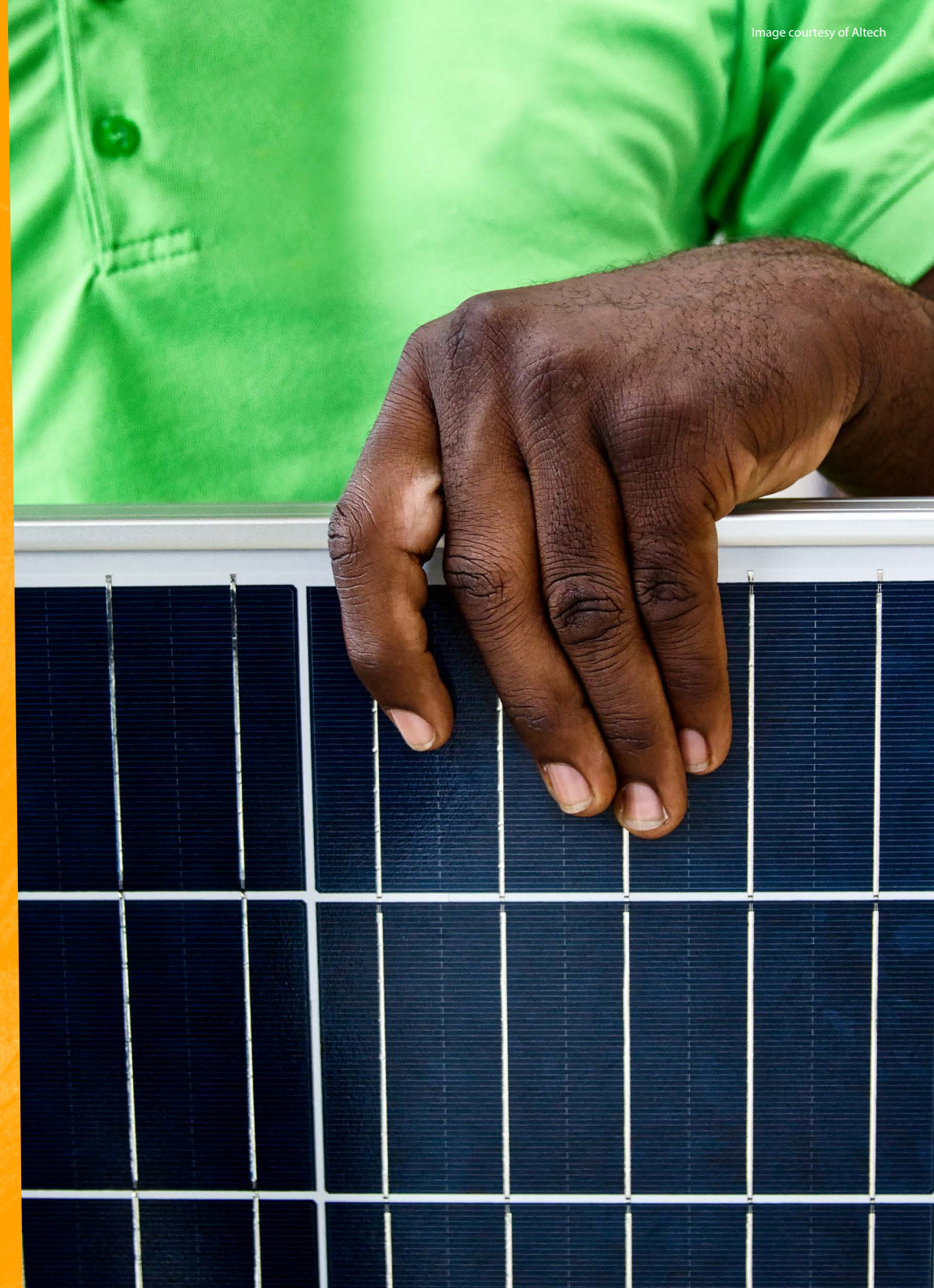


**ENERGISE
AFRICA**

FROM START-UP TO SCALE

**Impact & Investment on Energise Africa
2017 - 2022**

Image courtesy of Altech





There is an annual funding shortfall of US \$2.5 trillion needed to achieve the United Nations Sustainable Development Goals by 2030 ¹

Across emerging markets, the International Finance Corporation (IFC) estimates that 65 million firms, or 40% of formal micro, small and medium enterprises (MSMEs), have an unmet financing need of \$5.2 trillion every year ²



Banks and traditional financial institutions are not providing accessible, transparent financial products to meet the growing demand for ethical and environmentally responsible investing

In a 2019 UK survey, over 70% of people said they wanted their investments to achieve good for people and the planet, but only 13% said they currently held a sustainable investment ³

THE UK CROWDFUNDING MARKET WAS ESTIMATED TO BE AROUND US \$10 BILLION IN 2019 ALONE.

¹. This is a pre-pandemic estimate, which according to the OECD is likely to have increased to US \$4.2 trillion as a result of COVID-19 and subsequent global economic environment. <https://www.oecd.org/dev/OECD-UNDP-Scoping-Note-Closing-SDG-Financing-Gap-COVID-19-era.pdf>

². <https://www.worldbank.org/en/topic/sme/finance>








³. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/834207/Investing-in-a-better-world-full-report.pdf

ENERGISE AFRICA

**IS THE ONLY UK INVESTMENT
CROWDFUNDING PLATFORM
WHICH HAS AN ESTABLISHED
RETAIL INVESTOR BASE AND
MULTI-YEAR TRACK RECORD,
OFFERING EXCLUSIVELY
SDG ALIGNED INVESTMENT
OPPORTUNITIES
IN EMERGING MARKETS.**



SINCE PLATFORM LAUNCH IN JULY 2017, ENERGISE AFRICA HAS:

£34M	Successfully raised over £34 million for 19 companies across 200+ investment campaigns ² for projects in 173 counties	
591,263	Prevented 591,263 tons of CO₂ emissions from entering the atmosphere	
1:7	Achieved public-private investment leverage ratios of 1:4 on individual investment offers, and at a platform level, deployed £4 million in institutional investment to raise £30 million from retail investors, an effective leverage ratio of over 1:7	
865,000+	Financed distribution of over 170,000 solar home systems, providing access to life-changing clean, affordable electricity to 865,000+ people in low-income, off-grid households	
8,000	Supported over 8,000 fishermen, smallholder farmers and MSMEs to access affordable solar power, and provided finance to install solar power for 50,000 market traders	
14MWp	Raised finance for companies to provide 14MWp of solar electricity installations for commercial and light industrial uses in Ghana, Kenya, South Africa	
4,750	Registered over 4,750 platform users , making 26,000+ individual investment transactions, and receiving over £19.5 million in capital and interest repayments	

1. Figures up to December 31st 2022.

2. These figures do not include three campaigns which were refunded to investors (Azuri Luminosa, REDAVIA, and upOwa).

3. Kenya, Uganda, Tanzania, Rwanda, Mozambique, Malawi, South Africa, Democratic Republic of Congo, Republic of Congo, Cameroon, Nigeria, Ghana, Senegal, Niger, Mali, Burkina Faso, and India.

