

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

PHILIPPINES



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

Philippines 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 (15.9%).

The Industrial and Commercial Bank of China could provide a loan of up to 103 million US\$ for 100 Megawatt in total.

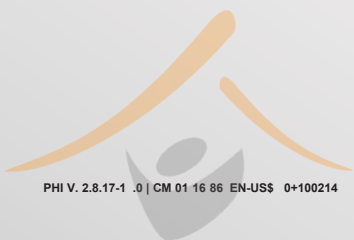
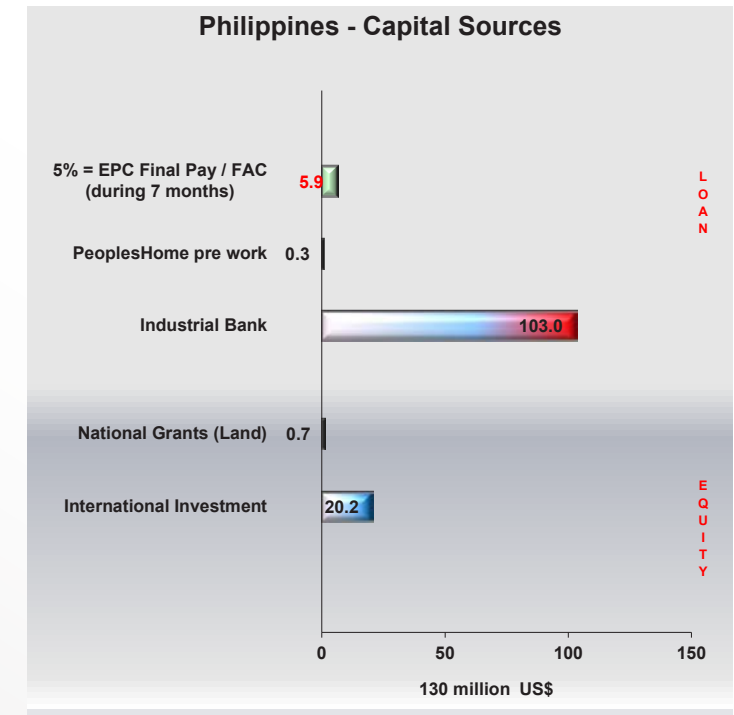
Assuming this loan financing the equity/loan ratio would be at 1 : 5.4
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 0.12 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 25.3%).

Programmatic carbon income is no part of the financial projections. It is estimated up to 2.8% 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

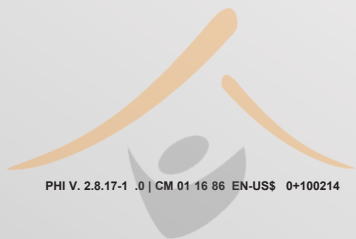
Operator
National Company

Power Purchaser
National Electricity Provider

Rent to Land Owner
Local Municipality

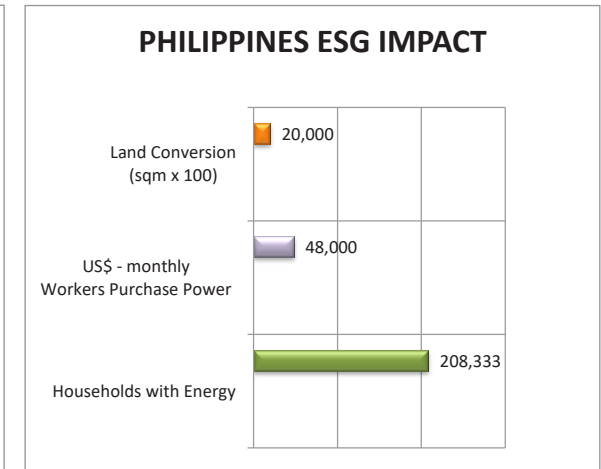
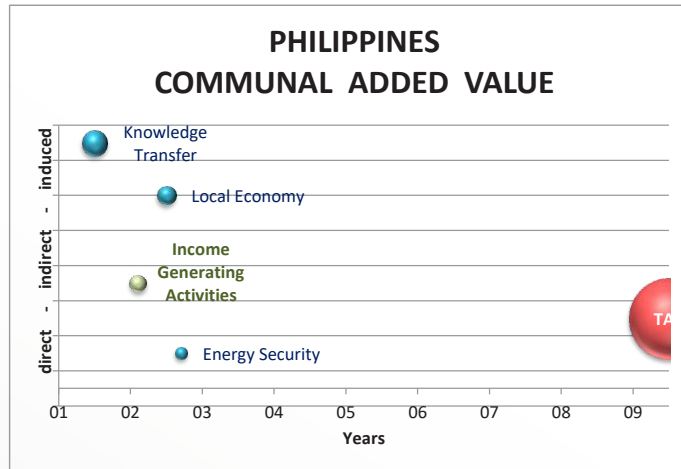
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

