

Energy Transition

The biggest global challenge ever confronted by
humanity

7 years

55% reduction in CO₂

Gives us a 50% chance

Of a less than 1.5C increase in global temperatures

“Climate change is a brutal act of injustice toward the poor”

-Pope Francis

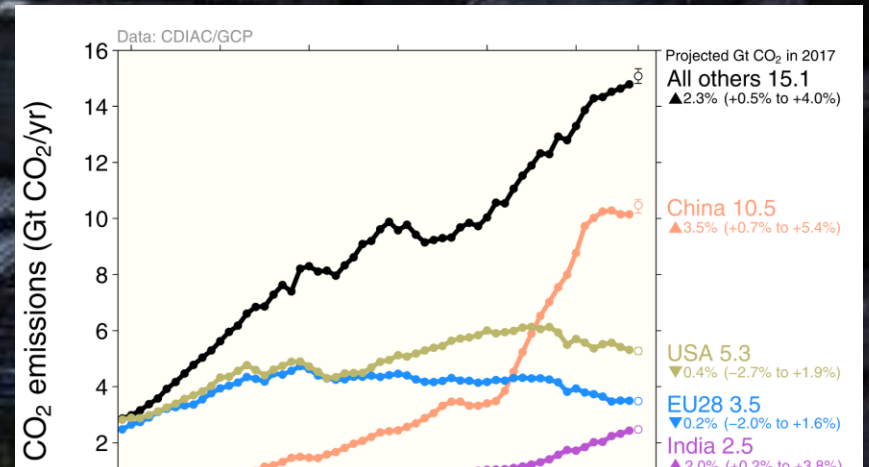
- Lower income communities are most at risk
- Energy transition = energy access
- 50% growth in global energy demand; 70% of that from emerging markets

759 m

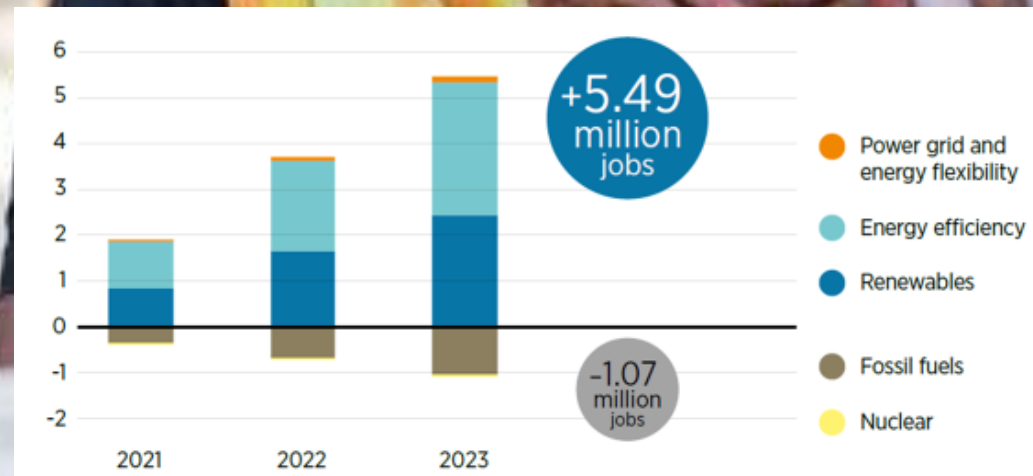
people with no electricity access

2.6 bn

people with no clean cooking access

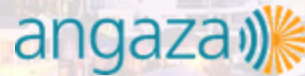


Technology is enabling the democracy of energy



Together with GCF, we have already achieved much

- GCF was the first to support Acumen's KawiSafi Fund
- The Fund is focused on energy access and low-carbon technologies for underserved markets in Africa
- 10 investments with clear incentives for impact



100m
people positively
impacted (40%
below poverty
line)

20_{mt}
CO₂e
averted

67%
Average revenue
growth of portfolio
companies

>20x
Multiple on GCF
capital crowded
in

Challenges and Opportunities

	Challenges	Approach
Private sector participation	<ul style="list-style-type: none">• Lack of access to low-cost capital (often paying 7x debt costs of developed countries)• Often poor investment climate that hinders private sector flourishing to contribute to public goals• Lack of talent, experience and diversity in the workforce• Few early-stage equity funds, few managers willing to lead investment terms	<ul style="list-style-type: none">• Blended capital structures that are sufficiently flexible to meet market requirements• Locally-based investors that are willing to put in the sweat after investment• Ecosystem approach that works across public and private sector to leverage insights and learning• Targeted Technical Assistance to build capacity and address key issues
Adaptation Mandate	<ul style="list-style-type: none">• Lack of attention• clear indicators• Interconnected systems and challenge of attribution/causal linkages• Complex concepts without well established methodologies and baselines	<ul style="list-style-type: none">• Focus on vulnerable and underserved communities• Engage with countries to understand needs and expectations• Bring in external expertise to challenge thinking and develop frameworks• Create incentives for impact that are transparent and authentic