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This report has been prepared for donors, prospective donors and other potential Energise Africa supporters.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong.

Take 2 minutes to [learn more](#).



Netherlands Enterprise Agency



Energise Africa has received funding and support from UK Aid, P4G, Good Energies Foundation, the Netherlands Enterprise Agency, Virgin Unite and Innovate UK. The views expressed in this report do not necessarily reflect the official position of any of Energise Africa's partners or supporters.

Lendahand Ethex Ltd. (FRN: 776908), trading as ENERGISE AFRICA, is an appointed representative of Share In Ltd. (FRN: 603332), which is an authorised and regulated by the UK Financial Conduct Authority.

INTRODUCTION

The past decade has seen a huge shift in how people spend, save and invest their money - online bank accounts, contactless card payments, mobile apps, and the incredible growth of both donation and investment based crowdfunding platforms have produced a financial services landscape for retail customers which is almost unrecognisable to that of ten years ago.

The idea that someone sitting at home on their sofa somewhere in the UK could use their mobile phone to create an online account and send money to support a development project thousands of miles away in sub-Saharan Africa would have been almost unthinkable. And that this could be done not as a donation to a charitable endeavour, but as a repayable investment, with a targeted return that was competitive with other similar investment opportunities would probably have made many financial services professionals scoff.

But with Energise Africa closing out two donor funded programmes from UK Aid and P4G in December 2022, this is indeed the reality, not only of what is achievable, but what is in demand, and steadily gaining traction amongst UK retail investors. Since launching a little over five years ago, the platform has attracted a user base of over 4,750 everyday people (retail investors) who are investing their money in socially and environmentally impactful companies operating in sub-Saharan Africa.

Across more than 200 campaigns, these people have put over £34 million to work for people and planet, providing accessible, flexible and affordable working capital finance to companies in emerging markets.

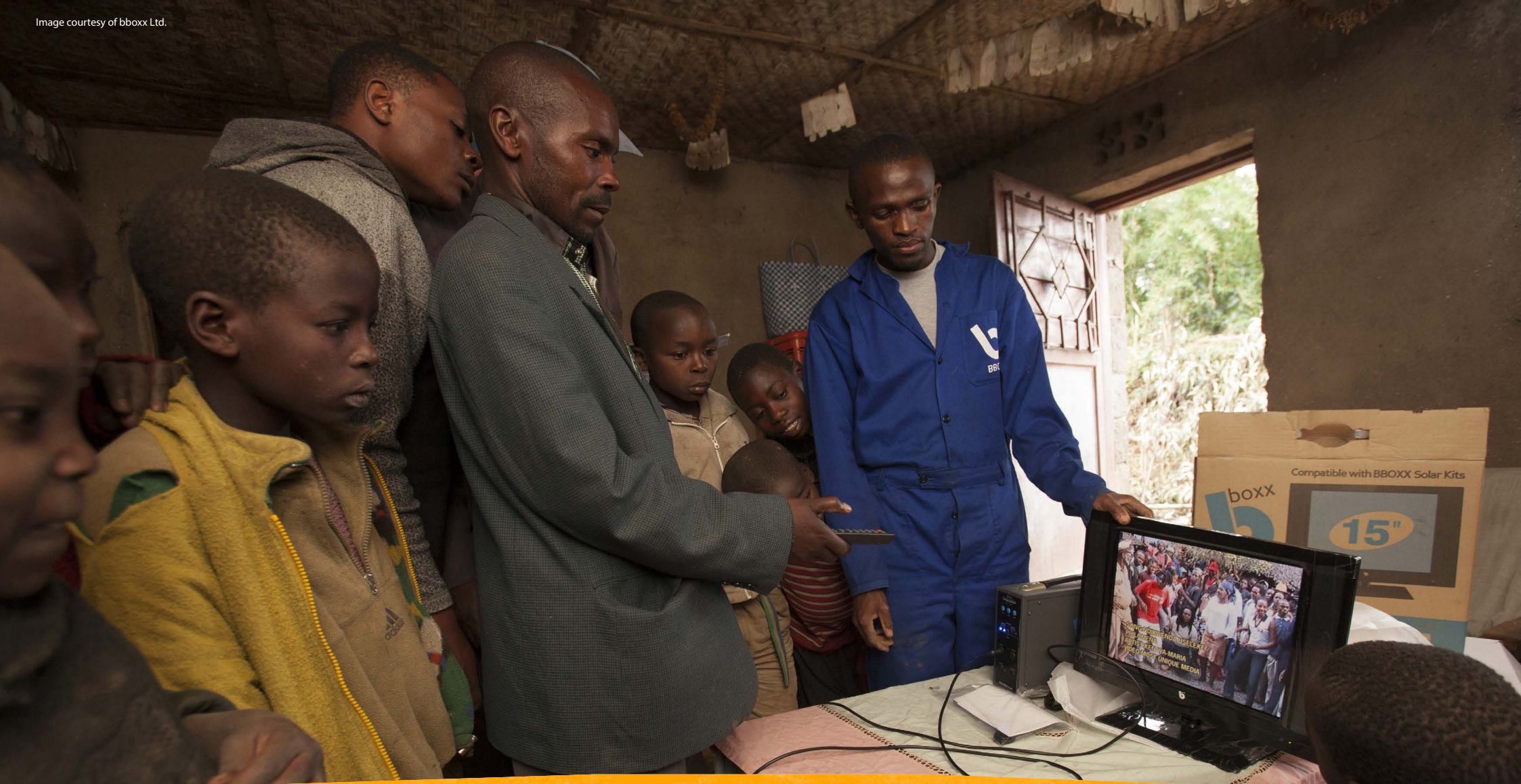
These companies in turn have provided life changing products and services to base-of pyramid customers, often in hard to reach communities. From solar powered lighting solutions on affordable finance plans, to irrigation solutions helping smallholder farmers have stable water supplies all year round, and micro-loans to entrepreneurs who would not otherwise have access to finance, UK retail investors are showing a real appetite to find innovative new ways to achieve triple bottom line returns.