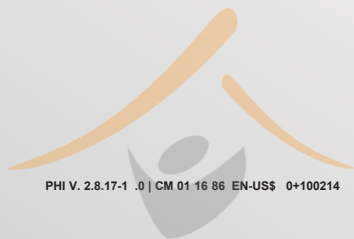
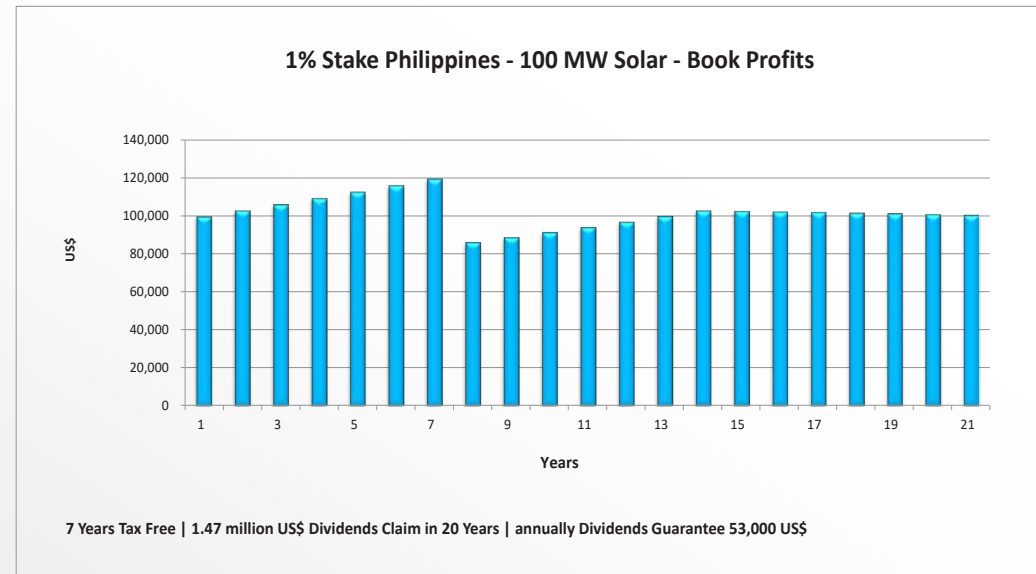


ESG IMPACT & DIVIDENDS

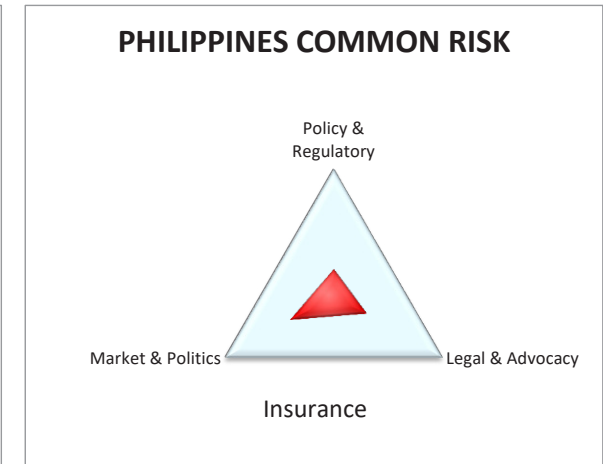
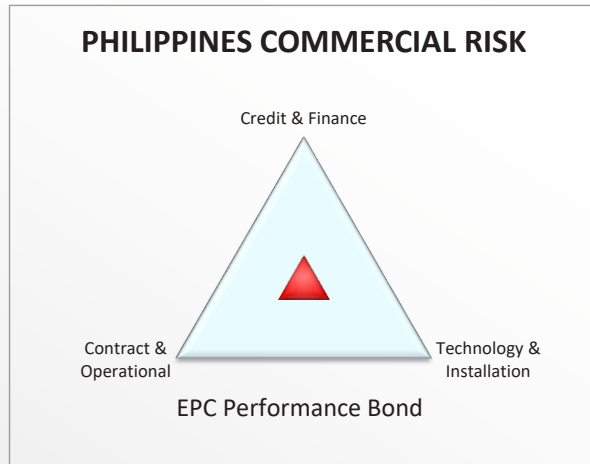
ENVIRONMENT - SOCIAL - GOVERNANCE