Our proposal is a follow-on fund to scale-up climate-smart pathways from poverty to prosperity

- **Products and services that meet essential, every-day needs for everyone, especially under-served communities**
- **Existing markets that are inefficient or over-priced**
- **High CO₂ markets that will benefit from low carbon technology**

Energy Transition



Energy Productivity



Mobility & Logistics



Energy Transition

Market Opportunity

**730
million**

people have no or weak access to grid electricity

**100 X
lower**

average household energy consumption in Africa than in the US

**\$1.75
billion**

annual market for off-grid solar in 2019, up from almost non-existent 10 years ago

**823
million**

expected global users of off-grid solar by 2030, up from 420 million today

**\$15
billion**

estimated global market for off-grid energy-efficient appliances today

KawiSafi Approach

- Rapid electricity demand and supply irregularity is a major impediment to **economic development and poverty reduction**
- The KawiSafi team has **diligenced the energy access landscape** and created a quantitative framework to help source new opportunities and to assist portfolio companies
- The team's work to unlock follow-on investment has assisted companies in sourcing lower-cost debt financing which has enabled **outsized growth**
- KawiSafi's unique position within the ecosystem has guided industry participants to **unlocking consumer finance, navigate regulatory challenges, and expand market footprints** across the entirety of the African continent

Investment Opportunities



C&I energy

Distributed energy services company that delivers power and value-added services to SME clusters in Nigeria through ring-fenced, solar powered micro-utilities



Domestic energy

Rapidly expanding bioethanol cookstoves targeting 900M underserved customers, generating carbon credits



Energy software

Plug-and-play manufacturing software which helps C&I customers in emerging markets achieve energy efficiency and optimize performance.

Energy Productivity

Market Opportunity

Still
74%

of African households still do not have internet access

Up to 30%

Mobile network operators can charge up to 30% of the Gross National Income per capita

Up to
20%-40%

of fresh produce is wasted due to spoilage and post-harvest loss

Only
10%

of farms in Africa have access to some form of mechanization

\$10 billion

potential addressable market for agricultural productivity – irrigation, cold storage, processing

KawiSafi Approach

- **Connectivity:** target companies that are deploying renewables and decentralized “mini-infrastructure” for last-mile access, leveraging fintech and data for BNPL models
- **Cooling:** companies that are using modularized technology and rental models to make more affordable and accessible
- **Agriculture-Energy:** target firms that are facilitating productive use for agriculture – pumping, milling, grinding, ploughing, heating/drying – at scale across Africa
- **Recycling/Reuse:** look at companies with innovative models for collection and feedstock sourcing as well as premium offtake
- **Energy Productivity** is underpinned by productive assets which require high capex. Fintech, IOT, and data will be critical to driving access and affordability.

Investment Opportunities



Mobile tower ESCO

Mobile tower ESCO to finance, install, operate, and maintain networks of renewable energy assets delivering mass connectivity across Africa



Plastics recycling

Plastics and organic waste recycling in East Africa, positioned to take advantage of VERRA's new plastics credits standards



Cold chain/IoT

IoT cold chain monitoring and control solution targeting cold storage & Third-Party Logistics firms

Mobility & Logistics

Market Opportunity

\$4.6 billion

value of Africa 2-wheeler market in 2016, growing at 9% year-on-year

40%

year-on-year increase in EV sales globally over the past 5 years

35%

of global vehicle sales to be electric by 2030, up from 2% today

5-50 vehicles

per 1,000 inhabitants for Africa, compared to ~500 on average in Asia

4 out of every 10

used cars exported globally from EU, US, and East Asia are sold in Africa

1 billion

People globally without access to transport, of which 98% are in developing countries

KawiSafi Approach

- The **African 2-wheeler** segment is a natural starting place for electric vehicle technology and the team sees rapid innovation for EVs, including in **battery swapping**.
- EV conversions of existing fleet are attractive considering affordability constraints and the large proportion of used car imports.
- EV batteries naturally complement the need for **electricity back-up for homes and businesses** due to unreliable and/or expensive grid power.
- **Financing solutions** will be a critical component of unlocking the African market for EVs.
- Further opportunities exist in logistics optimization, particularly **fleet management** and supply chain optimization.

Investment Opportunities



EV assembly & financing

Kenyan company focused on 4- and 2-wheeler electric vehicle conversions and manufacturing, as well as rollout of EV charging infrastructure.



Bus ride hailing

A Uganda-based ride-hailing application which provides easy access to bus routes and availability for urban passengers



Transport & Logistics

East African end-to-end transport and logistics business. Users and providers connect via an on-demand delivery platform.

Partnering with GCF

- A partner to build a better world together
- A clear focus on impact and outcome on the ground
- GCF shares our ambition to go boldly into markets where others typically fear to tread in order to make an impact
 - Recognising the challenges of creating impact in emerging markets
 - Not business as usual
- GCF is willing to lead and anchor new Funds and initiatives
- As a result, together, we crowd in capital and create impact



In our hands

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