As Energise Africa moves into a new phase of development, expanding the platform to offer investment opportunities in new sectors and geographies, and for the first time, seeking commercial investment of its own, this report looks back at the platform's activities, challenges and achievements.

In the financial services sector, where success is primarily measured in pounds and pence, we can lose sight of the fact that for many people using Energise Africa (and other similar platforms), the main motivation to invest is the positive social and environmental impact, and the desire to use their money ethically. The first section of the report therefore focuses on the extraordinary impact that has been created thanks to investments made on Energise Africa.

Later sections look at platform set up and development; the portfolio, and its diversification over the years; Energise Africa's thousands of users, the ways they invest their money, and the products that they have invested in.

Any investment carries risk, and the last five years at Energise Africa have not been without defaults and losses (as seen in the portfolio overview on page 21). Nonetheless, the overwhelming majority of investors continue to use the platform to enable companies in emerging markets to deliver impact and we hope this report provides a compelling insight into how and why so many people continue to use Energise Africa to turn their pounds into positive action for people and planet.



IMPACT OVERVIEW

The energy access challenge & growth of off-grid solutions

According to ESMAP's Energy Progress Report¹, 733 million people globally were still without access to electricity in 2020, with around 77% of these (about 568 million people) living in sub-Saharan Africa.

Nevertheless, technology innovations, such as highly efficient LED lighting; improvements in battery technology (especially with the widespread use of lithium ion batteries); IoT enabled devices, coupled with mobile money services; and the rapidly falling costs associated with solar power generation; mean that technical solutions now exist to enable people in even the remotest off-grid locations to have access to reliable, renewable electricity supplies. In fact, GOGLA's Off-Grid Solar Market Trends Report 2022² estimated that by the end of 2021, 490 million people worldwide had access to electricity through standalone solar energy kits.

Perhaps the greatest "game changer" in achieving energy access for low-income, off-grid households has been the introduction of standalone solar powered products on a pay-as-you-go ("PAYGo") basis. For households with little in the way of savings or disposable income, the high up front costs of

purchasing such products had previously been a major barrier. However, the introduction of a mobile SIM card to many devices enabled distributors to control the device remotely.

Consequently, they can now offer the product for a much reduced up-front fee (the deposit), with customers making small daily, weekly or monthly payments, generally for periods up to three years, until they own the system outright. But for companies to be able to sell their products on a PAYGo (consumer finance) basis, they in turn need access to affordable working capital facilities.

The Energise Africa platform enables companies to raise this much-needed finance by issuing bonds, which UK retail investors can subscribe to, with a minimum investment of just £50.

Nearly two-thirds of the capital invested on Energise Africa (around £21 million) has supported purchase and distribution of PAYGo solar products for household use. This allows households who were previously dependent on kerosene lanterns to transition to modern, clean, and affordable energy.

Products can range from solar lanterns through to larger "solar home systems" including several lights, charging capacity for mobile phones and other portable appliances, and can even come with a TV or other larger electric appliances (fig 1).



Figure 1: Bboxx solar home system, with TV, radio, mobile charging and lights. Image courtesy of Bboxx

1. <https://trackingsdg7.esmap.org/downloads>

2. www.gogla.org/off-grid-solar-market-trends-report-2022-0

**CASE STUDY:
MAGUETTE, OOLU CUSTOMER**



Image courtesy of Azuri Technologies Ltd.

"THEY WOULD READ IN THE EVENINGS UNTIL THEY FELL ASLEEP. WITH CANDLES, I WAS SO WORRIED, BUT WITH THE [SOLAR] LAMP, IT IS OK."

OOLU customer Maguette, shares her windowless room with her 12-year-old daughter Mody. Mody and her cousin, Maty Seck, used to finish school, help with the housework and then study in the bedroom by candlelight.

Today, they learn their favourite subject of "calcul" (arithmetic) beneath an OOLU solar lamp, which has led to improved schoolwork and given Maguette peace of mind.

Without having to strain their eyes or inhale smoky fumes, solar PAYGo lighting kits mean children can study longer and enhance their academic prospects.

The life-changing benefits of clean, affordable electricity

For households previously reliant on kerosene for lighting, solar home systems offer a multitude of benefits.

Health: burning kerosene inside homes which are often poorly ventilated has a significant impact on indoor air quality. Occupants of the home can be exposed to carbon monoxide, carbon dioxide and other particulate matter, contributing to asthma, heart and lung disease, and increased risk of stroke. According to the World Health Organisation, household air pollution [including from cooking activities] was responsible for an estimated 3.2 million deaths in 2020, including over 237,000 deaths of children under the age of 5¹.

The quality of light from kerosene lanterns is often poor, so users suffer eyestrain, and storing kerosene in the home increases the risk of fire.

Education: The solar lanterns and solar home systems financed through Energise Africa have produced an estimated 500 million hours of high quality light. These are important additional hours of light which can be used for studying, and in countries where the sun sets around 6pm all year round, this makes a real difference to educational outcomes of students in rural areas. Access to electricity also provides households with access to information - the opportunity to use radios, televisions



Figure 2: Access to electricity provides access to information through mobile phones, radios and TVs.

and smart phones has a life-changing impact for millions of people. According to GOGLA, 3.8 million people globally gained access to solar powered TVs in 2020 and 2021⁴. These have been "particularly critical for accessing news, health information and educational programmes during COVID-19 lockdowns", which were widespread in many Africa countries in 2020/21.

Security: Electric lighting in and around the home also contributes to improved safety and security, especially for women and girls in rural areas where street lighting is not common.

3. <https://www.who.int/news-room/fact-sheets/detail/household-air-pollution-and-health>

4. www.gogla.org/off-grid-solar-market-trends-report-2022-0.

