

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

GHANA



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

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THE BUSINESS

Ghana 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 103 million US\$ for 100 Megawatt in total.

Assuming this loan financing the equity/loan ratio would be at 1 : 5.3
 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 salebility and is projected for 20 years (Dividends Guarantee 19.3%) including FiT Progression of 3%/Year.

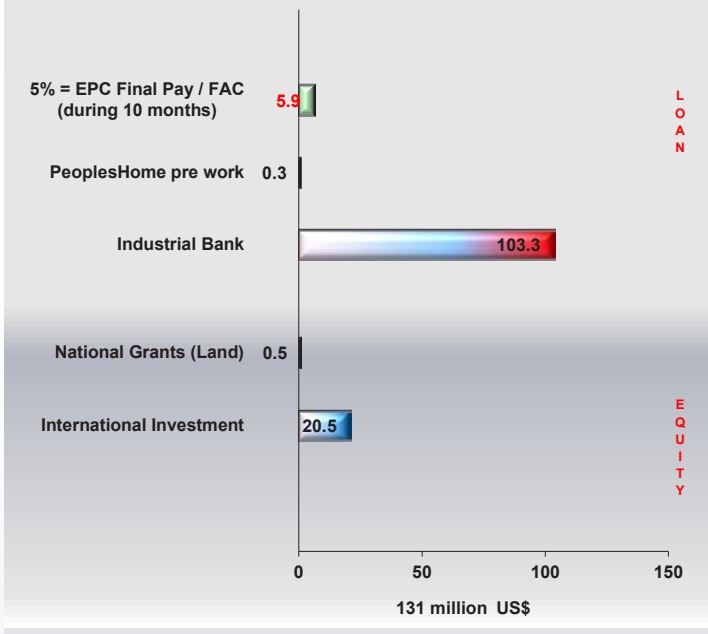
Programmatic carbon income is no part of the financial projections. It is estimated up to 3.2% of the investment cost throughout the entire operating period.



