

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

TANZANIA



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
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Initiating of Impact Investments

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THE BUSINESS

Tanzania 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 (16.1%).

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 0.12 US\$/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 4.2%).

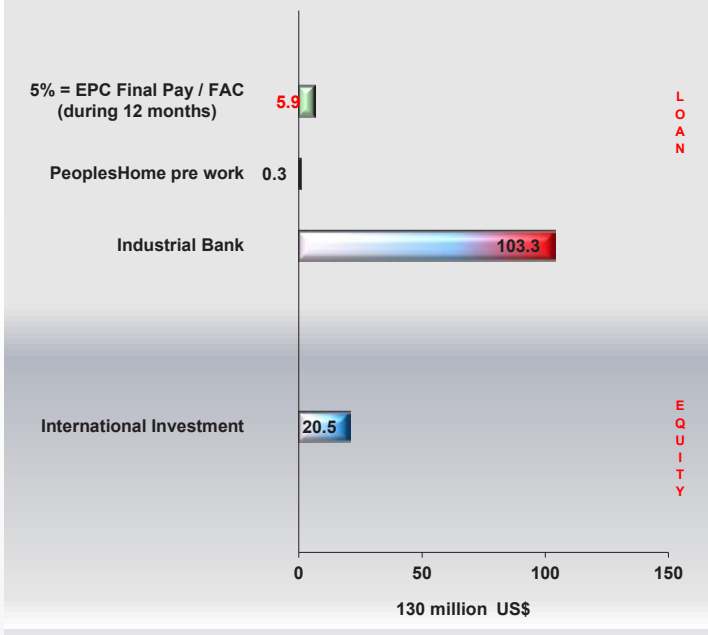
Programmatic carbon income is no part of the financial projections. It is estimated up to 1.9% of the investment cost throughout the entire operating period.



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Tanzania - 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

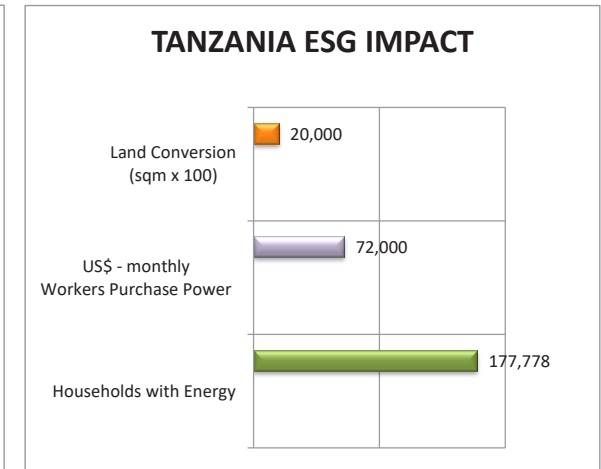
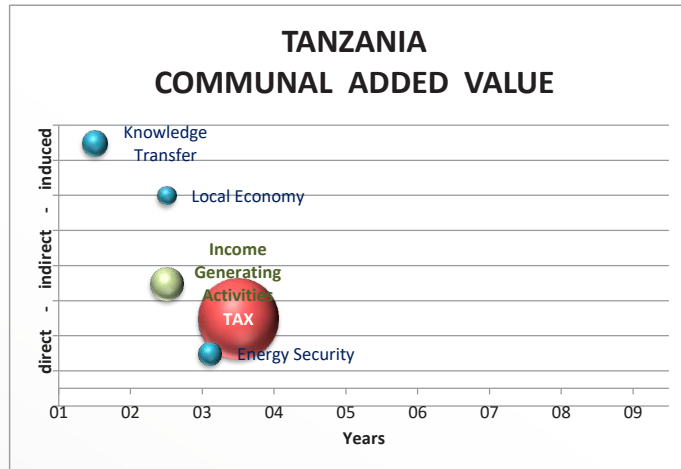
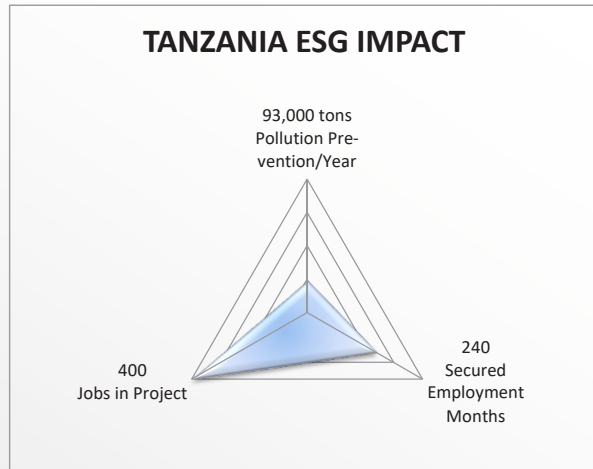
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

