

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

HONDURAS



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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Initiating of Impact Investments

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THE BUSINESS

Honduras 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 (16.2%).

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 : 5.3
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 0.09 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 18%).

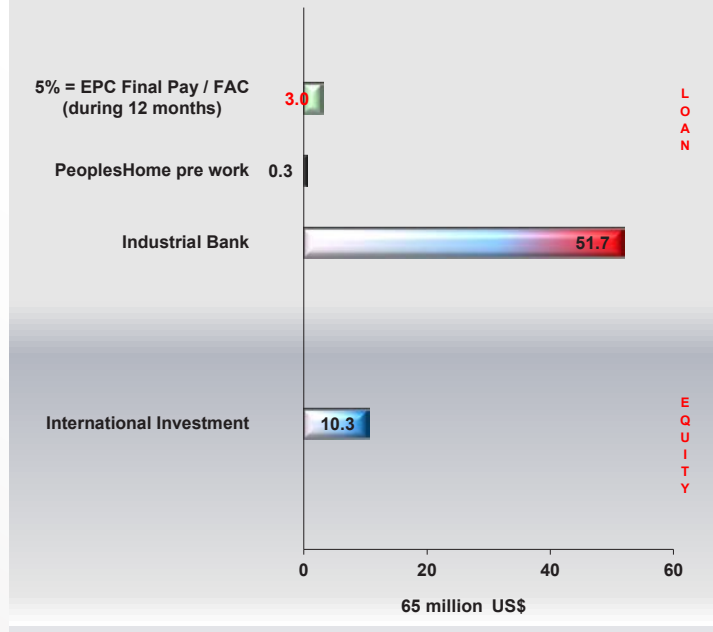
Programmatic carbon income is no part of the financial projections. It is estimated up to 3.5% of the investment cost throughout the entire operating period.



Contents

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

Honduras - 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

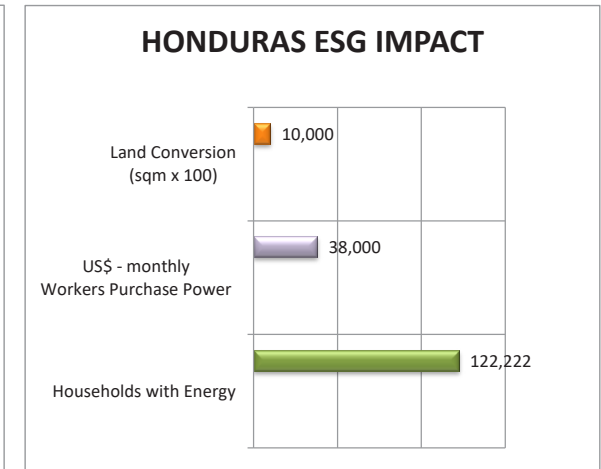
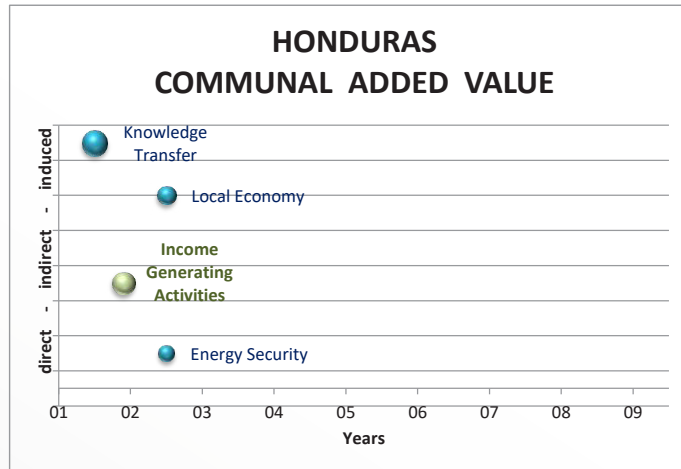
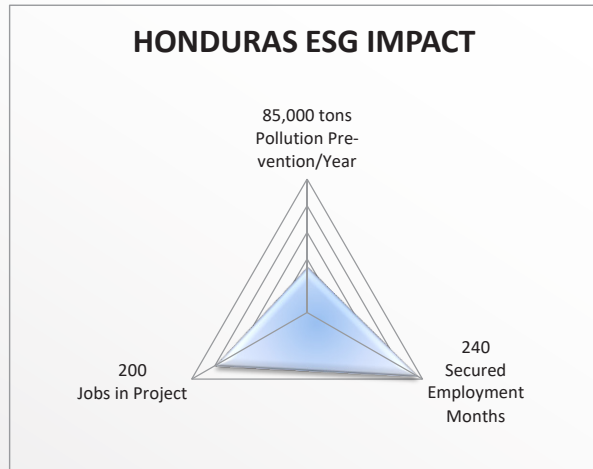
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