Income generation: Not only does energy access improve health and education outcomes, households with access to reliable, affordable electricity are able to generate additional income. They can open their small trading activities for longer thanks to the extended hours of available light, or with the larger solar home systems, they can use electric appliances like small sewing machines to generate income.

Using GOGLA standard metrics¹ on additional household income generated, it is estimated:

- The 41,546 systems financed in West Africa have enabled households to generate an additional \$1.6 million.
- The 129,259 systems finance in East Africa have enabled households to generate an impressive \$33 million in additional income.

Collectively this represents a nearly 30% 'impact leverage' in terms of income generated at household level when compared to the £21 million invested by Energise Africa's registered users into household energy access companies².

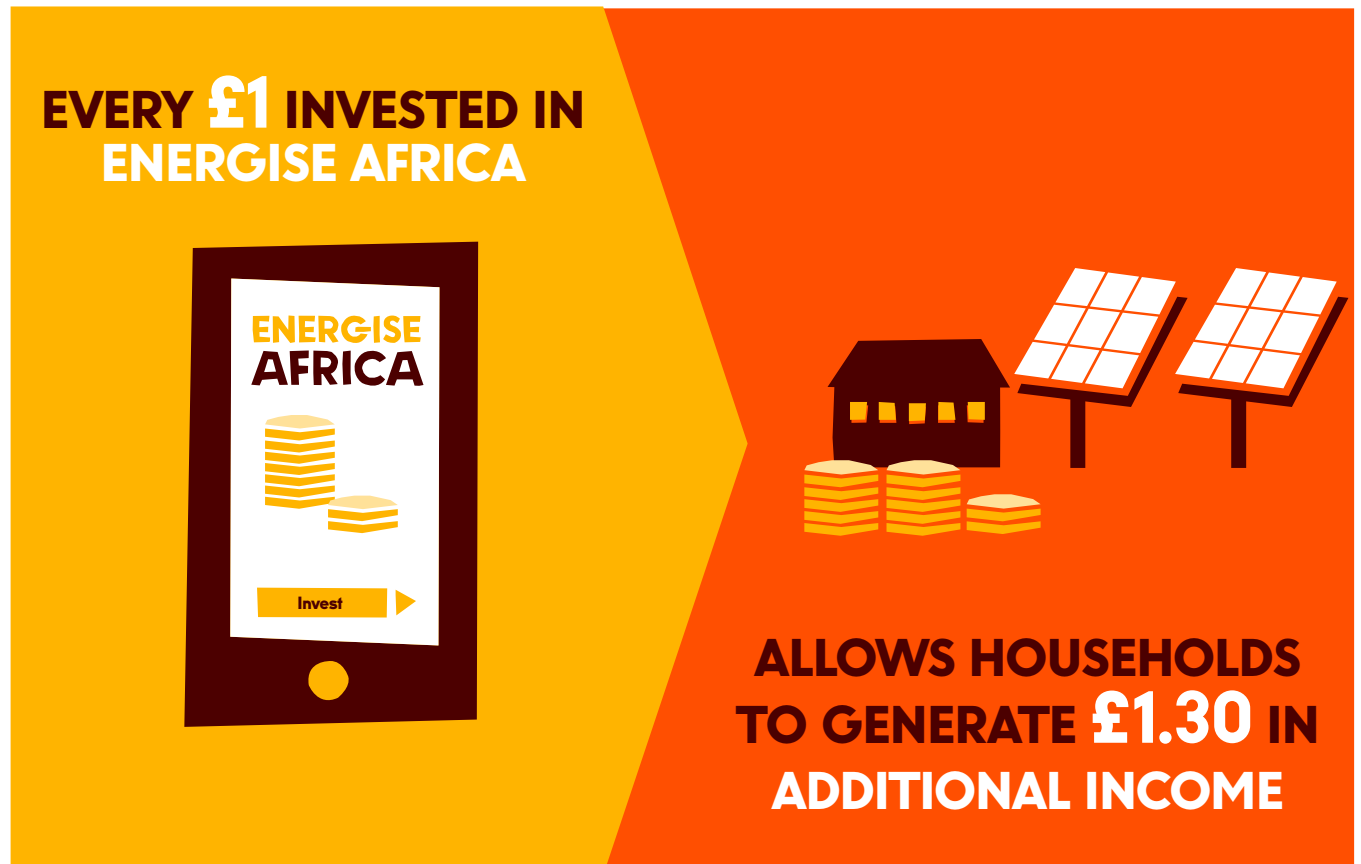


Figure 3: Access to affordable, reliable electricity can have an enormous impact on a household's income generating activities.

1. <https://www.who.int/news-room/fact-sheets/detail/household-air-pollution-and-health>

2. Assuming average exchange rate over last five years of £1=\$1.25; £21 million is roughly equivalent to \$26.7 million.

Other renewable energy sectors supported by Energise Africa

Energise Africa have hosted 45 investment offers for seven issuers raising over £11.6 million for projects beyond household energy access.

These have included¹:

- Four companies specialising in providing solar power installations for commercial and light industries uses, enabling companies to move away from expensive, unreliable connections to fossil fuel powered grids. 83 MSMEs have benefitted from access to affordable, clean energy with a total of 14.9 MWp installed capacity.
- Provision of solar powered fishing lights, and solar powered water pumps, enabling over 7,800 fishermen and smallholder farmers to use clean energy and boost their incomes.
- Financing the purchase of 20 electric forklift trucks, avoiding 1.1 million litres of diesel use and 2,480 tons of CO2 emissions each year.
- Supporting agri-logistics companies and micro-finance institutions to expand their operations, supporting thousands of smallholder farmers and micro-entrepreneurs to access their services.



Image courtesy of Sollatek Ltd.

1. Aptech Africa, candi, REDAVIA, Solarise Africa.

**CASE STUDY:
BERNARD, SOLLATEK CUSTOMER**



Image courtesy of Solar Now

"NOW THAT I HAVE A CONSTANT SUPPLY OF WATER THANKS TO THE SOLAR IRRIGATION SYSTEM INSTALLED BY SOLLATEK, I WILL BE ABLE TO GROW THE HORTICULTURE CROPS I ALWAYS WANTED AND WILL BE ABLE TO REACH THE KPIS SET FOR MY FARM."

Bernard is a smallholder farmer, who runs a farm in Kirinyaga County, Kenya. On the slopes of Mount Kenya, the region typically has a short dry season in January and February, and a longer dry season from July to September, but climate change is making the weather much less predictable.