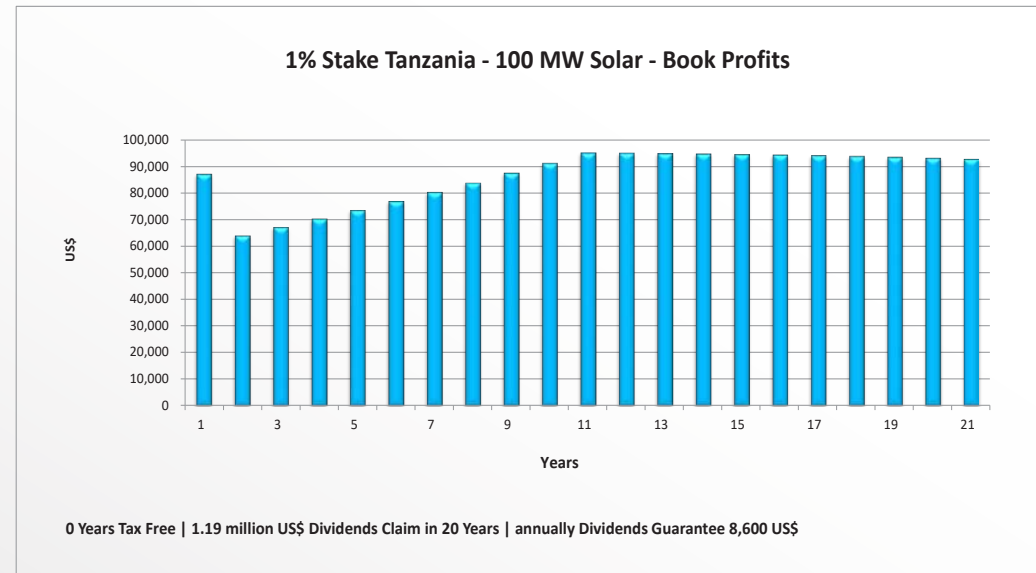


ESG IMPACT & DIVIDENDS

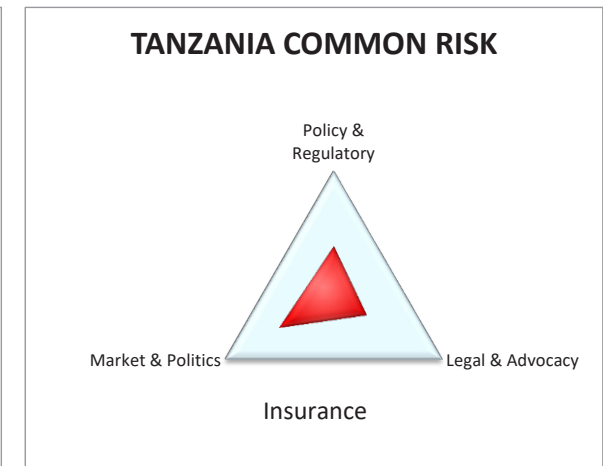
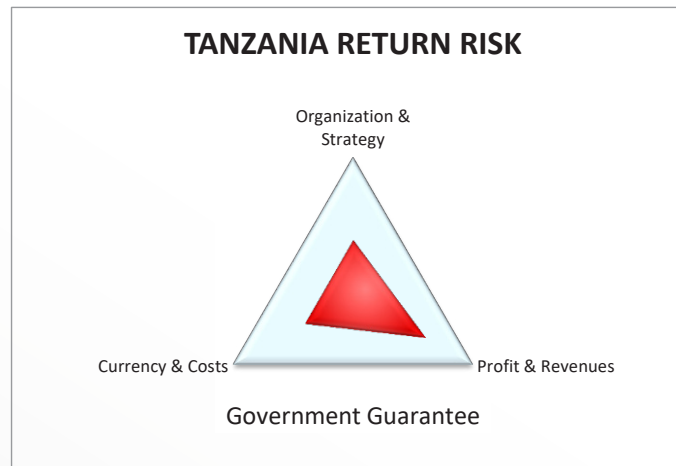
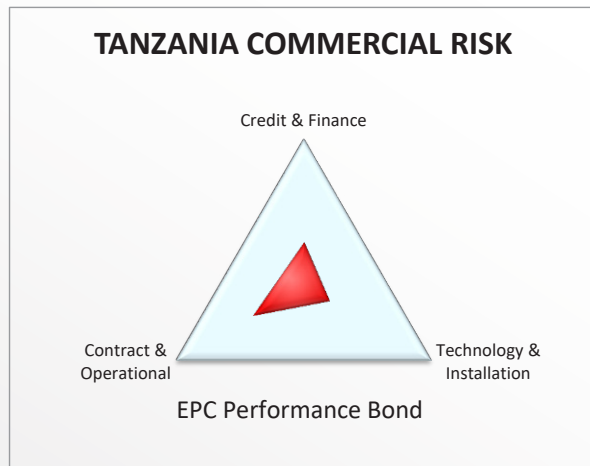
ENVIRONMENT - SOCIAL - GOVERNANCE