Philippines Invest	129,840,350 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	103,028,849 US\$ ✓
Private Equity + Grants	20,925,756 US\$ ✓
Final Pay out of Revenues	5,885,745 US\$ ✓
ROI (20 years)	7.4 %
Net Present Value	94,175,352 US\$
Profitability Index	4.5
Price per installed Kilowatt	1,177 US\$
Operating & Maintenance 1% / year	943,703 US\$
IRR (20 years)	11.39 %
DSCR	1.78



CRC RISKS & INVESTORS RELATION



ROE

45.0%

NPV

94M US\$

IRR

11.4%

FINANCIAL PROJECTION

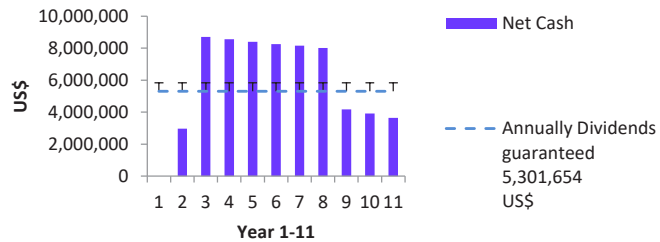
SUMMARY

Philippines Solar Power Park Total Power 100 MW
S--1177:200

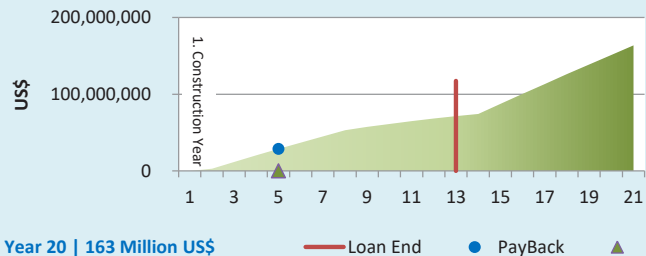
I	Volumes	US\$	1 USD = 50.57 PHP	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	100 MW Solar Power		
	Served Households	208,333 (à 70 Kwh/m) (175 GWh/Year - Gain 1,750)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	200 ha	0.35 US\$/sqm	
II	Use of Capital	129,840,350 US\$		
	Technology & Production Machinery	117,714,892 US\$	Price per KW Std. - Premium - IDC	
	Land	700,000 US\$	1177 1262 1291	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	11,425,458 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	124,254,605 US\$	16.5% Projected Equity 10% incl. 0.6% Grants	
	PeoplesHome pre-costs	300,000 US\$	shares	actual
	National Loans	0 US\$	15.0%	5 Years 0.2%
	International Loans (IR ~4.5%)	103,028,849 US\$		14 Years 85.6%
	National Grants (Land)	700,000 US\$		0.6%
	International Grants	0 US\$		0.0%
	National Investments	0 US\$	20.0%	0.0%
	International Investments	20,225,756 US\$	65.0%	15.9%
	Co-/Interims Investment	0 US\$		0.0%
			100.0%	102.3%
IV	Social Impact			
	Jobs	400		
	Purchase Power	48,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	500	Project Period 1 years	
	House Sale Price	0 US\$		
	Tax to pay per Year	20,238,874 US\$	Average (30% tax rate) (7 Years no)	
	Project Locations	1		
	Total Projected Carbon Credits	1,355,900 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.12 US\$	per Kwh (break even 0.1/ 0.08 US\$)	
	- Philippines	5.90 PHP	(1 USD : 50.57 PHP)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.12 US\$	2017	
	Electricity Price Inflation	4.00 %	per Year	
	Philippines Surplus	270,104,360 US\$	(20 Years)	
	- Net Income Operator	943,703 US\$	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	275,000 US\$		
	Working Capital	345,000 US\$	167,268,003 US\$ Stuttgarter Model	
	R-O-E (NPM 51.6%), ROI 7.4%	45.0 %	94,175,352 US\$ NPV	C 0.1