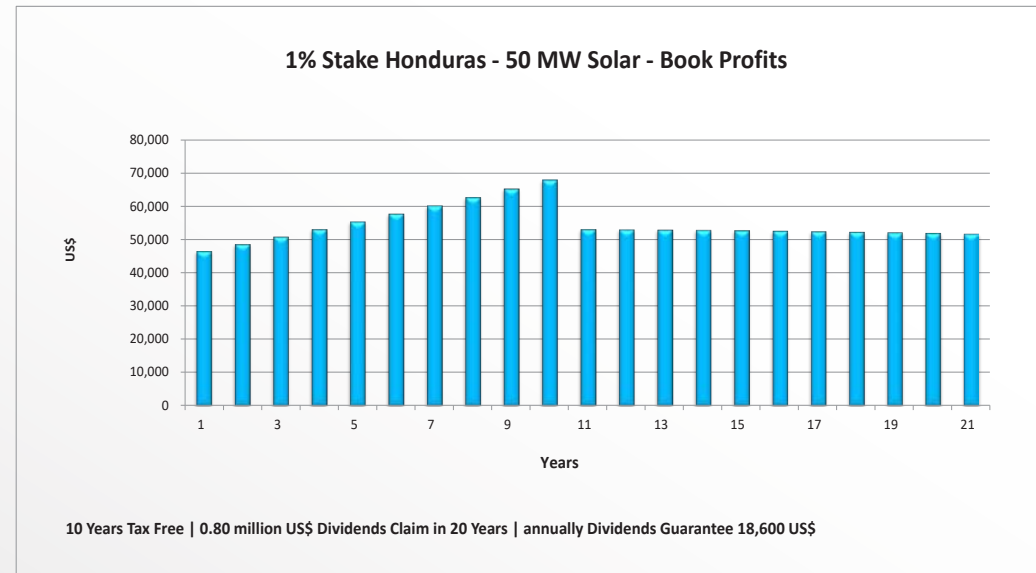


ESG IMPACT & DIVIDENDS

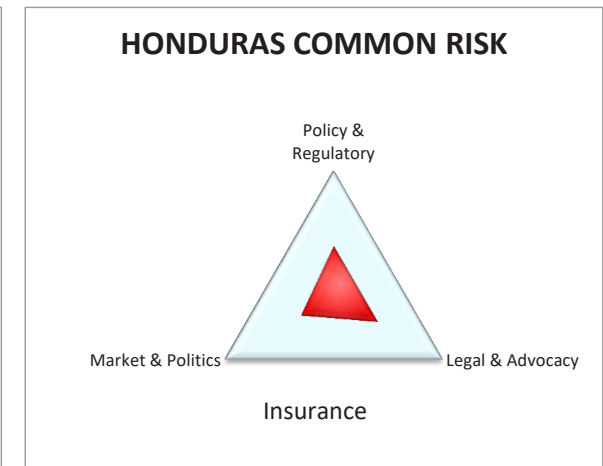
ENVIRONMENT - SOCIAL - GOVERNANCE



Honduras Invest	65,008,998 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	51,727,702 US\$ ✓
Private Equity	10,326,553 US\$ ✓
Final Pay out of Revenues	2,954,743 US\$ ✓
ROI (20 years)	8.0 %
Net Present Value	45,318,019 US\$
Profitability Index	4.4
Price per installed Kilowatt	1,182 US\$
Operating & Maintenance 1% / year	471,849 US\$
IRR (20 years)	11.18 %
DSCR	1.29



