

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 26 million US\$ 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 0.11 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 7.6%).

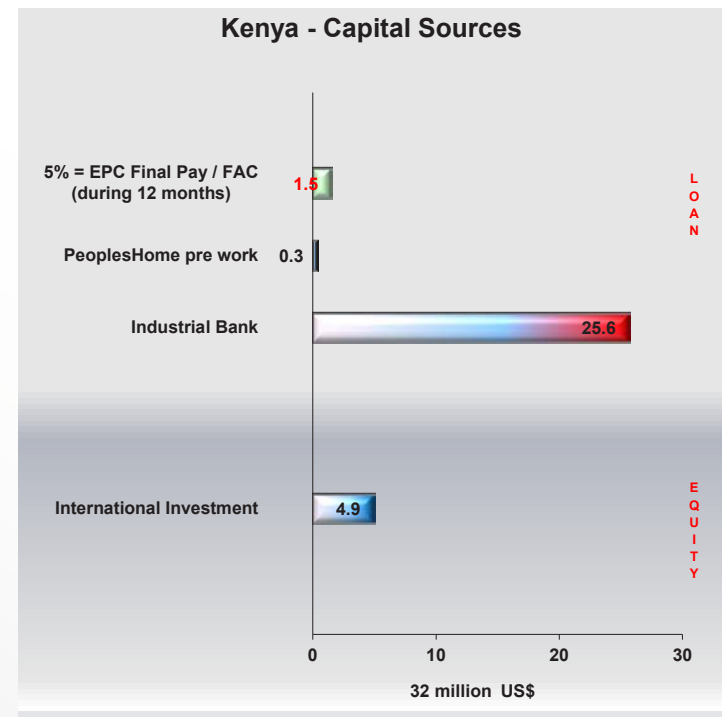
Programmatic carbon income is no part of the financial projections. It is estimated up to 2.7% of the investment cost throughout the entire operating period.



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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

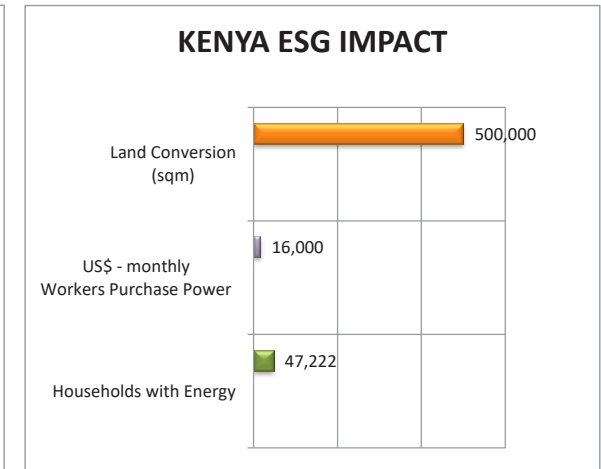
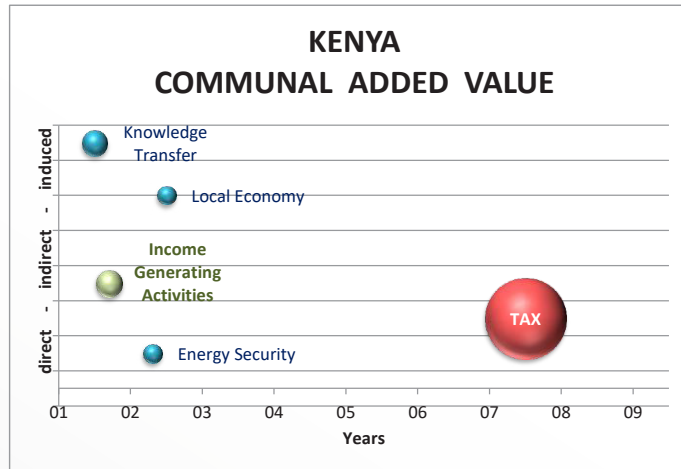
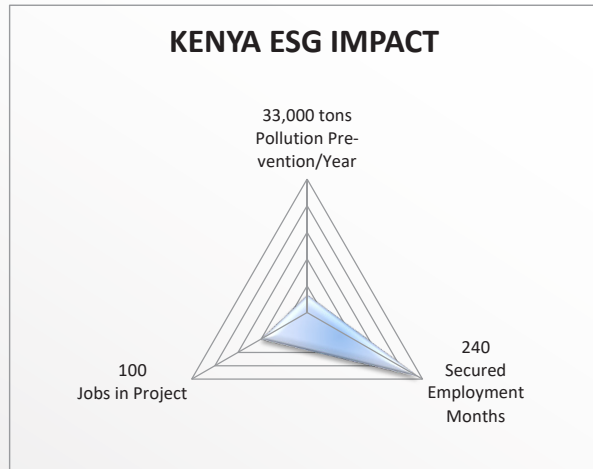
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