FINANCIAL PROJECTION

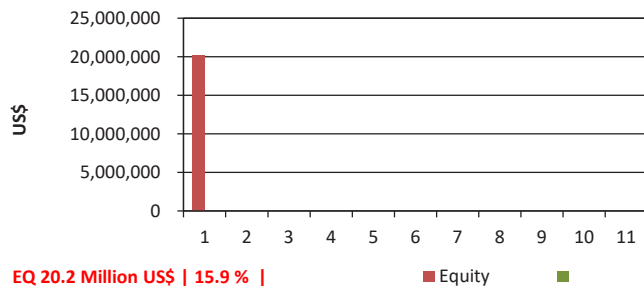
Philippines 100 MW - Solar Cash & Dividends



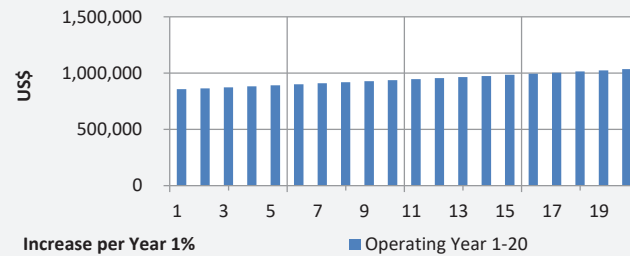
SPV | Philippines Ending Cash



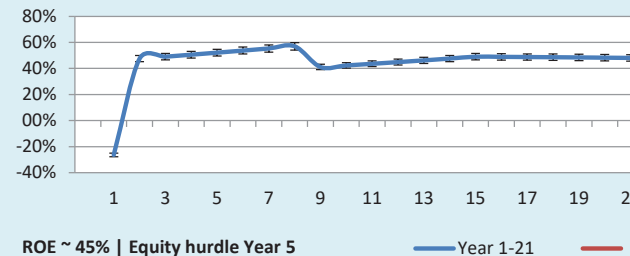
Private Equity



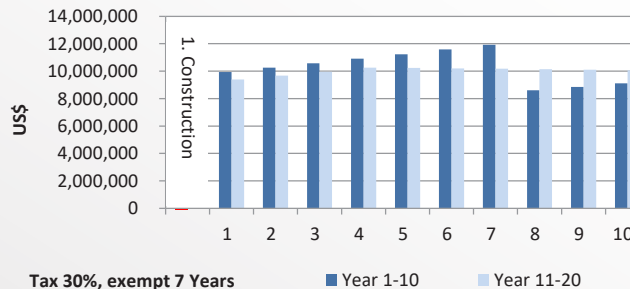
Operating (O&M) Philippines Turnover 19 Million US\$



Return on Equity (ROE) SPV | Philippines



SPV Philippines Net Income



KEY NUMBERS - 2.8.2017|14:0

100 MW Solar	1,750
Investment	129,840,350 US\$
Equity	20,225,756 US\$
Loan	103,328,849 US\$
Supplier Final Payment	5,885,745 US\$
Sub-payment	0 US\$
Global Interest Rate	4.5 %
Grants	700,000 US\$
R-O-E 20 years after tax	45.0 %
R-O-I 20 years after tax	7.4 %
NPV 20 years before tax (IR 4%)	94,175,352 US\$
Company Value (Stuttgarter Model)	167,268,003 US\$
Guaranteed Pay-out Dividends	25.34 %
Pay Back Period	5 Years
PPA /KWh	0.12 US\$
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	94,118 US\$
1 \$-cent Income PPA/FiT (20 Years)	32,672,500 US\$
Off-taker Power Break Even	Year 1 2018
Tax Exemption	7 Years
Country Surplus in 20 Years	270,104,360 US\$
Nat-Capital : Int'l.-Capital Quote	1 : 177
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 Philippines Solar Power Park Total Power 100 MW

