

# **IMPACT INVESTMENT**

CLIMATE POLICY PROJECT

»PEOPLESHOME«

## **SOLAR ENERGY INVESTMENT**

### **IRAN**



**90 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

Iran 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 (16.3%).

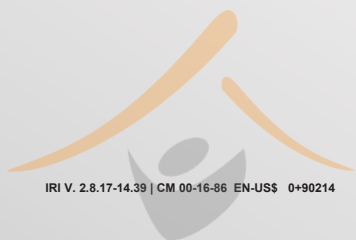
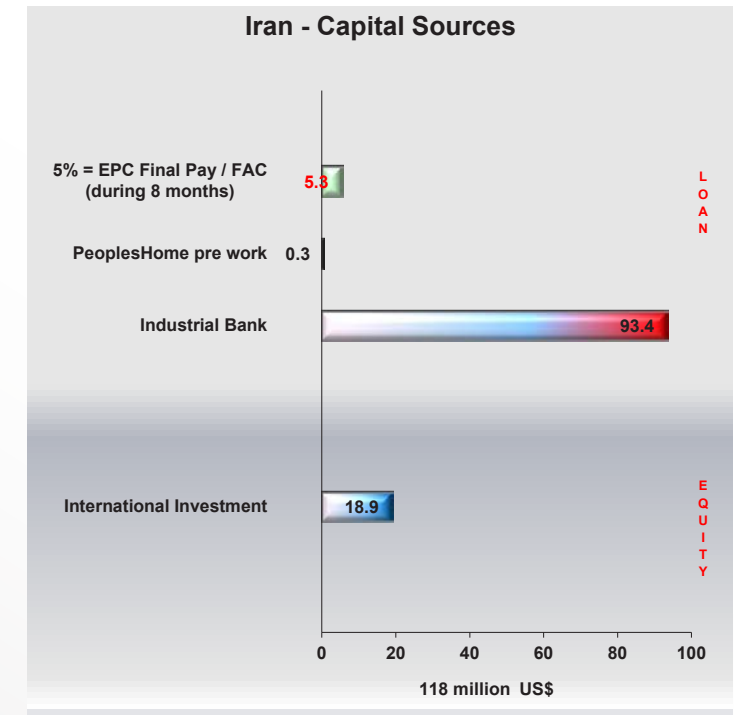
The Industrial and Commercial Bank of China could provide a loan of up to 93 million US\$ for 90 Megawatt in total.

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 0.12 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 29.9%).

Programmatic carbon income is no part of the financial projections. It is estimated up to 3.3% 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

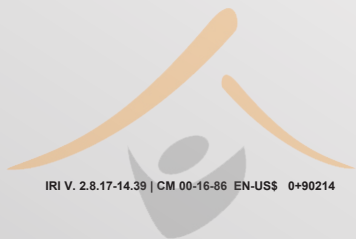
Operator  
National Company

Power Purchaser  
National Electricity Provider

Rent to Land Owner  
Local Municipality

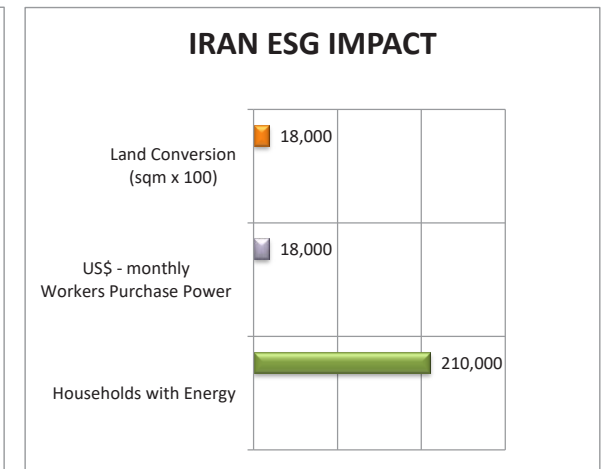
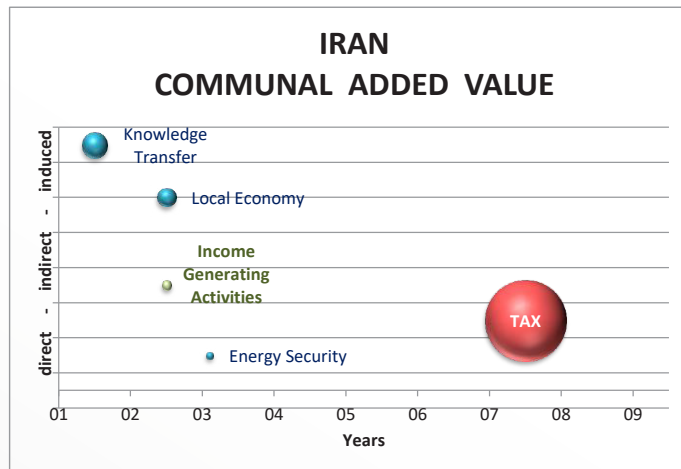
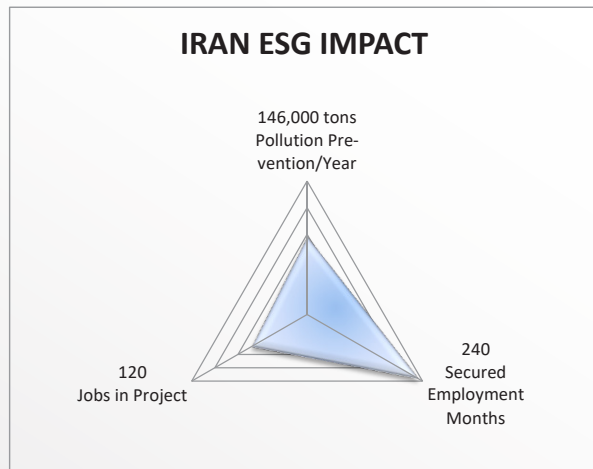
*Knowledge Transfer*  
International University Collaboration