Contents

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

Ghana - 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

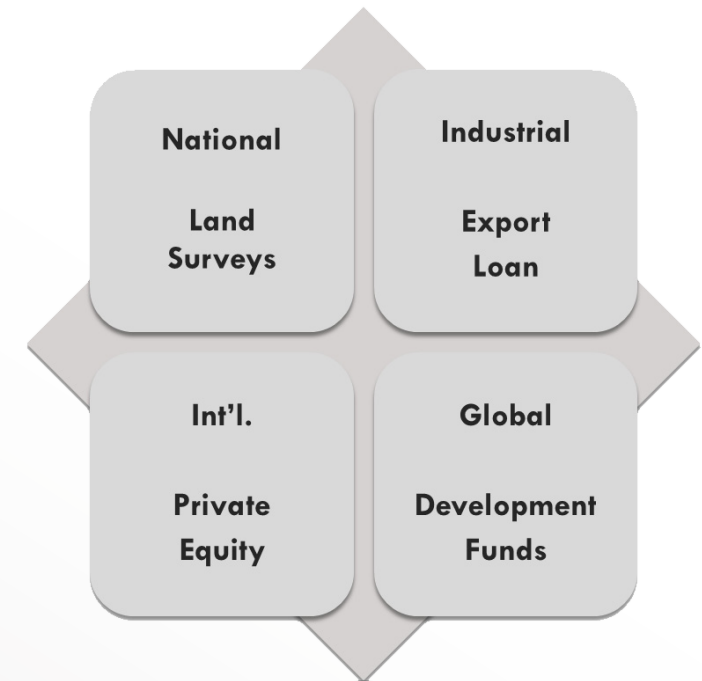
Operator
National Company

Power Purchaser
National Electricity Provider

Rent to Land Owner
Local Municipality

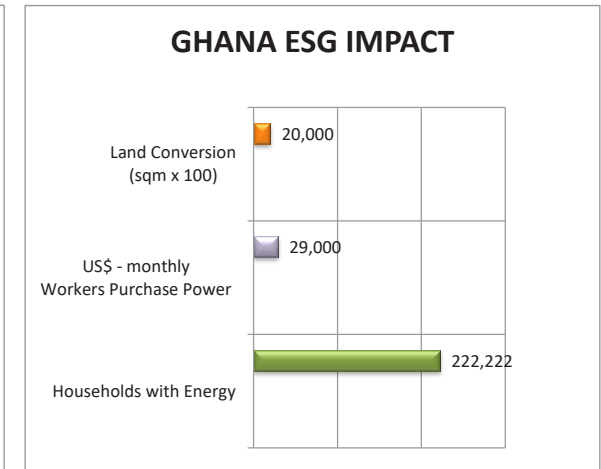
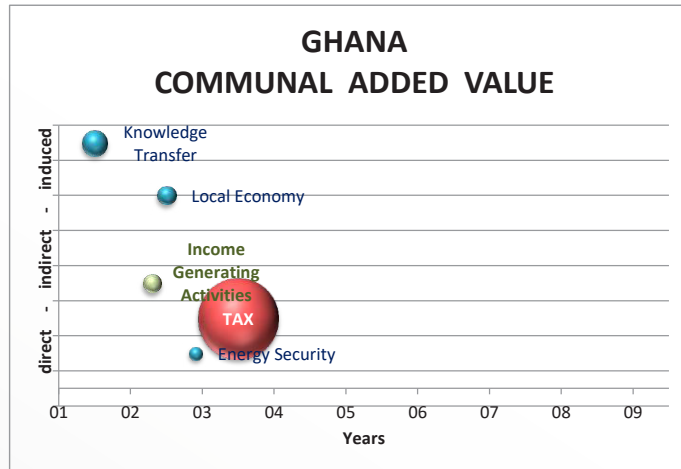
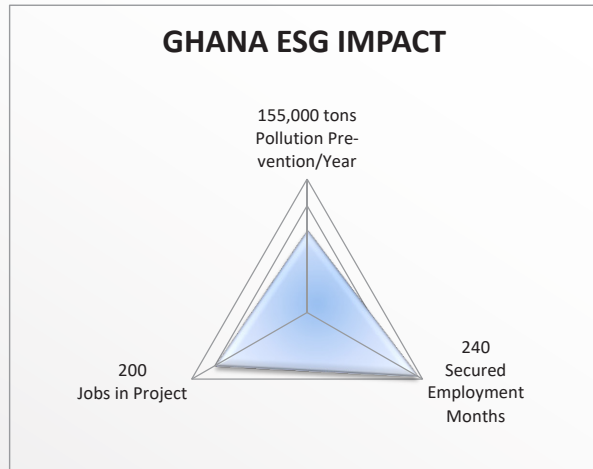
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