Bernard had solar water pumps installed by Sollatek to improve the irrigation of his crops. Having a constant source of water has improved the farm's agricultural output and the system will have paid for itself within 2 - 3 years.

CASE STUDY: NATHALIE, ALETCH CUSTOMER

Nathalie owns a small restaurant in Kinshasa, the bustling capital of the Democratic Republic of Congo. Nathalie has been an Altech customer since 2019, when she first purchased a lamp using Altech's pay-as-you-go plan, making a small down payment, and completing the rest in daily instalments over 3 months. The positive results for the business in financial savings and increased numbers of clients were evident to Nathalie, and she soon purchased a second lamp.

Now Nathalie can light the dining area, terrace, and kitchen all at the same time. With Altech's lamps, her restaurant continues to attract customers after dark, during power outages, and without the constant need to purchase flashlights or batteries. This has meant greater revenue from the restaurant and reduced energy costs for the business.





PLATFORM OVERVIEW

ENERGISE AFRICA IS AN ONLINE IMPACT INVESTMENT PLATFORM, ESTABLISHED TO ENABLE EVERYDAY PEOPLE IN THE UK (I.E. RETAIL OR "CROWD" INVESTORS) TO PUT MONEY INTO ENERGY ACCESS COMPANIES OPERATING IN SUB-SAHARAN AFRICA AND OTHER EMERGING MARKETS.

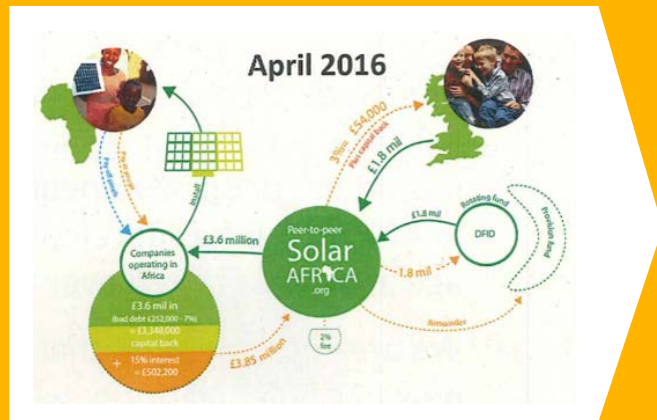
Energise Africa allows selected companies to raise finance by issuing bonds on the platform, which can range from £50,000 up to £1 million. These are marketed to Energise Africa's users, who can subscribe to the bond from as little as £50. The intentionally low minimum investment amount is designed to reduce barriers to entry for impact investing, which many people have historically viewed as complex, and lacking in transparency.

While the UK alternative finance and crowd funding market was estimated to be around \$10 billion in 2019 alone¹, very few platforms offer investment opportunities expressly aligned with the United Nations Sustainable Development Goals (SDGs). As a result, retail investors remain a largely "untapped" source of private capital when it comes to development and climate finance.

Investing on Energise Africa: Registering an account on energiseafrica.com is designed to be as simple as possible. Once the user has completed "know your customer" checks, they can browse live offers on the platform and select which campaigns they would like to invest in, and how much.

For each offer, there is information on the investment terms (tenor and target interest rate), as well as information on the company issuing the bond, and the project or product that the bond will be used to finance. Unlike an impact investment fund, the platform gives users full control of which projects, companies, sectors and countries they wish to invest in. This direct investment model, and the clearly communicated positive social and environmental impact of each campaign, provides transparency and choice, which many retail investors value.

¹ p2marketdata.com/blog/crowdfunding-statistics-worldwide



FROM IDEA TO REALITY

The Peer-to-Peer Solar Africa programme (later to become Energise Africa) was a new initiative, funded by UK Department for International Development to raise debt from the UK public to accelerate access to energy in sub-Saharan Africa by financing the sale of solar home systems for low-income, off-grid households.

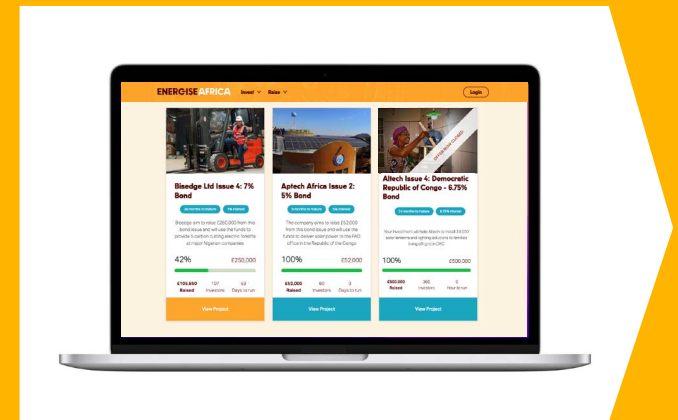


Figure 4: Concept sketch (left), and platform design (right) for Energise Africa.

The impact of investing

Analysis conducted in 2021 showed that £19 million had been paid into the platform since launching in 2017, while at the time, £31 million had been disbursed to issuers, suggesting that nearly two-thirds of the capital and interest paid to investors had been re-invested. By revolving funds in this way, Energise Africa investors are able to achieve greater impact than if the money was simply a one-off donation. In addition, as an impact investment platform, Energise Africa appeals to customer segments who might not consider supporting energy access projects.

If it was a donation-based platform, many people might make only a single donation to an organisation or project, but over half of Energise Africa investors have made five or more investments, and with an average investment amount of £1,150, these sums are also higher than many people would be likely to donate.

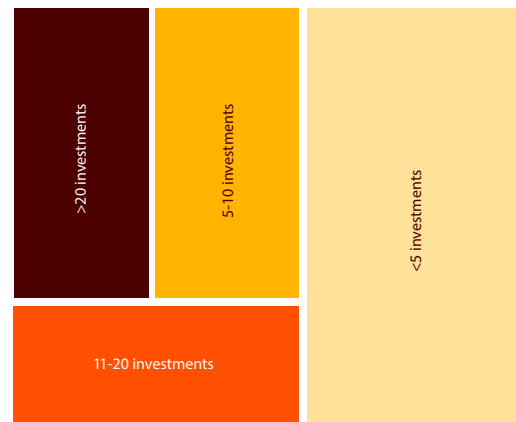
The low minimum investment amount is a critical enabling factor for many more people to start impact investing - one third of Energise Africa's investors have built up their total investment amount with individual

transactions averaging £250 or less, and even amongst users who have invested over £100k, more than half of them have done so with average investments of £5,000 or lower.