Tanzania Invest	129,651,071 US\$
PeoplesHome (pre-work)	300,000 US\$ ✓
External Capital	103,281,804 US\$ ✓
Private Equity	20,469,956 US\$ ✓
Final Pay out of Revenues	5,899,311 US\$ ✓
ROI (20 years)	6.3 %
Net Present Value	83,655,781 US\$
Profitability Index	4.1
Price per installed Kilowatt	1,180 US\$
Operating & Maintenance 1% / year	943,703 US\$
IRR (20 years)	10.76 %
DSCR	1.25



CRC RISKS & INVESTORS RELATION



ROE

38.9%

NPV

84M US\$

IRR

10.8%

FINANCIAL PROJECTION

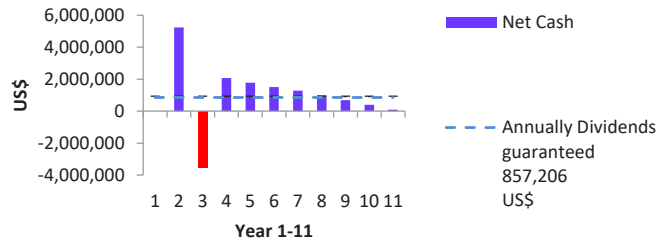
SUMMARY

Tanzania Solar Power Park Total Power 100 MW
S--1180:200

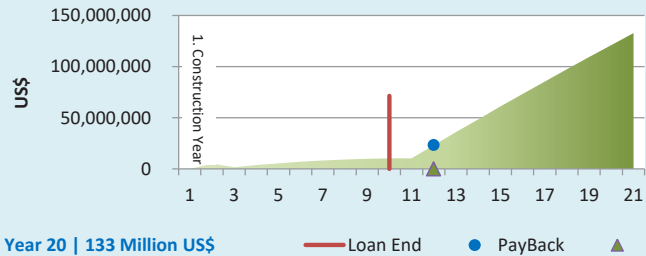
I	Volumes	US\$	1 USD = 2,239.25 TZS	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	100 MW Solar Power		
	Served Households	177,778 (à 75 Kwh/m) (160 GWh/Year - Gain 1,600)		
	Village Land	0 ha	1.00 US\$/sqm	
	Land Surface - Solar Power Park	200 ha	0.00 US\$/sqm	
II	Use of Capital	129,651,071 US\$		
	Technology & Production Machinery	117,986,226 US\$	Price per KW Std. - Premium - IDC	
	Land	0 US\$	1180 1267 1297	
	* Construction Material Houses	0 US\$		
	* Labour Cost	0 US\$		
	Infrastructure + Labour Cost	0 US\$		
	Management + Fees & IDC	11,664,846 US\$		
	Qualification Budget	0 US\$		
	Social Village Package	0 US\$		
III	Capital Part 2017	124,051,760 US\$	16.1% Projected Equity 10%	
	PeoplesHome pre-costs	300,000 US\$	shares	actual
	National Loans	0 US\$	15.0%	5 Years 0.2%
	International Loans (IR ~4.5%)	103,281,804 US\$		11 Years 86.0%
	National Grants	0 US\$		0.0%
	International Grants	0 US\$		0.0%
	National Investments	0 US\$	20.0%	0.0%
	International Investments	20,469,956 US\$	65.0%	16.1%
	Co-/Interims Investment	0 US\$		0.0%
			100.0%	102.4%
IV	Social Impact			
	Jobs	400		
	Purchase Power	72,000 US\$	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 US\$		
	Tax to pay per Year	5,230,191 US\$	Average (30% tax rate)	
	Project Locations	1		
	Total Projected Carbon Credits	929,760 US\$	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	0.12 US\$	per Kwh (break even 0.11/ 0.1 US\$)	
	- Tanzania	268.71 TZS	(1 USD : 2,239.25 TZS)	
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	0.08 US\$	2017	
	Electricity Price Inflation	8.00 %	per Year	
	Tanzania Surplus	267,371,983 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\$		
	R-O-E (NPM 38%), ROI 6.3%	38.9 %	163,154,665 US\$ Stuttgarter Model	
			83,655,781 US\$ NPV	C 0.3