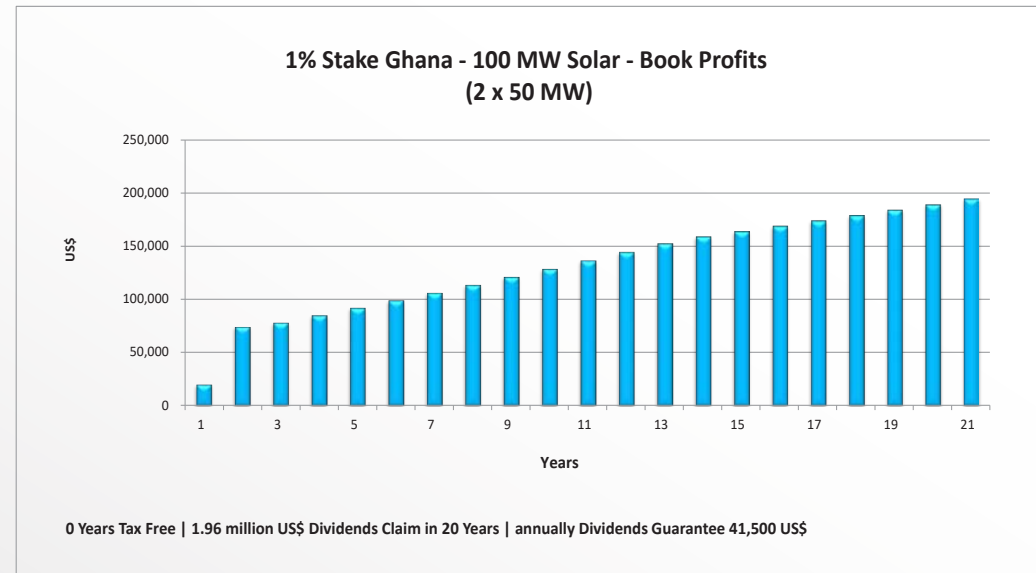


ESG IMPACT & DIVIDENDS

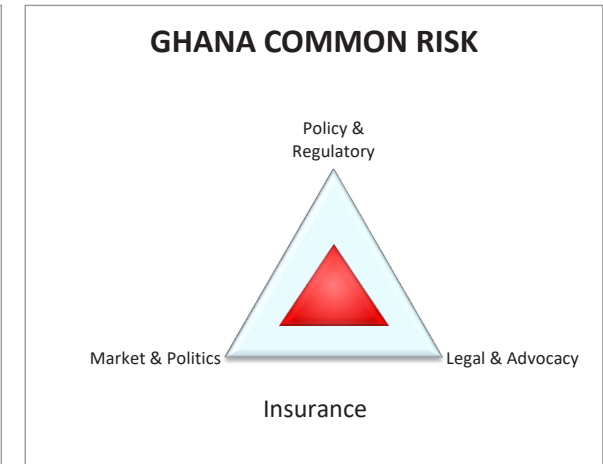
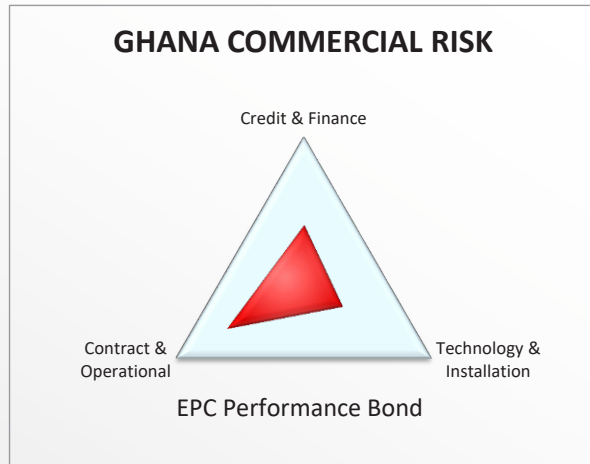
ENVIRONMENT - SOCIAL - GOVERNANCE



Ghana Invest	130,742,682 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	103,308,972 US\$ ✓
Private Equity + Grants	21,531,006 US\$ ✓
Final Pay out of Revenues	5,902,703 US\$ ✓
ROI (20 years)	9.4 %
Net Present Value	165,357,893 US\$
Profitability Index	7.7
Price per installed Kilowatt	1,181 US\$
Operating & Maintenance 1% / year	917,809 US\$
IRR (20 years)	24.17 %
DSCR	2.00