CRC RISKS & INVESTORS RELATION



ROE

49.1%

NPV

45M US\$

IRR

11.2%

FINANCIAL PROJECTION

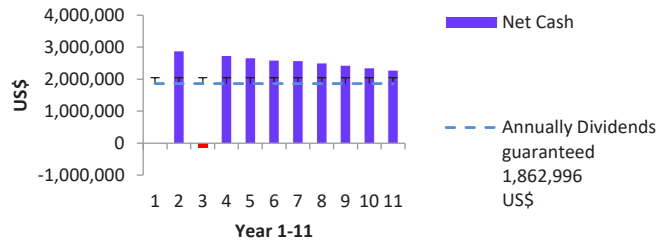
SUMMARY

Honduras Solar Power Park Total Power 50 MW
S--1182:200

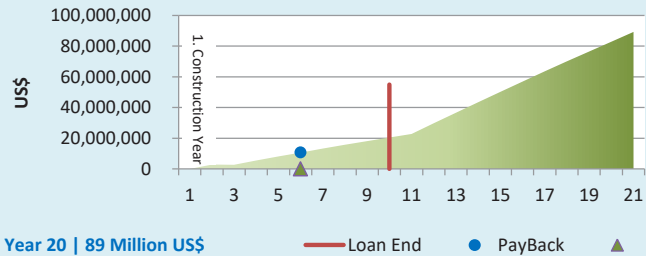
I	Volumes	US\$	1 USD = 23.46 HNL	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	50 MW Solar Power		
	Served Households	122,222 (à 75 Kwh/m) (110 GWh/Year - Gain 2,200)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	100 ha	0.00 US\$/sqm	
II	Use of Capital	65,008,998 US\$		
	Technology & Production Machinery	59,094,863 US\$	Price per KW Std. - Premium - IDC	
	Land	0 US\$	1182 1270 1300	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	5,914,135 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	62,354,255 US\$	16.2% 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%)	51,727,702 US\$		11 Years 85.7%
	National Grants	0 US\$		0.0%
	International Grants	0 US\$		0.0%
	National Investments	0 US\$	20.0%	0.0%
	International Investments	10,326,553 US\$	65.0%	16.2%
	Co-/Interims Investment	0 US\$		0.0%
			100.0%	102.3%
IV	Social Impact			
	Jobs	200		
	Purchase Power	38,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 US\$		
	Tax to pay per Year	5,446,837 US\$	Average (25% tax rate) (10 Years no)	
	Project Locations	1		
	Total Projected Carbon Credits	852,280 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.09 US\$	per Kwh (break even 0.08/ 0.08 US\$)	
	- Honduras	2.11 HNL	(1 USD : 23.46 HNL)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.06 US\$	2017	
	Electricity Price Inflation	12.00 %	per Year	
	Honduras Surplus	274,458,557 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\$	85,706,037 US\$ Stuttgarter Model	
	R-O-E (NPM 50.8%), ROI 8%	49.1 %	45,318,019 US\$ NPV	C 0.2

FINANCIAL PROJECTION

Honduras 50 MW - Solar Cash & Dividends



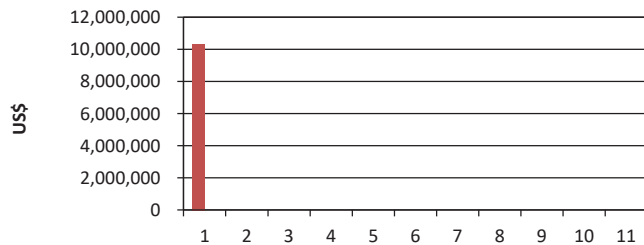
SPV | Honduras Ending Cash (cumulated)