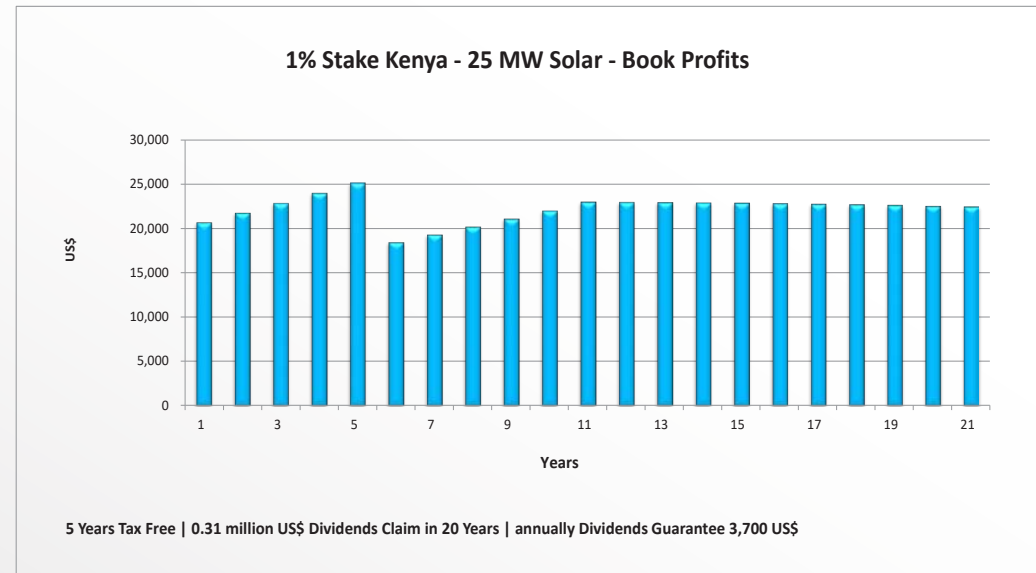


ESG IMPACT & DIVIDENDS

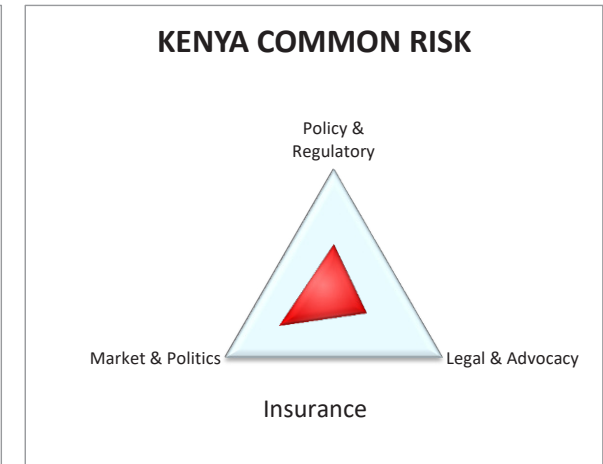
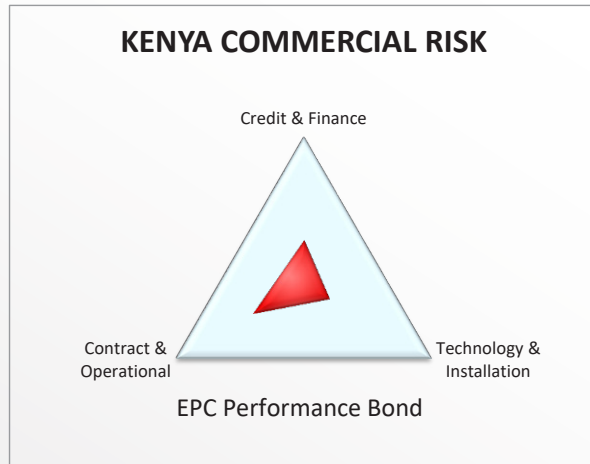
ENVIRONMENT - SOCIAL - GOVERNANCE