# let the Sun/Wind work with you

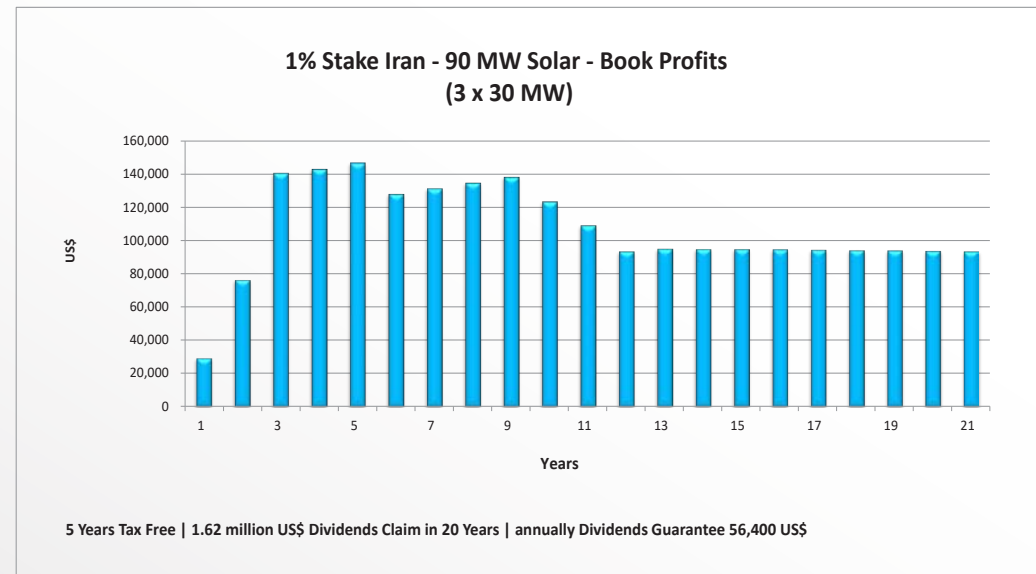


# ESG IMPACT & DIVIDENDS

## ENVIRONMENT - SOCIAL - GOVERNANCE



Iran Invest	<b>117,603,276 US\$</b>
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	93,387,623 US\$ ✓
Private Equity	18,880,836 US\$ ✓
Final Pay out of Revenues	5,334,818 US\$ ✓
ROI (20 years)	9.0 %
Net Present Value	105,578,035 US\$
Profitability Index	5.6
Price per installed Kilowatt	1,186 US\$
Operating & Maintenance 1% / year	802,873 US\$
IRR (20 years)	34.48 %
DSCR	1.80