CRC RISKS & INVESTORS RELATION



ROI

9.4%

NPV

165M US\$

IRR

24.2%

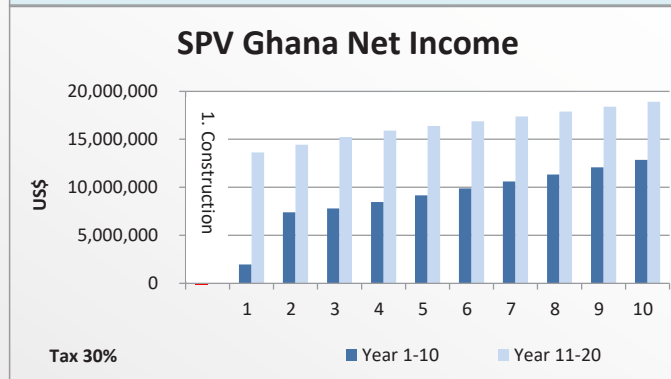
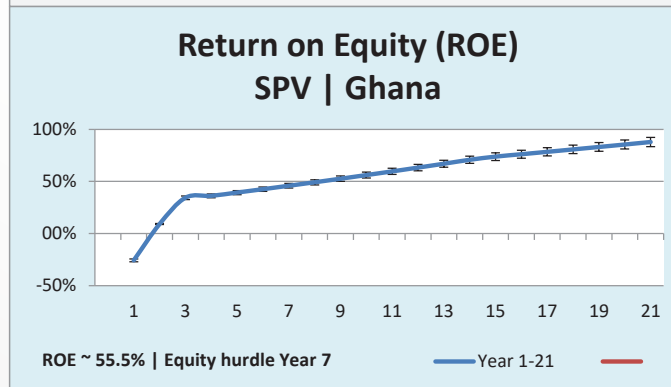
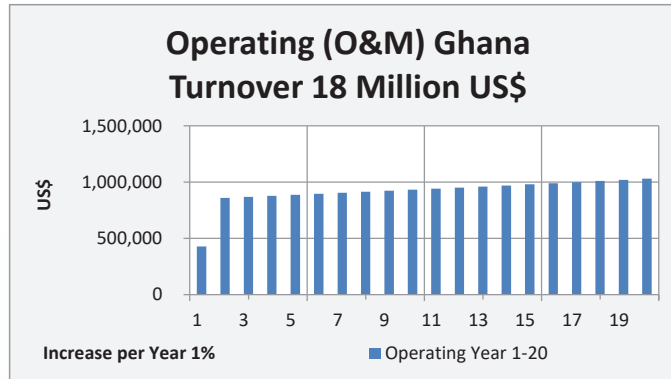
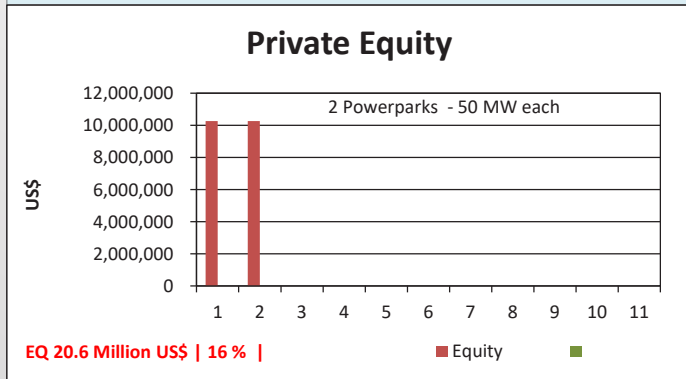
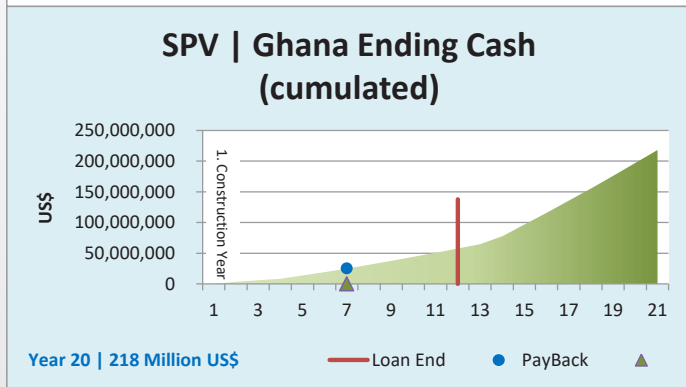
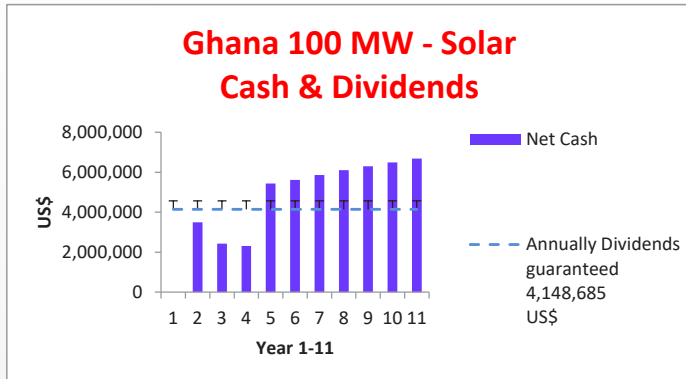
FINANCIAL PROJECTION