Kenya Invest	32,012,227 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	25,629,346 US\$ ✓
Private Equity	4,919,076 US\$ ✓
Final Pay out of Revenues	1,463,805 US\$ ✓
ROI (20 years)	6.5 %
Net Present Value	19,527,723 US\$
Profitability Index	4.0
Price per installed Kilowatt	1,171 US\$
Operating & Maintenance 1% / year	235,921 US\$
IRR (20 years)	10.43 %
DSCR	1.22



CRC RISKS & INVESTORS RELATION



ROE

41.7%

NPV

20M US\$

IRR

10.4%

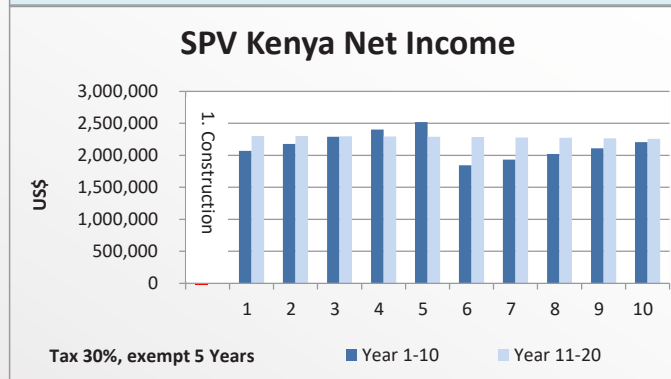
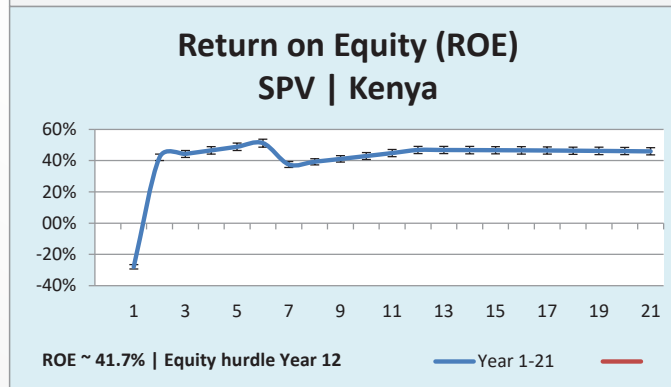
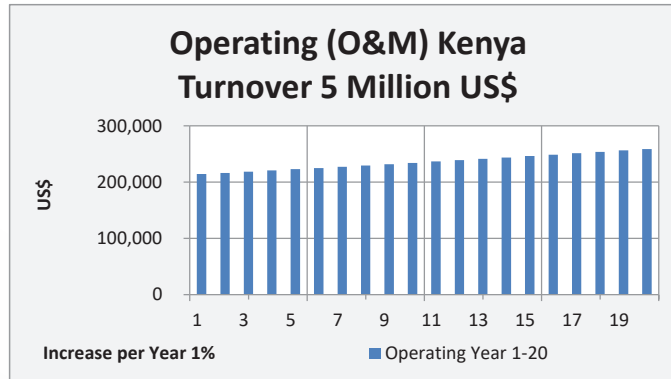
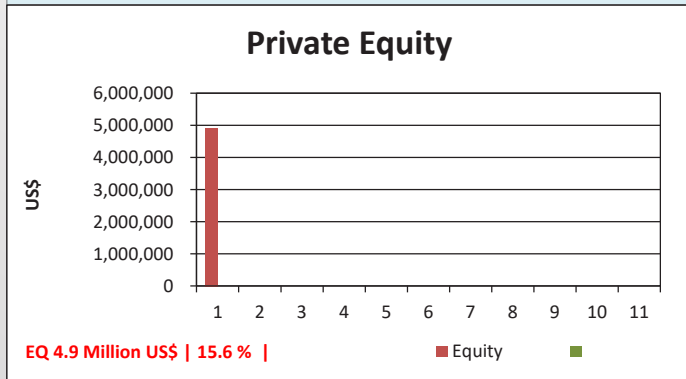
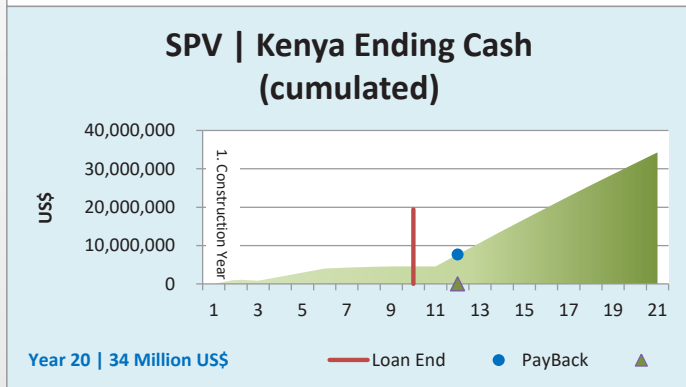
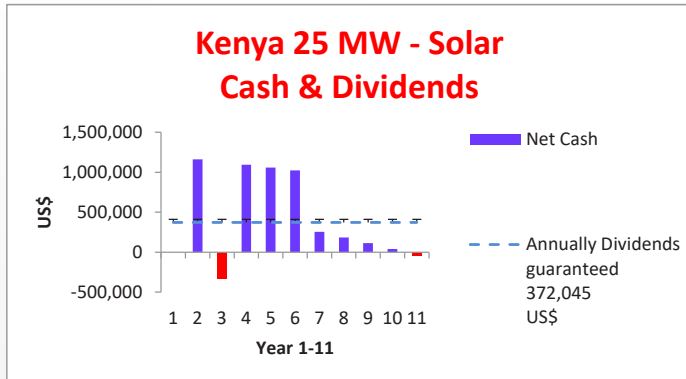
FINANCIAL PROJECTION