Year 20 | 89 Million US\$

— Loan End ● PayBack ▲

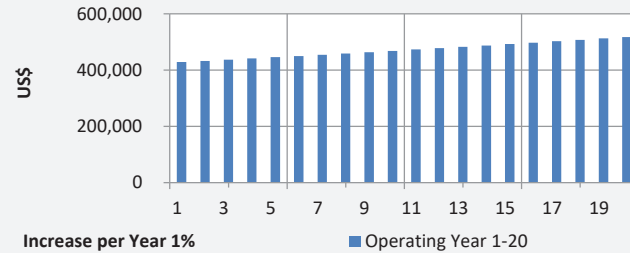
Private Equity



EQ 10.3 Million US\$ | 16.2% |

■ Equity ■

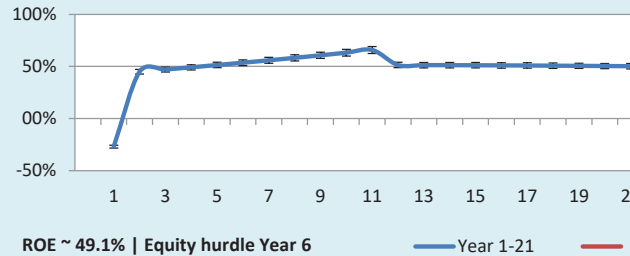
Operating (O&M) Honduras Turnover 9 Million US\$



Increase per Year 1%

■ Operating Year 1-20

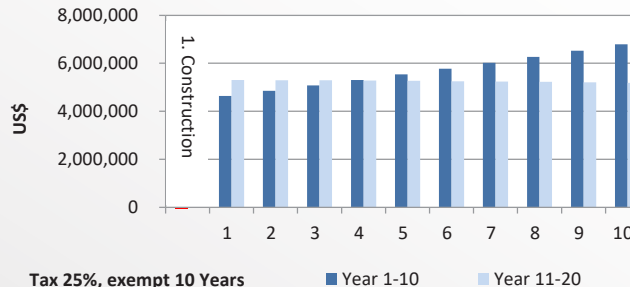
Return on Equity (ROE) SPV | Honduras



ROE ~ 49.1% | Equity hurdle Year 6

— Year 1-21 —

SPV Honduras Net Income



Tax 25%, exempt 10 Years

■ Year 1-10 ■ Year 11-20

KEY NUMBERS - 2.8.2017|14:25

50 MW Solar 2,200 Investment

65,008,998 US\$

Equity 10,326,553 US\$

Loan 52,027,702 US\$

Supplier Final Payment 2,954,743 US\$

Sub-payment 0 US\$

Global Interest Rate 4.5 %

Grants 0 US\$

R-O-E 20 years after tax 49.1 %

R-O-I 20 years after tax 8.0 %

NPV 20 years before tax (IR 4%) 45,318,019 US\$

Company Value (Stuttgarter Model) 85,706,037 US\$

Guaranteed Pay-out Dividends 18.04 %

Pay Back Period 6 Years

PPA /KWh 0.09 US\$

FiT/PPA Rise Anually 0.00 %

1% Profit Ø per Year 50,746 US\$

1 \$-cent Income PPA/FiT (20 Years) 20,537,000 US\$

Off-taker Power Break Even Year 5 | 2022

Tax Exemption 10 Years

Country Surplus in 20 Years 274,458,557 US\$

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

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 Honduras Solar Power Park Total Power 50 MW