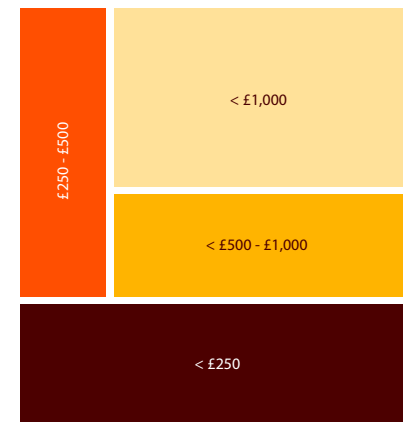
Figure 5: Energise Africa's easy-to-use platforms enables people to invest smaller amounts regularly, and to revolve their funds, making it a very different experience to donation based platforms or charitable giving.



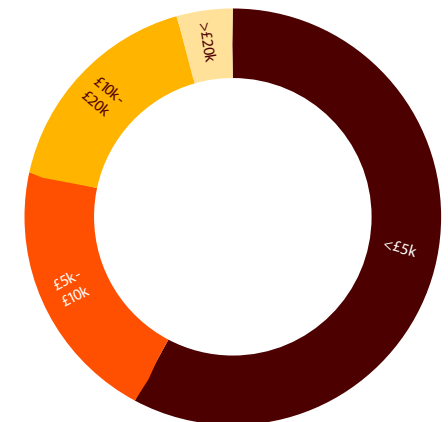
Users reinvest nearly 2/3 of the capital and interest repaid to them



56% of users have made more than five investments on Energise Africa



2/3 of users have an average investment amount of less than £1,000...



...even users who have invested over £100,000 have generally done so with smaller transactions

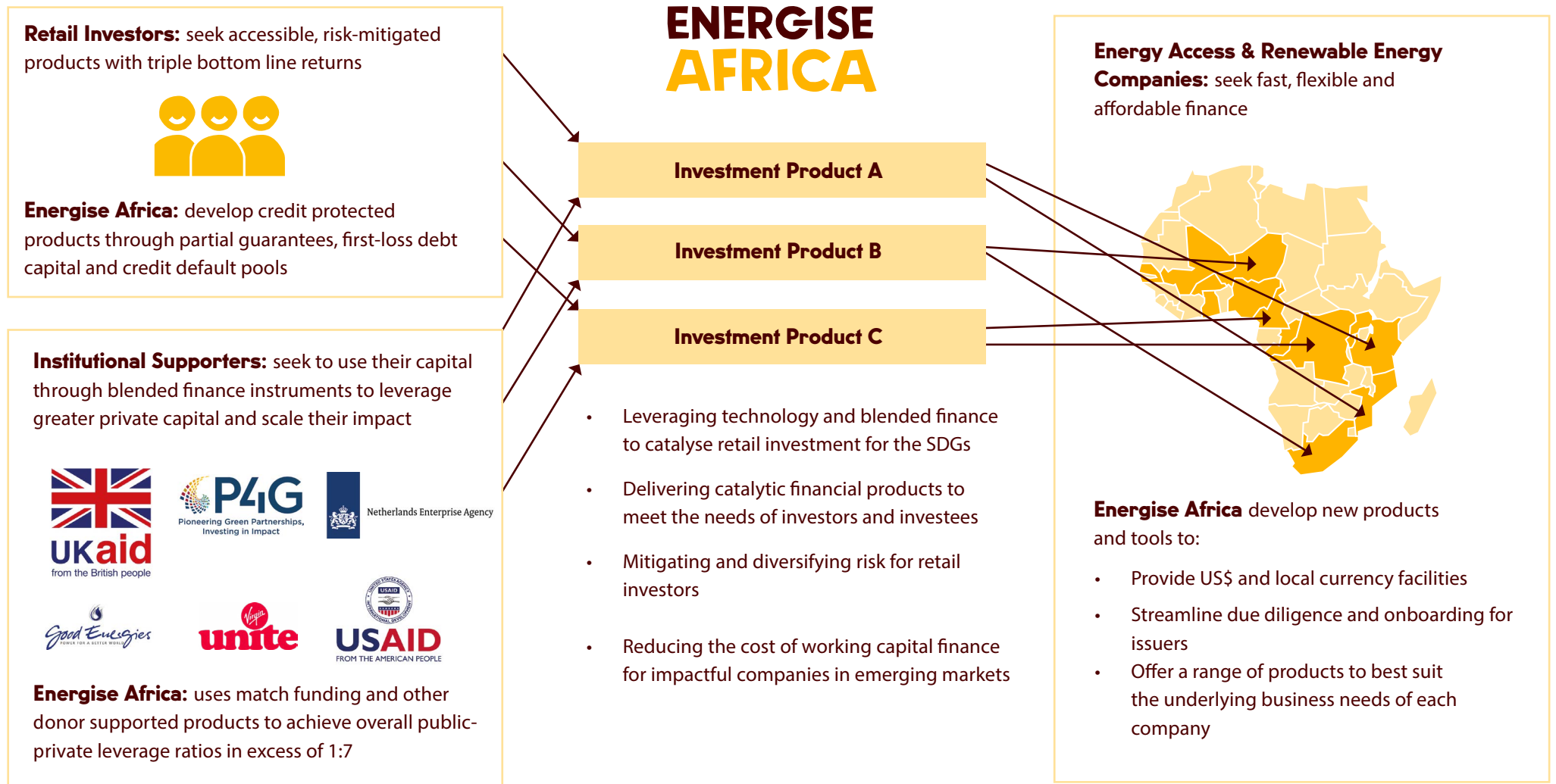


Figure 6: Energise Africa is transforming retail finance for the sustainable development goals by enabling individual investors to provide flexible, affordable finance to clean energy companies operating in emerging markets. This catalyses financial flows to previously underserved businesses and communities, and provides an opportunity for institutional investment and donor capital to leverage greater private finance.