# CRC RISKS & INVESTORS RELATION



**ROI**

**9.0%**

**NPV**

**106M US\$**

**IRR**

**34.5%**

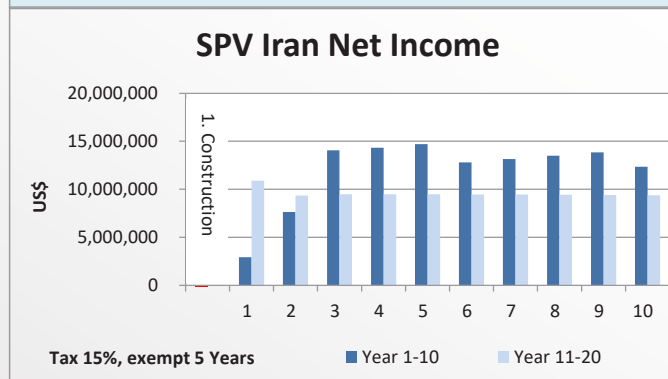
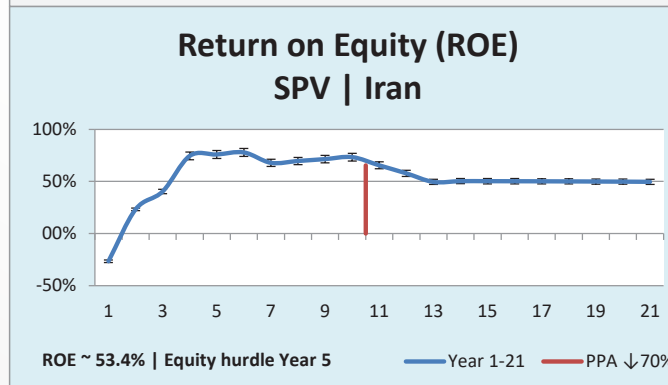
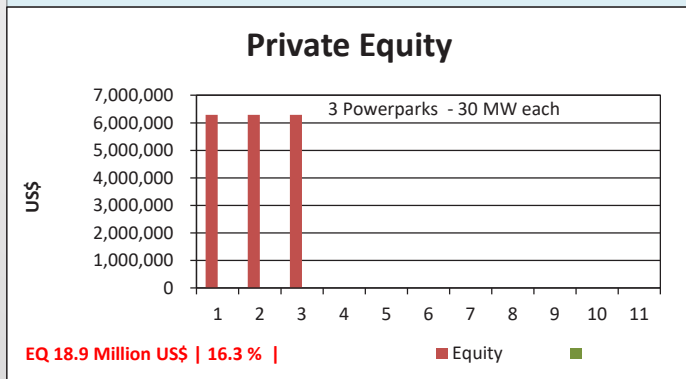
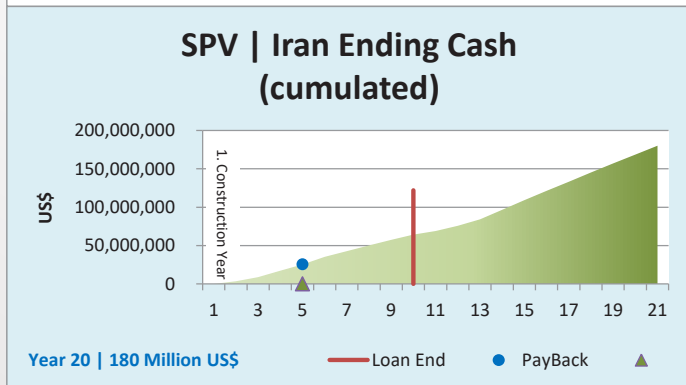
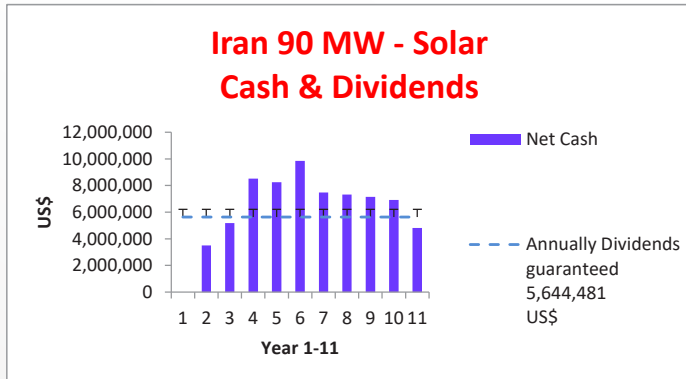
# FINANCIAL PROJECTION

