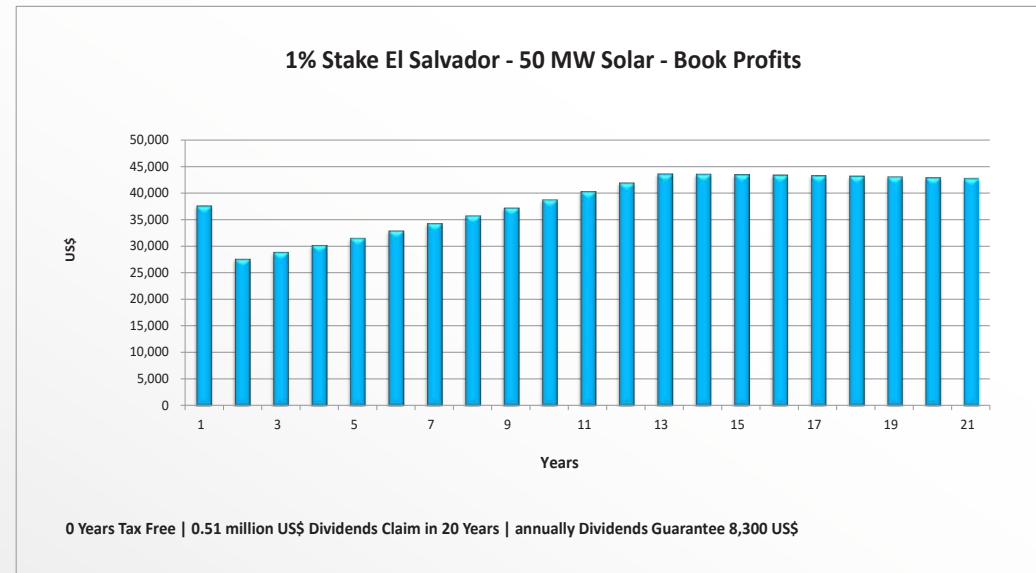


ESG IMPACT & DIVIDENDS

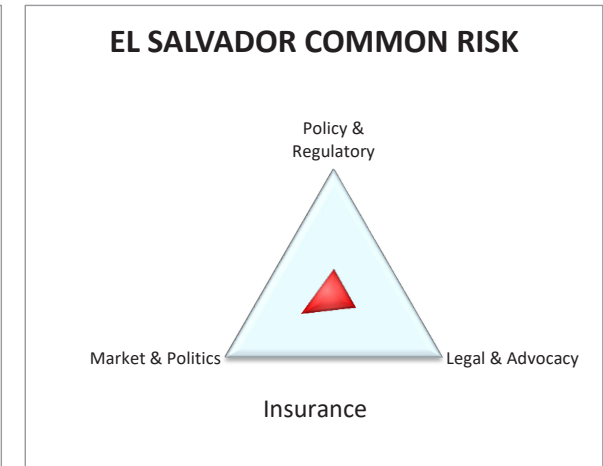
ENVIRONMENT - SOCIAL - GOVERNANCE



El Salvador Invest	64,642,074 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	51,554,102 US\$ ✓
Private Equity	10,143,403 US\$ ✓
Final Pay out of Revenues	2,944,568 US\$ ✓
ROI (20 years)	5.5 %
Net Present Value	32,565,120 US\$
Profitability Index	3.2
Price per installed Kilowatt	1,178 US\$
Operating & Maintenance 1% / year	471,849 US\$
IRR (20 years)	9.54 %
DSCR	1.48