SUMMARY

Kenya Solar Power Park Total Power 25 MW
S--1171:200

I	Volumes	US\$	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	1.00 US\$/sqm	
	Land Surface - Solar Power Park	50 ha	0.00 US\$/sqm	
II	Use of Capital	32,012,227 US\$		
	Technology & Production Machinery	29,276,098 US\$	Price per KW Std. - Premium - IDC	
	Land	0 US\$	1171 1251 1280	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	2,736,130 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	30,848,423 US\$	15.6% Projected Equity 10%	
	PeoplesHome pre-costs	300,000 US\$	shares	actual
	National Loans	0 US\$	15.0%	5 Years 1.0%
	International Loans (IR ~4.5%)	25,629,346 US\$		11 Years 85.8%
	National Grants	0 US\$		0.0%
	International Grants	0 US\$		0.0%
	National Investments	0 US\$	20.0%	0.0%
	International Investments	4,919,076 US\$	65.0%	15.6%
	Co-/Interims Investment	0 US\$		0.0%
			100.0%	102.4%
IV	Social Impact			
	Jobs	100		
	Purchase Power	16,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 US\$		
	Tax to pay per Year	1,916,670 US\$	Average (30% tax rate) (5 Years no)	
	Project Locations	1		
	Total Projected Carbon Credits	329,290 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.11 US\$	per Kwh (break even 0.1/ 0.1 US\$)	
	- Kenya	11.43 KES	(1 USD : 103.90 KES)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.10 US\$	2017	
	Electricity Price Inflation	4.20 %	per Year	
	Kenya Surplus	50,960,215 US\$	(20 Years)	
	- Net Income Operator	235,921 US\$	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	275,000 US\$		
	Working Capital	345,000 US\$		
	R-O-E (NPM 48.3%), ROI 6.5%	41.7 %		
			39,949,905 US\$ Stuttgarter Model	
			19,527,723 US\$ NPV	