FIRST CALENDAR YEAR OF DATA 2017

US\$

NUMBER OF YEARS OF DATA 5

Equity 10,326,553

State Power Company

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	9,900,000	9,830,700	9,761,400	9,692,100
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	9,900,000	9,830,700	9,761,400	9,692,100
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	1,276,239	2,501,428	2,401,371	2,305,316	2,213,103
Total Operating Expenses	1,276,239	2,930,016	2,834,244	2,742,517	2,654,676
Operating Profits	(1,276,239)	6,969,984	6,996,456	7,018,883	7,037,424
Less: Interest Expense	1,497,068	2,327,747	2,138,317	1,940,364	1,733,502
Net Profits Before Taxes	(2,773,307)	4,642,238	4,858,139	5,078,520	5,303,922
Less: Taxes	0	0	0	0	0
Net Profit After Taxes	(2,773,307)	4,642,238	4,858,139	5,078,520	5,303,922
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		4,642,238	4,858,139	5,078,520	5,303,922

BALANCE SHEET

Current Assets:

Cash	0	2,874,126	2,719,924	5,446,837	8,100,078
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	2,874,126	2,719,924	5,446,837	8,100,078
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	62,535,691	60,034,264	57,632,893	55,327,577	53,114,474
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	62,535,691	60,034,264	57,632,893	55,327,577	53,114,474
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	62,535,691	60,034,264	57,632,893	55,327,577	53,114,474
Other Assets	0	0	0	0	0
Total Assets	62,535,691	62,908,390	60,352,817	60,774,414	61,214,552

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)	54,982,445	50,712,905	43,299,193	38,642,271	33,778,487
Total Liabilities	54,982,445	50,712,905	43,299,193	38,642,271	33,778,487
Preferred Stock	0	0	0	0	0
Common Stock !!	7,553,247	12,195,484	17,053,624	22,132,143	27,436,065
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	7,553,247	12,195,484	17,053,624	22,132,143	27,436,065
Total Liab. & Stockholders' Equity	62,535,691	62,908,390	60,352,817	60,774,414	61,214,552

FINANCIAL PROJECTION

50 MW Honduras	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	0.17	0.18	0.18
Total Asset Turnover	0.00	0.16	0.16	0.16	0.16
Debt Ratio	0.88	0.81	0.72	0.64	0.55
Debt-to-Equity	7.28	4.16	2.54	1.75	1.23
Times Interest Earned		2.99	3.27	3.62	4.06
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		70.40%	71.17%	71.90%	72.61%
Net Profit Margin		46.89%	49.42%	52.03%	54.72%
Return on Total Assets (ROA)		7.38%	8.05%	8.36%	8.66%
Return on Equity (ROE)		44.95%	47.05%	49.18%	51.36%
Earnings Per Share (first 10 years tax exemption)		46,422	48,581	50,785	53,039
IPH Honduras - 20%		928,448	971,628	1,015,704	1,060,784
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		46.89%	49.42%	52.03%	54.72%
Sales/Total Assets	0.00%	15.74%	16.29%	16.06%	15.83%
ROA		7.38%	8.05%	8.36%	8.66%
Net Profit AT/Total Assets	0.00%	7.38%	8.05%	8.36%	8.66%
Total Assets/Stockholders' Equity	827.93%	515.83%	353.90%	274.60%	223.12%
ROE	0.00%	38.07%	28.49%	22.95%	19.33%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		4,642,238	4,858,139	5,078,520	5,303,922
Depreciation		2,501,428	2,401,371	2,305,316	2,213,103
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.		7,143,665	7,259,510	7,383,835	7,517,025
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		2,501,428	2,401,371	2,305,316	2,213,103
Cash Flow from Investments		2,501,428	2,401,371	2,305,316	2,213,103
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(4,269,539)	(7,413,712)	(4,656,922)	(4,863,784)
Changes in Stockholders' Equity		4,642,238	4,858,139	5,078,520	5,303,922
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid		0	0	0	0
Cash Flow from Financing Activities		372,698	(2,555,573)	421,597	440,138
Net Incr. in Cash / Mark. Securities		10,017,791	7,105,308	10,110,748	10,170,266