KEY MILESTONES FOR ENERGISE AFRICA

April 2016
 UK Department for International Development issues open tender to develop peer-to-peer lending platform to support investment into energy access projects in sub-Saharan Africa

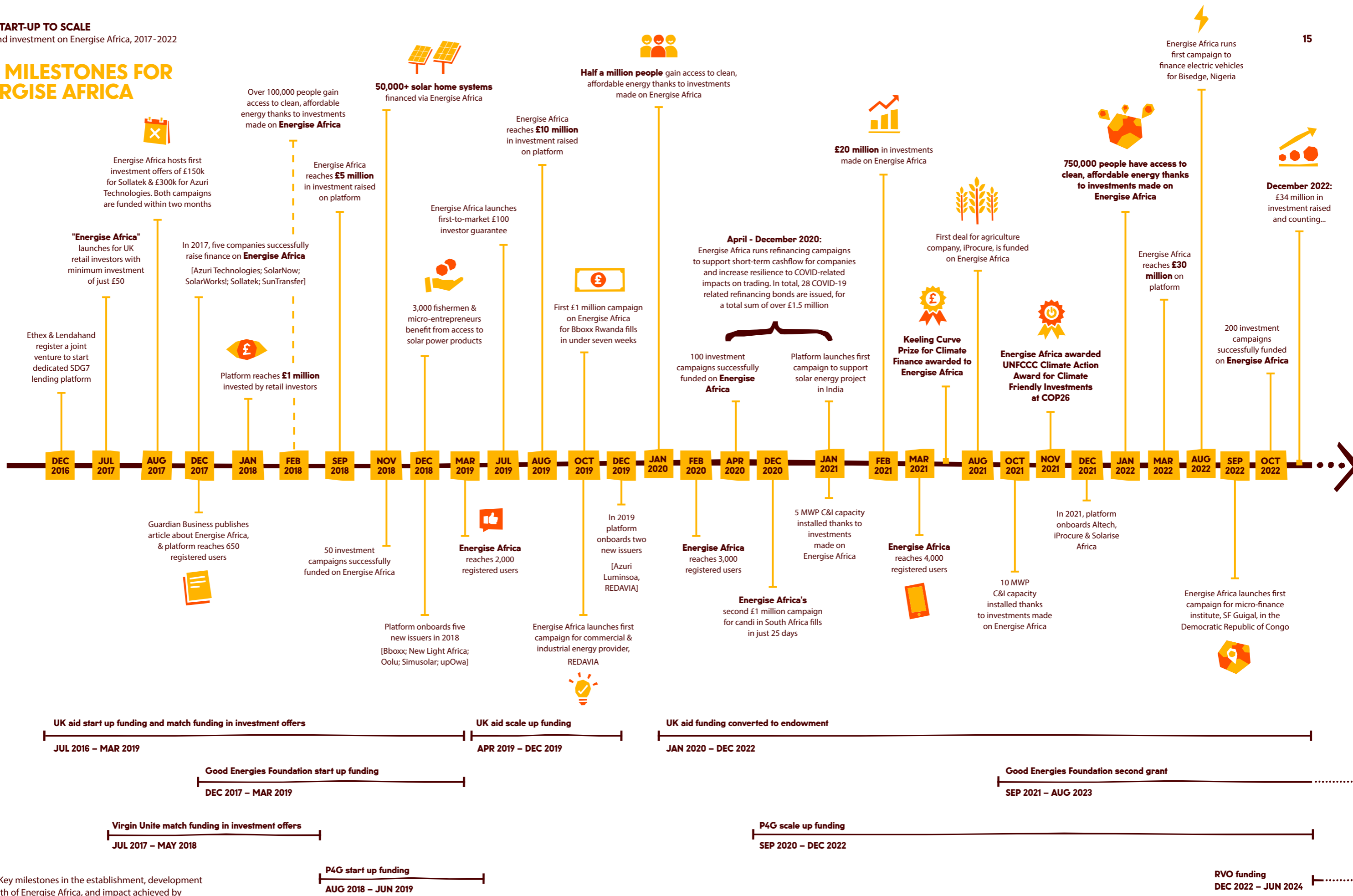


Figure 7: Key milestones in the establishment, development and growth of Energise Africa, and impact achieved by portfolio companies along the way.

Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. Take 2 minutes to learn more.



PLATFORM FUNDING

GRANT FUNDING FOR ENERGISE AFRICA

Start-up funding

Platform Set-Up: Energise Africa was established as a joint venture between UK-based impact investment platform, Ethex, and Netherlands-based impact crowd-finance platform, Lendahand. The companies were selected following a tender from the UK Department for International Development, under their Transforming Energy Access (TEA) programme, to develop innovative solutions to mobilise private capital for companies in the energy access and solar PAYGo sector in sub-Saharan Africa.

Ethex and Lendahand registered the joint venture and were awarded UK Aid start-up funding of £2.1 million in December 2016, of which £1.4 million was for match funding (see also pg 39). The remaining funding was for set up costs, including the technical platform development (website and back-end management system); origination, due diligence and contracting with (potential) bond issuers; marketing the platform; and promoting the first investment campaigns.

The grant was managed by Energy for Impact, a UK-registered charity, and the start-up grant period was set at three years.

Alongside start-up funding from UK Aid's TEA programme, Virgin Unite committed to making investments via the platform as part of the match

funding programme. This was agreed as a repayable sum, to be invested in campaigns on the platform at subordinated terms to retail ("crowd") investors.

Early Support: In December 2017, Energise Africa secured a grant from the Good Energies Foundation for further platform marketing and new product development including:

- Pilot of an electronic voucher scheme for new investors
- First-loss match funding into campaigns.
- Establishing the £100 first investment guarantee (see also pg 40).

The grant was originally set out for a twelve-month period, but later extended by a further four months to allow for development of the first investment guarantee.

In August 2018, Energise Africa received a start-up grant from P4G to increase digital marketing activities, in particular to promote the Innovative Finance ISA.

UK Aid funding

Since 2016, Energise Africa has received both start-up and scale-up funding from UK Aid, alongside match funding for investment offers on the platform.

As investments started to be repaid (from June 2018 onwards), capital and interest was available to be re-invested in offers.

In December 2020, all remaining UK Aid money either actively invested, or held by the platform, was converted to an endowment to Energise Africa, with the agreement that two-thirds of the funds would be revolved for at least one further cycle of match funding.