CRC RISKS & INVESTORS RELATION



ROE

34.6%

NPV

33M US\$

IRR

9.5%

FINANCIAL PROJECTION

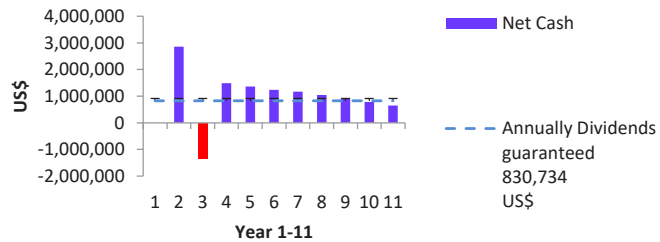
SUMMARY

El Salvador Solar Power Park Total Power 50 MW
S--1178:200

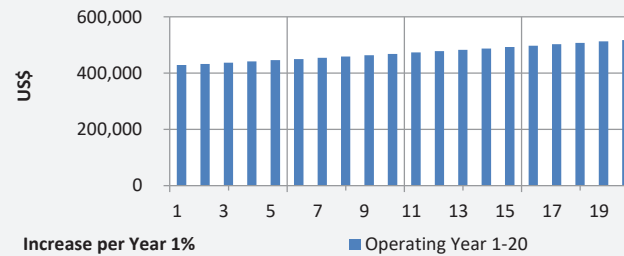
I	Volumes	US\$	1 USD = 8.75 SVC	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	50 MW Solar Power		
	Served Households	100,000 (à 75 Kwh/m) (90 GWh/Year - Gain 1,800)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	100 ha	0.00 US\$/sqm	
II	Use of Capital	64,642,074 US\$		
	Technology & Production Machinery	58,891,363 US\$	Price per KW Std. - Premium - IDC	
	Land	0 US\$	1178 1263 1293	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	5,750,711 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	61,997,505 US\$	16.0% Projected Equity 10%	
	PeoplesHome pre-costs	300,000 US\$	shares	actual
	National Loans	0 US\$	15.0%	5 Years 0.5%
	International Loans (IR ~4.5%)	51,554,102 US\$		13 Years 85.9%
	National Grants	0 US\$		0.0%
	International Grants	0 US\$		0.0%
	National Investments	0 US\$	20.0%	0.0%
	International Investments	10,143,403 US\$	65.0%	16.0%
	Co-/Interims Investment	0 US\$		0.0%
			100.0%	102.4%
IV	Social Impact			
	Jobs	200		
	Purchase Power	58,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 US\$		
	Tax to pay per Year	3,003,083 US\$	Average (30% tax rate)	
	Project Locations	1		
	Total Projected Carbon Credits	697,320 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.10 US\$	per Kwh (break even 0.09/ 0.08 US\$)	
	- El Salvador	0.88 SVC	(1 USD : 8.75 SVC)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.07 US\$	2017	
	Electricity Price Inflation	3.00 %	per Year	
	El Salvador Surplus	29,428,103 US\$	(20 Years)	
	- Net Income Operator	471,849 US\$	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	275,000 US\$		
	Working Capital	345,000 US\$		
	R-O-E (NPM 34.9%), ROI 5.5%	34.6 %		
			76,904,629 US\$ Stuttgarter Model	
			32,565,120 US\$ NPV	C 0.1

FINANCIAL PROJECTION

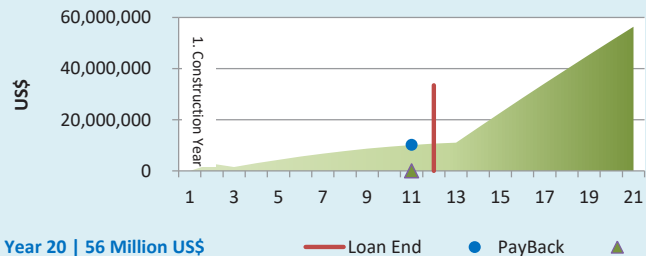
El Salvador 50 MW - Solar Cash & Dividends



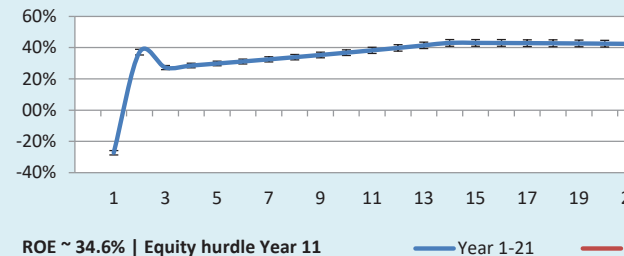
Operating (O&M) El Salvador Turnover 9 Million US\$



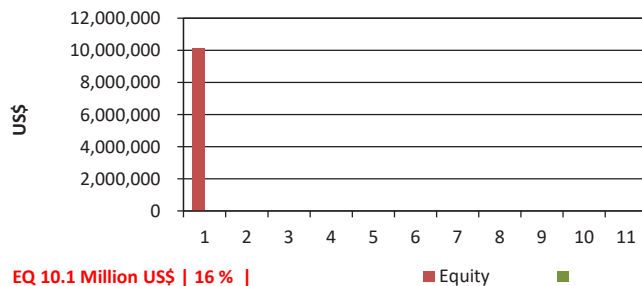
SPV | El Salvador Ending Cash



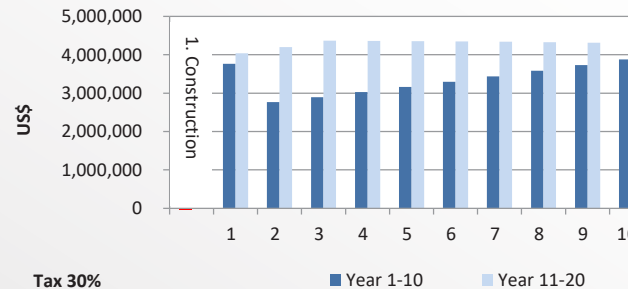
Return on Equity (ROE) SPV | El Salvador