## SUMMARY

Iran Solar Power Plant 90 MW  
PP90-S--1186:200

I	Volumes	US\$	1 USD = 32,696.50 IRR	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	90 MW Solar Power		
	Served Households	210,000 (à 75 Kwh/m) (189 GWh/Year - Gain 2,100)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	180 ha	0.00 US\$/sqm	
II	Use of Capital	117,603,276 US\$		
	Technology & Production Machinery	106,696,354 US\$	Price per KW   Std. - Premium - IDC	
	Land	0 US\$	1186   1297   1307	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	10,906,923 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	37,722,820 US\$	16.3% Projected Equity 10%	
	PeoplesHome pre-costs	300,000 US\$	shares	actual
	National Loans	0 US\$	15.0%	900,000 5 Years 0.8%
	International Loans (IR ~4.5%) x 3	31,129,208 US\$		0 0.0%
	National Grants	0 US\$		93,387,623 11 Years 85.2%
	International Grants	0 US\$		0.0%
	National Investments x 3	0 US\$	20.0%	0 0.0%
	International Investments x 3	6,293,612 US\$	65.0%	18,880,836 16.3%
	Co-/Interims Investment x 3	0 US\$		0 0.0%
			100.0%	102.3%
IV	Social Impact			
	Jobs	120		
	Purchase Power	18,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 US\$		
	Tax to pay per Year	17,222,362 US\$	Average (15% tax rate) (5 Years no)	
	Project Locations	3	spread in the Country	
	Total Projected Carbon Credits	1,464,372 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.12 US\$	per Kwh (break even 0.11/ 0.09 US\$)	
	- Iran	4028.09 IRR	(1 USD : 32,696.50 IRR)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.04 US\$	2017	
	Electricity Price Inflation	8.00 %	per Year	
	Iran Surplus	4,993,870 US\$	(20 Years)	
	- Net Income Operator	802,873 US\$	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	275,000 US\$		
	Working Capital	345,000 US\$	183,781,083 US\$ Stuttgarter Model	
	R-O-E (NPM 52.7%), ROI 9%	53.4 %	105,578,035 US\$ NPV	

# FINANCIAL PROJECTION



KEY NUMBERS - 2.8.2017 | 14:39

90 MW Solar 2,100	3 x 30
<b>Investment</b>	<b>117,603,276 US\$</b>
<b>Equity</b>	<b>18,880,836 US\$</b>
<b>Loan</b>	<b>94,287,623 US\$</b>
<b>Supplier Final Payment</b>	<b>5,334,818 US\$</b>
<b>Sub-payment</b>	<b>0 US\$</b>
<b>Global Interest Rate</b>	<b>4.5 %</b>
<b>Grants</b>	<b>0 US\$</b>
<b>R-O-E 20 years after tax</b>	<b>53.4 %</b>
<b>R-O-I 20 years after tax</b>	<b>9.0 %</b>
<b>NPV 20 years before tax (IR 4%)</b>	<b>105,578,035 US\$</b>
<b>Company Value (Stuttgarter Model)</b>	<b>183,781,083 US\$</b>
<b>Guaranteed Pay-out Dividends</b>	<b>29.90 %</b>
<b>Pay Back Period</b>	<b>5 Years</b>
<b>PPA /KWh</b>	<b>0.12 US\$</b>
<b>FiT/PPA Rise Anually</b>	<b>0.00 %</b>
<b>1% Profit Ø per Year</b>	<b>101,647 US\$</b>
<b>1 \$-cent Income PPA/FiT (20 Years)</b>	<b>33,413,940 US\$</b>
<b>Off-taker Power Break Even</b>	<b>Year 12   2029</b>
<b>Tax Exemption</b>	<b>5 Years</b>
<b>Country Surplus in 20 Years</b>	<b>4,993,870 US\$</b>
<b>Nat-Capital : Int'l.-Capital Quote</b>	<b>0 : 1</b>
<b>Equity : Loan Quote</b>	<b>1 : 5.3</b>



# FINANCIAL PROJECTION

## FINANCIAL ANALYSIS MODEL

ANALYST'S NAME Dr. Glenn L. Stevens - <http://staging-cms.fandm.edu/glenn-stevens>  
 NAME OF COMPANY Iran Solar Power Plant 90 MW

FIRST CALENDAR YEAR OF DATA 2017

US\$

NUMBER OF YEARS OF DATA 5

Equity 6,293,612

### SUNA

#### INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	7,761,369	15,468,408	23,066,788	22,795,140
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	7,761,369	15,468,408	23,066,788	22,795,140
Less: Operating Expenses:					
Operating Expense	0	257,152	516,875	779,195	786,986
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	772,050	2,285,269	3,737,959	4,360,491	4,186,071
Total Operating Expenses	772,050	2,542,421	4,254,834	5,139,686	4,973,057
Operating Profits	(772,050)	5,218,948	11,213,574	17,927,102	17,822,083
Less: Interest Expense	898,574	2,299,388	3,586,206	3,855,323	3,497,713
Net Profits Before Taxes	(1,670,624)	2,919,559	7,627,368	14,071,778	14,324,369
Less: Taxes	0	0	0	0	0
Net Profit After Taxes	(1,670,624)	2,919,559	7,627,368	14,071,778	14,324,369
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		2,919,559	7,627,368	14,071,778	14,324,369