SUMMARY

Ghana Solar Power Park Total Power 100 MW
S--1181:200

I	Volumes	US\$	1 USD = 4.39 GHS	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	100 MW Solar Power		
	Served Households	222,222 (à 75 Kwh/m) (200 GWh/Year - Gain 2,000)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	200 ha	0.50 US\$/sqm	
II	Use of Capital	130,742,682 US\$		
	Technology & Production Machinery	118,054,059 US\$	Price per KW Std. - Premium - IDC	
	Land	1,000,000 US\$	1181 1283 1297	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	11,688,622 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	62,719,989 US\$	16.8% Projected Equity 10% incl. 0.8% Grants	
	PeoplesHome pre-costs	300,000 US\$	shares 15.0%	actual 600,000 5 Years 0.5%
	National Loans	0 US\$		0 0.0%
	International Loans (IR ~4.5%) x 2	51,654,486 US\$		103,308,972 13 Years 85.1%
	National Grants (Land)	500,000 US\$		0.8%
	International Grants	0 US\$		0.0%
	National Investments x 2	0 US\$	20.0%	0 0.0%
	International Investments x 2	10,265,503 US\$	65.0%	20,531,006 16.0%
	Co-/Interims Investment x 2	0 US\$		0 0.0%
			100.0%	102.3%
IV	Social Impact			
	Jobs	200		
	Purchase Power	29,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	500	Project Period 2 years	
	House Sale Price	0 US\$		
	Tax to pay per Year	8,239,541 US\$	Average (30% tax rate)	
	Project Locations	2	spread in the Country	
	Total Projected Carbon Credits	1,549,600 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.10 US\$	per Kwh (break even 0.08/ 0.08 US\$)	
	- Ghana	0.44 GHS	(1 USD : 4.39 GHS)	
	Yearly FIT Progression	3.00 %		
	Electricity Market Price KWh	0.07 US\$	2017	
	Electricity Price Inflation	10.40 %	per Year	
	Ghana Surplus	397,339,708 US\$	(20 Years)	
	- Net Income Operator	917,809 US\$	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	275,000 US\$		
	Working Capital	345,000 US\$		176,812,518 US\$ Stuttgarter Model
	R-O-E (NPM 33.2%), ROI 9.4%	55.5 %		165,357,893 US\$ NPV C 0.2

FINANCIAL PROJECTION



KEY NUMBERS - 2.8.2017 | 14:16

100 MW Solar 2,000	2 x 50
Investment	130,742,682 US\$
Equity	20,531,006 US\$
Loan	103,908,972 US\$
Supplier Final Payment	5,902,703 US\$
Sub-payment	0 US\$
Global Interest Rate	4.5 %
Grants	500,000 US\$
R-O-E 20 years after tax	55.5 %
R-O-I 20 years after tax	9.4 %
NPV 20 years before tax (IR 4%)	165,357,893 US\$
Company Value (Stuttgarter Model)	176,812,518 US\$
Guaranteed Pay-out Dividends	19.27 %
Pay Back Period	7 Years
PPA /KWh	0.10 US\$
FiT/PPA Rise Anually	3.00 %
1% Profit Ø per Year	120,857 US\$
1 \$-cent Income PPA/FiT (20 Years)	36,347,000 US\$
Off-taker Power Break Even	Year 7 2024
Tax Exemption	0 Years
Country Surplus in 20 Years	397,339,708 US\$
Nat-Capital : Int'l.-Capital Quote	1 : 124
Equity : Loan Quote	1 : 5.3