FINANCIAL PROJECTION



KEY NUMBERS - 2.8.2017|14:7

25 MW Solar 1,700 Investment	32,012,227 US\$
Equity	4,919,076 US\$
Loan	25,929,346 US\$
Supplier Final Payment	1,463,805 US\$
Sub-payment	0 US\$
Global Interest Rate	4.5 %
Grants	0 US\$
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%)	19,527,723 US\$
Company Value (Stuttgarter Model)	39,949,905 US\$
Guaranteed Pay-out Dividends	7.56 %
Pay Back Period	12 Years
PPA /KWh	0.11 US\$
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	20,495 US\$
1 \$-cent Income PPA/FiT (20 Years)	7,934,750 US\$
Off-taker Power Break Even	Year -1 0
Tax Exemption	5 Years
Country Surplus in 20 Years	50,960,215 US\$
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

US\$

NUMBER OF YEARS OF DATA 5

Equity 4,919,076

K P L C

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	4,675,000	4,642,275	4,609,550	4,576,825
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	4,675,000	4,642,275	4,609,550	4,576,825
Less: Operating Expenses:					
Operating Expense	0	214,294	216,436	218,600	220,786
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	631,351	1,237,449	1,187,951	1,140,433	1,094,815
Total Operating Expenses	631,351	1,451,743	1,404,387	1,359,033	1,315,601
Operating Profits	(631,351)	3,223,257	3,237,888	3,250,517	3,261,224
Less: Interest Expense	744,663	1,153,321	1,059,465	961,385	858,892
Net Profits Before Taxes	(1,376,014)	2,069,937	2,178,424	2,289,132	2,402,331
Less: Taxes	0	0	0	0	0
Net Profit After Taxes	(1,376,014)	2,069,937	2,178,424	2,289,132	2,402,331
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		2,069,937	2,178,424	2,289,132	2,402,331

BALANCE SHEET

Current Assets:

Cash	0	1,161,699	824,727	1,916,670	2,973,703
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	1,161,699	824,727	1,916,670	2,973,703
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	30,936,213	29,698,765	28,510,814	27,370,381	26,275,566
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	30,936,213	29,698,765	28,510,814	27,370,381	26,275,566
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	30,936,213	29,698,765	28,510,814	27,370,381	26,275,566
Other Assets	0	0	0	0	0
Total Assets	30,936,213	30,860,464	29,335,541	29,287,052	29,249,269

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)	27,393,151	25,247,465	21,544,118	19,206,497	16,766,383
Total Liabilities	27,393,151	25,247,465	21,544,118	19,206,497	16,766,383
Preferred Stock	0	0	0	0	0
Common Stock !!	3,543,062	5,612,999	7,791,423	10,080,555	12,482,886
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	3,543,062	5,612,999	7,791,423	10,080,555	12,482,886
Total Liab. & Stockholders' Equity	30,936,213	30,860,464	29,335,541	29,287,052	29,249,269

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)		20,699	21,784	22,891	24,023
IPK Kenya - 20%		413,987	435,685	457,826	480,466
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		2,069,937	2,178,424	2,289,132	2,402,331
Depreciation		1,237,449	1,187,951	1,140,433	1,094,815
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.		3,307,385	3,366,374	3,429,565	3,497,147
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		1,237,449	1,187,951	1,140,433	1,094,815
Cash Flow from Investments		1,237,449	1,187,951	1,140,433	1,094,815
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(2,145,686)	(3,703,347)	(2,337,621)	(2,440,114)
Changes in Stockholders' Equity		2,069,937	2,178,424	2,289,132	2,402,331
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid		0	0	0	0
Cash Flow from Financing Activities		(75,749)	(1,524,923)	(48,489)	(37,783)
Net Incr. in Cash / Mark. Securities		4,469,085	3,029,402	4,521,508	4,554,179