Private Equity



SPV El Salvador Net Income



KEY NUMBERS - 2.8.2017|14:31

50 MW Solar 1,800 Investment	64,642,074 US\$
Equity	10,143,403 US\$
Loan	51,854,102 US\$
Supplier Final Payment	2,944,568 US\$
Sub-payment	0 US\$
Global Interest Rate	4.5 %
Grants	0 US\$
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%)	32,565,120 US\$
Company Value (Stuttgarter Model)	76,904,629 US\$
Guaranteed Pay-out Dividends	8.19 %
Pay Back Period	11 Years
PPA /KWh	0.10 US\$
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	35,090 US\$
1 \$-cent Income PPA/FiT (20 Years)	16,803,000 US\$
Off-taker Power Break Even	Year 14 2031
Tax Exemption	0 Years
Country Surplus in 20 Years	29,428,103 US\$
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

US\$

NUMBER OF YEARS OF DATA 5

Equity 10,143,403

CAESS

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	9,000,000	8,937,000	8,874,000	8,811,000
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	9,000,000	8,937,000	8,874,000	8,811,000
Less: Operating Expenses:					
Operating Expense	0	428,588	432,873	437,201	441,573
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	1,268,913	2,487,069	2,387,586	2,292,082	2,200,399
Total Operating Expenses	1,268,913	2,915,657	2,820,459	2,729,283	2,641,972
Operating Profits	(1,268,913)	6,084,343	6,116,541	6,144,717	6,169,028
Less: Interest Expense	1,496,444	2,319,935	2,169,913	2,013,141	1,849,314
Net Profits Before Taxes	(2,765,357)	3,764,409	3,946,628	4,131,576	4,319,714
Less: Taxes	0	0	1,183,988	1,239,473	1,295,914
Net Profit After Taxes	(2,765,357)	3,764,409	2,762,639	2,892,103	3,023,800
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		3,764,409	2,762,639	2,892,103	3,023,800

BALANCE SHEET

Current Assets:

Cash	0	2,857,670	1,519,499	3,003,083	4,362,854
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	2,857,670	1,519,499	3,003,083	4,362,854
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	62,176,717	59,689,648	57,302,062	55,009,980	52,809,581
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	62,176,717	59,689,648	57,302,062	55,009,980	52,809,581
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	62,176,717	59,689,648	57,302,062	55,009,980	52,809,581
Other Assets	0	0	0	0	0
Total Assets	62,176,717	62,547,318	58,821,561	58,013,063	57,172,435

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)	54,798,671	51,404,863	44,916,466	41,215,866	37,351,438
Total Liabilities	54,798,671	51,404,863	44,916,466	41,215,866	37,351,438
Preferred Stock	0	0	0	0	0
Common Stock !!	7,378,046	11,142,455	13,905,095	16,797,197	19,820,997
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	7,378,046	11,142,455	13,905,095	16,797,197	19,820,997
Total Liab. & Stockholders' Equity	62,176,717	62,547,318	58,821,561	58,013,063	57,172,435

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		37,644	27,626	28,921	30,238
IPE El Salvador - 20%		752,882	552,528	578,421	604,760
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		3,764,409	2,762,639	2,892,103	3,023,800
Depreciation		2,487,069	2,387,586	2,292,082	2,200,399
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.		6,251,477	5,150,225	5,184,185	5,224,199
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		2,487,069	2,387,586	2,292,082	2,200,399
Cash Flow from Investments		2,487,069	2,387,586	2,292,082	2,200,399
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(3,393,807)	(6,488,397)	(3,700,601)	(3,864,428)
Changes in Stockholders' Equity		3,764,409	2,762,639	2,892,103	3,023,800
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid					
Cash Flow from Financing Activities		370,601	(3,725,757)	(808,498)	(840,628)
Net Incr. in Cash / Mark. Securities		9,109,147	3,812,054	6,667,770	6,583,970