FIRST CALENDAR YEAR OF DATA 2017

US\$

NUMBER OF YEARS OF DATA 5

Equity 20,925,756

N G C P

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	20,417,243	20,274,323	20,131,402	19,988,481
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	20,417,243	20,274,323	20,131,402	19,988,481
Less: Operating Expenses:					
Operating Expense	0	857,176	865,747	874,404	883,148
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	2,543,383	4,985,031	4,785,630	4,594,205	4,410,436
Total Operating Expenses	2,543,383	5,842,207	5,651,377	5,468,609	5,293,584
Operating Profits	(2,543,383)	14,575,036	14,622,946	14,662,793	14,694,897
Less: Interest Expense	2,971,191	4,636,298	4,366,116	4,083,776	3,788,731
Net Profits Before Taxes	(5,514,574)	9,938,738	10,256,830	10,579,017	10,906,166
Less: Taxes	0	0	0	0	0
Net Profit After Taxes	(5,514,574)	9,938,738	10,256,830	10,579,017	10,906,166
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		9,938,738	10,256,830	10,579,017	10,906,166

BALANCE SHEET

Current Assets:

Cash	0	2,973,982	11,682,217	20,238,874	28,643,867
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	2,973,982	11,682,217	20,238,874	28,643,867
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	124,625,776	119,640,745	114,855,115	110,260,910	105,850,474
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	124,625,776	119,640,745	114,855,115	110,260,910	105,850,474
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	124,625,776	119,640,745	114,855,115	110,260,910	105,850,474
Other Assets	0	0	0	0	0
Total Assets	124,625,776	122,614,727	126,537,332	130,499,785	134,494,341

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)	109,214,594	97,264,807	90,930,582	84,314,018	77,402,408
Total Liabilities	109,214,594	97,264,807	90,930,582	84,314,018	77,402,408
Preferred Stock	0	0	0	0	0
Common Stock !!	15,411,182	25,349,920	35,606,750	46,185,767	57,091,933
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	15,411,182	25,349,920	35,606,750	46,185,767	57,091,933
Total Liab. & Stockholders' Equity	124,625,776	122,614,727	126,537,332	130,499,785	134,494,341

FINANCIAL PROJECTION

100 MW Philippines	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	0.17	0.18	0.18	0.19
Total Asset Turnover	0.00	0.17	0.16	0.15	0.15
Debt Ratio	0.88	0.79	0.72	0.65	0.58
Debt-to-Equity	7.09	3.84	2.55	1.83	1.36
Times Interest Earned		3.14	3.35	3.59	3.88
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		71.39%	72.13%	72.84%	73.52%
Net Profit Margin		48.68%	50.59%	52.55%	54.56%
Return on Total Assets (ROA)		8.11%	8.11%	8.11%	8.11%
Return on Equity (ROE)		47.50%	49.02%	50.56%	52.12%
Earnings Per Share (first 7 years tax exemption)		99,387	102,568	105,790	109,062
IPP Philippines - 20%		1,987,748	2,051,366	2,115,803	2,181,233
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		48.68%	50.59%	52.55%	54.56%
Sales/Total Assets	0.00%	16.65%	16.02%	15.43%	14.86%
ROA		8.11%	8.11%	8.11%	8.11%
Net Profit AT/Total Assets	0.00%	8.11%	8.11%	8.11%	8.11%
Total Assets/Stockholders. Equity	808.67%	483.69%	355.37%	282.55%	235.58%
ROE	0.00%	39.21%	28.81%	22.91%	19.10%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Taxes	9,938,738	10,256,830	10,579,017	10,906,166
Depreciation	4,985,031	4,785,630	4,594,205	4,410,436
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.	14,923,769	15,042,459	15,173,222	15,316,603
CASH FLOW FROM INVESTMENT ACTIVITIES				
Increase in Gross Fixed Assets	4,985,031	4,785,630	4,594,205	4,410,436
Cash Flow from Investments	4,985,031	4,785,630	4,594,205	4,410,436
CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Notes Payable	0	0	0	0
Increase in Long-Term Debt	(11,949,787)	(6,334,224)	(6,616,565)	(6,911,610)
Changes in Stockholders' Equity	9,938,738	10,256,830	10,579,017	10,906,166
Preferred Dividends Paid	0	0	0	0
Common Dividends Paid				
Cash Flow from Financing Activities	(2,011,049)	3,922,605	3,962,453	3,994,556
Net Incr. in Cash / Mark. Securities	17,897,751	23,750,694	23,729,879	23,721,595