FINANCIAL PROJECTION

FINANCIAL ANALYSIS MODEL

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

FIRST CALENDAR YEAR OF DATA 2017

US\$

NUMBER OF YEARS OF DATA 5

Equity 10,765,503

E C G

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	10,000,000	20,527,900	20,920,948	21,395,595
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	10,000,000	20,527,900	20,920,948	21,395,595
Less: Operating Expenses:					
Operating Expense	0	428,588	861,461	870,074	878,774
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	1,283,797	3,797,038	4,925,953	4,728,915	4,539,758
Total Operating Expenses	1,283,797	4,225,626	5,787,414	5,598,989	5,418,532
Operating Profits	(1,283,797)	5,774,374	14,740,486	15,321,959	15,977,062
Less: Interest Expense	1,481,511	3,805,963	4,498,590	4,191,199	3,869,976
Net Profits Before Taxes	(2,765,308)	1,968,411	10,241,896	11,130,760	12,107,087
Less: Taxes	0	0	2,833,500	3,339,228	3,632,126
Net Profit After Taxes	(2,765,308)	1,968,411	7,408,396	7,791,532	8,474,961
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		1,968,411	7,408,396	7,791,532	8,474,961

BALANCE SHEET

Current Assets:

Cash	0	3,496,661	5,928,748	8,239,541	13,674,735
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	3,496,661	5,928,748	8,239,541	13,674,735
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	62,906,033	123,148,825	118,222,872	113,493,957	108,954,199
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	62,906,033	123,148,825	118,222,872	113,493,957	108,954,199
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	62,906,033	123,148,825	118,222,872	113,493,957	108,954,199
Other Assets	0	0	0	0	0
Total Assets	62,906,033	126,645,486	124,151,620	121,733,498	122,628,933

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)	54,905,838	106,411,377	96,509,114	86,299,461	78,719,935
Total Liabilities	54,905,838	106,411,377	96,509,114	86,299,461	78,719,935
Preferred Stock	0	0	0	0	0
Common Stock !!	8,000,196	20,234,110	27,642,506	35,434,038	43,908,998
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	8,000,196	20,234,110	27,642,506	35,434,038	43,908,998
Total Liab. & Stockholders' Equity	62,906,033	126,645,486	124,151,620	121,733,498	122,628,933

FINANCIAL PROJECTION

50 MW Ghana	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	0.08	0.17	0.18	0.20
Total Asset Turnover	0.00	0.08	0.17	0.17	0.17
Debt Ratio	0.87	0.84	0.78	0.71	0.64
Debt-to-Equity	6.86	5.26	3.49	2.44	1.79
Times Interest Earned		1.52	3.28	3.66	4.13
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		57.74%	71.81%	73.24%	74.67%
Net Profit Margin		19.68%	36.09%	37.24%	39.61%
Return on Total Assets (ROA)		1.55%	5.97%	6.40%	6.91%
Return on Equity (ROE)		18.28%	68.82%	72.37%	78.72%
Earnings Per Share		19,684	74,084	77,915	84,750
IPG Ghana - 20%		393,682	1,481,679	1,558,306	1,694,992
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		19.68%	36.09%	37.24%	39.61%
Sales/Total Assets	0.00%	7.90%	16.53%	17.19%	17.45%
ROA		1.55%	5.97%	6.40%	6.91%
Net Profit AT/Total Assets	0.00%	1.55%	5.97%	6.40%	6.91%
Total Assets/Stockholders' Equity	786.31%	625.90%	449.13%	343.55%	279.28%
ROE	0.00%	9.73%	26.80%	21.99%	19.30%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		1,968,411	7,408,396	7,791,532	8,474,961
Depreciation		3,797,038	4,925,953	4,728,915	4,539,758
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.		5,765,449	12,334,349	12,520,447	13,014,719
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		(60,242,792)	4,925,953	4,728,915	4,539,758
Cash Flow from Investments		(60,242,792)	4,925,953	4,728,915	4,539,758
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		51,505,539	(9,902,262)	(10,209,653)	(7,579,526)
Changes in Stockholders' Equity		12,233,914	7,408,396	7,791,532	8,474,961
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid					
Cash Flow from Financing Activities		63,739,453	(2,493,867)	(2,418,122)	895,435
Net Incr. in Cash / Mark. Securities		9,262,110	14,766,435	14,831,240	18,449,912