FINANCIAL PROJECTION

Tanzania 100 MW - Solar Cash & Dividends

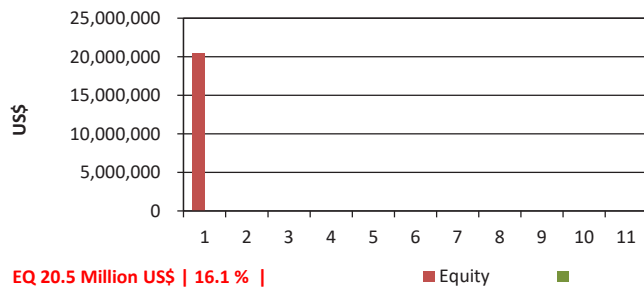


SPV | Tanzania Ending Cash (cumulated)



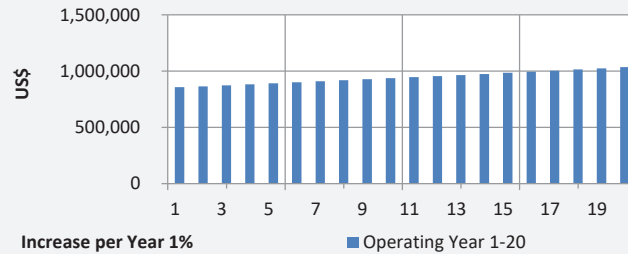
Year 20 | 133 Million US\$

Private Equity



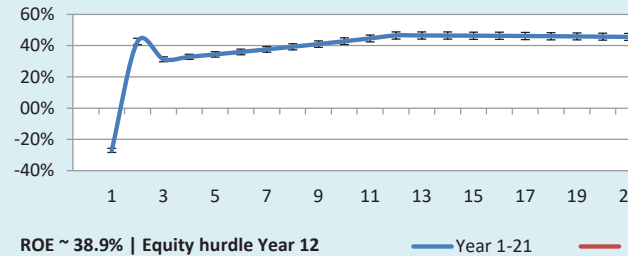
EQ 20.5 Million US\$ | 16.1% |

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



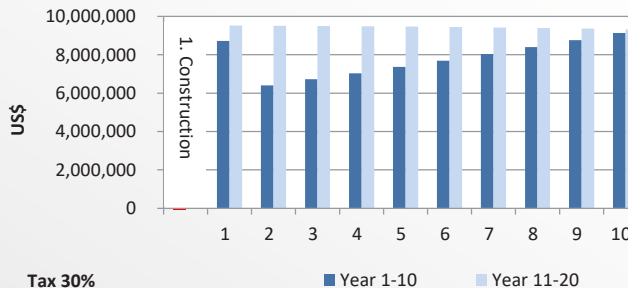
Increase per Year 1%

Return on Equity (ROE) SPV | Tanzania



ROE ~ 38.9% | Equity hurdle Year 12

SPV Tanzania Net Income



Tax 30%

KEY NUMBERS - 2.8.2017|14:10

100 MW Solar 1,600	
Investment	129,651,071 US\$
Equity	20,469,956 US\$
Loan	103,581,804 US\$
Supplier Final Payment	5,899,311 US\$
Sub-payment	0 US\$
Global Interest Rate	4.5 %
Grants	0 US\$
R-O-E 20 years after tax	38.9 %
R-O-I 20 years after tax	6.3 %
NPV 20 years before tax (IR 4%)	83,655,781 US\$
Company Value (Stuttgar Model)	163,154,665 US\$
Guaranteed Pay-out Dividends	4.19 %
Pay Back Period	12 Years
PPA /KWh	0.12 US\$
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	79,584 US\$
1 \$-cent Income PPA/FiT (20 Years)	29,872,000 US\$
Off-taker Power Break Even	Year 7 2024
Tax Exemption	0 Years
Country Surplus in 20 Years	267,371,983 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 Tanzania Solar Power Park Total Power 100 MW