#### BALANCE SHEET

##### Current Assets:

Cash	0	3,510,144	8,695,259	17,222,362	25,470,025
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	3,510,144	8,695,259	17,222,362	25,470,025
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	37,830,468	74,147,717	109,012,276	104,651,785	100,465,714
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	37,830,468	74,147,717	109,012,276	104,651,785	100,465,714
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	37,830,468	74,147,717	109,012,276	104,651,785	100,465,714
Other Assets	0	0	0	0	0
Total Assets	37,830,468	77,657,861	117,707,535	121,874,147	125,935,739

##### 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)	33,207,480	63,821,702	89,950,396	80,045,230	69,782,452
Total Liabilities	33,207,480	63,821,702	89,950,396	80,045,230	69,782,452
Preferred Stock	0	0	0	0	0
Common Stock !!	4,622,988	13,836,159	27,757,139	41,828,917	56,153,287
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	4,622,988	13,836,159	27,757,139	41,828,917	56,153,287
Total Liab. & Stockholders' Equity	37,830,468	77,657,861	117,707,535	121,874,147	125,935,739

# FINANCIAL PROJECTION

	Start Year	Year 1	Year 2	Year 3	Year 4
30 MW Iran					
Number of Common Shares	100	100	100	100	100
End-of-Year Stock Price					
<b>RATIO ANALYSIS</b>					
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	0.10	0.14	0.22	0.23
Total Asset Turnover	0.00	0.10	0.13	0.19	0.18
Debt Ratio	0.88	0.82	0.76	0.66	0.55
Debt-to-Equity	7.18	4.61	3.24	1.91	1.24
Times Interest Earned		2.27	3.13	4.65	5.10
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		67.24%	72.49%	77.72%	78.18%
Net Profit Margin		37.62%	49.31%	61.00%	62.84%
Return on Total Assets (ROA)		3.76%	6.48%	11.55%	11.37%
Return on Equity (ROE)		46.39%	121.19%	223.59%	227.60%
Earnings Per Share (first 5 years tax exemption)		29,196	76,274	140,718	143,244
IPI Iran - 20%		583,912	1,525,474	2,814,356	2,864,874
Price/Earnings Ratio					
<b>DUPONT ANALYSIS</b>					
Net Profit AT/Sales		37.62%	49.31%	61.00%	62.84%
Sales/Total Assets	0.00%	9.99%	13.14%	18.93%	18.10%
ROA		3.76%	6.48%	11.55%	11.37%
Net Profit AT/Total Assets	0.00%	3.76%	6.48%	11.55%	11.37%
Total Assets/Stockholders. Equity	818.31%	561.27%	424.06%	291.36%	224.27%
ROE	0.00%	21.10%	27.48%	33.64%	25.51%

## STATEMENT OF CASH FLOWS

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit after Taxes		2,919,559	7,627,368	14,071,778	14,324,369
Depreciation		2,285,269	3,737,959	4,360,491	4,186,071
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
<b>Cash Flow from Oper. Act.</b>		<b>5,204,828</b>	<b>11,365,327</b>	<b>18,432,269</b>	<b>18,510,441</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
Increase in Gross Fixed Assets		(36,317,249)	(34,864,559)	4,360,491	4,186,071
<b>Cash Flow from Investments</b>		<b>(36,317,249)</b>	<b>(34,864,559)</b>	<b>4,360,491</b>	<b>4,186,071</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		30,614,222	26,128,694	(9,905,167)	(10,262,777)
Changes in Stockholders' Equity		9,213,171	13,920,980	14,071,778	14,324,369
Preferred Dividends Paid		0	0	0	0
<b>Common Dividends Paid</b>					
<b>Cash Flow from Financing Activities</b>		<b>39,827,393</b>	<b>40,049,674</b>	<b>4,166,611</b>	<b>4,061,592</b>
<b>Net Incr. in Cash / Mark. Securities</b>		<b>8,714,973</b>	<b>16,550,442</b>	<b>26,959,372</b>	<b>26,758,104</b>