FIRST CALENDAR YEAR OF DATA 2017

US\$

NUMBER OF YEARS OF DATA 5

Equity 20,469,956

TANESCO

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	19,200,000	19,065,600	18,931,200	18,796,800
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	19,200,000	19,065,600	18,931,200	18,796,800
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	2,539,151	4,976,736	4,777,667	4,586,560	4,403,098
Total Operating Expenses	2,539,151	5,833,912	5,643,414	5,460,964	5,286,246
Operating Profits	(2,539,151)	13,366,088	13,422,186	13,470,236	13,510,554
Less: Interest Expense	2,993,512	4,647,681	4,269,458	3,874,216	3,461,187
Net Profits Before Taxes	(5,532,663)	8,718,406	9,152,728	9,596,020	10,049,367
Less: Taxes	0	0	2,745,818	2,878,806	3,014,810
Net Profit After Taxes	(5,532,663)	8,718,406	6,406,909	6,717,214	7,034,557
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		8,718,406	6,406,909	6,717,214	7,034,557

BALANCE SHEET

Current Assets:

Cash	0	5,230,191	1,672,282	3,737,639	5,523,848
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	5,230,191	1,672,282	3,737,639	5,523,848
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	124,418,408	119,441,672	114,664,005	110,077,445	105,674,347
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	124,418,408	119,441,672	114,664,005	110,077,445	105,674,347
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	124,418,408	119,441,672	114,664,005	110,077,445	105,674,347
Other Assets	0	0	0	0	0
Total Assets	124,418,408	124,671,863	116,336,287	113,815,084	111,198,195

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)	109,481,115	101,016,164	86,273,678	77,035,261	67,383,815
Total Liabilities	109,481,115	101,016,164	86,273,678	77,035,261	67,383,815
Preferred Stock	0	0	0	0	0
Common Stock !!	14,937,293	23,655,699	30,062,609	36,779,823	43,814,380
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	14,937,293	23,655,699	30,062,609	36,779,823	43,814,380
Total Liab. & Stockholders' Equity	124,418,408	124,671,863	116,336,287	113,815,084	111,198,195

FINANCIAL PROJECTION

100 MW Tanzania	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	0.17	0.18
Total Asset Turnover	0.00	0.15	0.16	0.17	0.17
Debt Ratio	0.88	0.81	0.74	0.68	0.61
Debt-to-Equity	7.33	4.27	2.87	2.09	1.54
Times Interest Earned		2.88	3.14	3.48	3.90
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		69.62%	70.40%	71.15%	71.88%
Net Profit Margin		45.41%	33.60%	35.48%	37.42%
Return on Total Assets (ROA)		6.99%	5.51%	5.90%	6.33%
Return on Equity (ROE)		42.59%	31.30%	32.81%	34.37%
Earnings Per Share		87,184	64,069	67,172	70,346
IPT Tanzania - 20%		1,743,681	1,281,382	1,343,443	1,406,911
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		45.41%	33.60%	35.48%	37.42%
Sales/Total Assets	0.00%	15.40%	16.39%	16.63%	16.90%
ROA		6.99%	5.51%	5.90%	6.33%
Net Profit AT/Total Assets	0.00%	6.99%	5.51%	5.90%	6.33%
Total Assets/Stockholders' Equity	832.94%	527.03%	386.98%	309.45%	253.79%
ROE	0.00%	36.86%	21.31%	18.26%	16.06%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		8,718,406	6,406,909	6,717,214	7,034,557
Depreciation		4,976,736	4,777,667	4,586,560	4,403,098
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.		13,695,143	11,184,576	11,303,774	11,437,655
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		4,976,736	4,777,667	4,586,560	4,403,098
Cash Flow from Investments		4,976,736	4,777,667	4,586,560	4,403,098
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(8,464,952)	(14,742,486)	(9,238,417)	(9,651,446)
Changes in Stockholders' Equity		8,718,406	6,406,909	6,717,214	7,034,557
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid					
Cash Flow from Financing Activities		253,455	(8,335,576)	(2,521,203)	(2,616,889)
Net Incr. in Cash / Mark. Securities		18,925,334	7,626,667	13,369,132	13,223,864