In December 2021, the UK Government's Foreign, Commonwealth & Development Office (FCDO), Energise Africa and Energy for Impact were recognised with the Civil Service Award for Productive Partnerships, for "successfully building, maintaining and making the most of strong relationships between organisations across different sectors" (public, private and third sector).



Scale-up funding

In August 2019, on track to meet the targets of the original start up grant, but seeking to increase scale and impact, Energise Africa received further UK Aid funding, including £1.25 million for additional match funding to investment campaigns.

This allowed Energise Africa to increase their pipeline development activities by growing the investments team, as well as complementing the investor marketing activities supported by P4G. Energise Africa also administered a small grant to enable portfolio companies to procure technical assistance, funded by UK Aid / Crowd Power.

In Q2 2020, Energise Africa also secured scale-up funding from P4G, to support technical platform development; investor and investee acquisition; and new product development. The grant period ran from September 2020 to December 2022¹.

Portfolio Expansion Funding: Part of the scale-up funding from P4G was used to commission a scoping study to look at the possibility of extending the Energise Africa portfolio to include companies operating in South and Southeast Asia. Energise Africa also received a grant from Innovate UK for a “global cooperation feasibility study”

¹ This report coincides with both the end of the P4G Scale-Up and UK Aid endowment programmes.

in Q1 2022, and team members were able to undertake a research trip to the region to meet with potential local partners who could support with deal origination.

Seed Capital for Product Development: To support product development activities undertaken for platform scale-up, Good Energies Foundation awarded a second grant to Energise Africa to provide seed capital for

product launch and pilot phase (scheduled for H2 2023, see also page 41).

Energise Africa also have funding from the Netherlands Enterprise Agency (RVO) to develop new investee-facing products and a more streamlined investment process to facilitate lending to SMEs in the clean cooking sector. This programme runs from December 2022 - June 2024.

Partnering for Green Growth & the Global Goals (P4G):



P4G accelerates pioneering market-based partnerships to build sustainable and resilient economies. They achieve this by making grants and investments in “impact-oriented partnerships who deliver inclusive and tangible solutions to build back better and greener and meet the United Nations Sustainable Development Goals and the Paris Climate Agreement”.

P4G’s impact themes are the energy transition (SDG 7); the food and agriculture value chain (SDG 2); zero-waste green industry (SDG 12); and digital solutions for water (SDG 6). Energise Africa’s work falls under their “energy transition” theme, and

with Kenya, South Africa and Ethiopia being P4G partner countries, over £15 million of the capital raised on the platform to date has gone to support projects in their target countries. In 2021, P4G also supported Energise Africa and Power for All to conduct research on catalysing investment for energy access in Ethiopia [available [here](#)].

A key aspect of P4G’s approach is that they award grants to projects where there is at least one private sector partner, and one not-for-profit entity. Energise Africa’s parent companies, Lendahand and Ethex, meet these criteria, and P4G regard Energise Africa as a market-based solution with high potential to address the development and climate finance challenges faced in many emerging markets today.



PORTFOLIO OVERVIEW

ENERGISE AFRICA PORTFOLIO OVERVIEW
AS OF DECEMBER 31ST 2022

Oolu
£4.95 million raised across 34 campaigns since August 2018 [inc. £572k COVID-19 refinancing]
32,732 solar homes systems financed in Senegal, Mali, Burkina Faso and Niger

REDAVIA
£2.5 million raised across 11 campaigns since October 2019 [inc. £167k COVID-19 refinancing]
3.9MWp total installed capacity financed for 49 businesses in Ghana and Kenya

upOwa
£1.1 million raised across 11 campaigns since August 2018 [inc. £63k COVID-19 refinancing]
8,814 solar homes systems financed in Cameroon

Bboxx
£2.25 million raised across 7 campaigns since April 2018
34,900 solar home systems financed in DRC and Rwanda

Solarise Africa
£2.1 million raised across 4 campaigns since November 2021
12 businesses supplied with 2.8MWp total installed solar capacity in South Africa and Kenya

Guilgal
£500,000 raised across 2 campaigns since September 2022
~100 microfinance loans to MSMEs in DRC

Bisedge
£1 million raised across 3 campaigns since July 2022
20 electric forklift trucks financed for green logistics in Lagos, Nigeria

Aptech Africa
£222,000 raised across 2 campaigns since December 2022
Electrification of Owino Market in Kampala, and offices of the FAO in Brazzaville financed

Altech
£2.5 million raised across 6 campaigns since March 2021
40,980 solar home systems and solar lanterns financed in DRC

Sollatek
£2.89 million raised over 46 campaigns since November 2017 [inc. £179k COVID-19 refinancing]
242 schools, clinics and small businesses, and 9,927 households in Kenya supplied with solar power

SunTransfer
£500,000 raised over 4 campaigns since October 2017
6,000 solar homes systems in Kenya financed

iProcure
£1.125 million raised over 3 campaigns since August 2021
4,600 agri-dealers supported through iProcure logistics services in Kenya

SolarNow
£400,000 raised over 3 campaigns since August 2017
255 small businesses and 1,053 households in Kenya supplied with solar power

New Light Africa
£70,000 raised in 1 campaign in May 2018
2,363 clean cookstoves financed in Kenya

Azuri Technologies
£3.2 million borrowed over 19 campaigns since August 2017
23,500 solar home systems financed in Kenya, Uganda and Tanzania

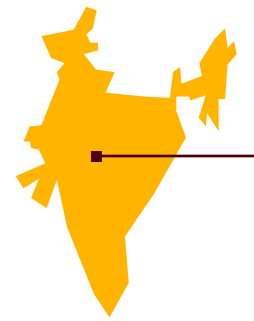
Simusolar
£1.37 million raised across 12 campaigns since September 2018 [inc. £558k COVID-19 refinancing]
7,124 solar fishing lights & 694 solar water pumps financed in Tanzania

Azuri Luminosa
£3.45 million borrowed over 11 campaigns since October 2019
18,574 solar home systems financed in Kenya, Uganda and Zambia

SolarWorks!
£1.53 million raised across 19 campaigns since December 2017 [inc. £227k COVID-19 refinancing]
15,200 solar home systems financed in Mozambique

Candi
£2.8 million raised across 7 campaigns since December 2020
6.25MWp total installed capacity financed for 21 businesses in India and South Africa

Figure 8: Map showing where investments raised on Energise Africa have supported projects, and the beneficiaries of Energise Africa portfolio companies.



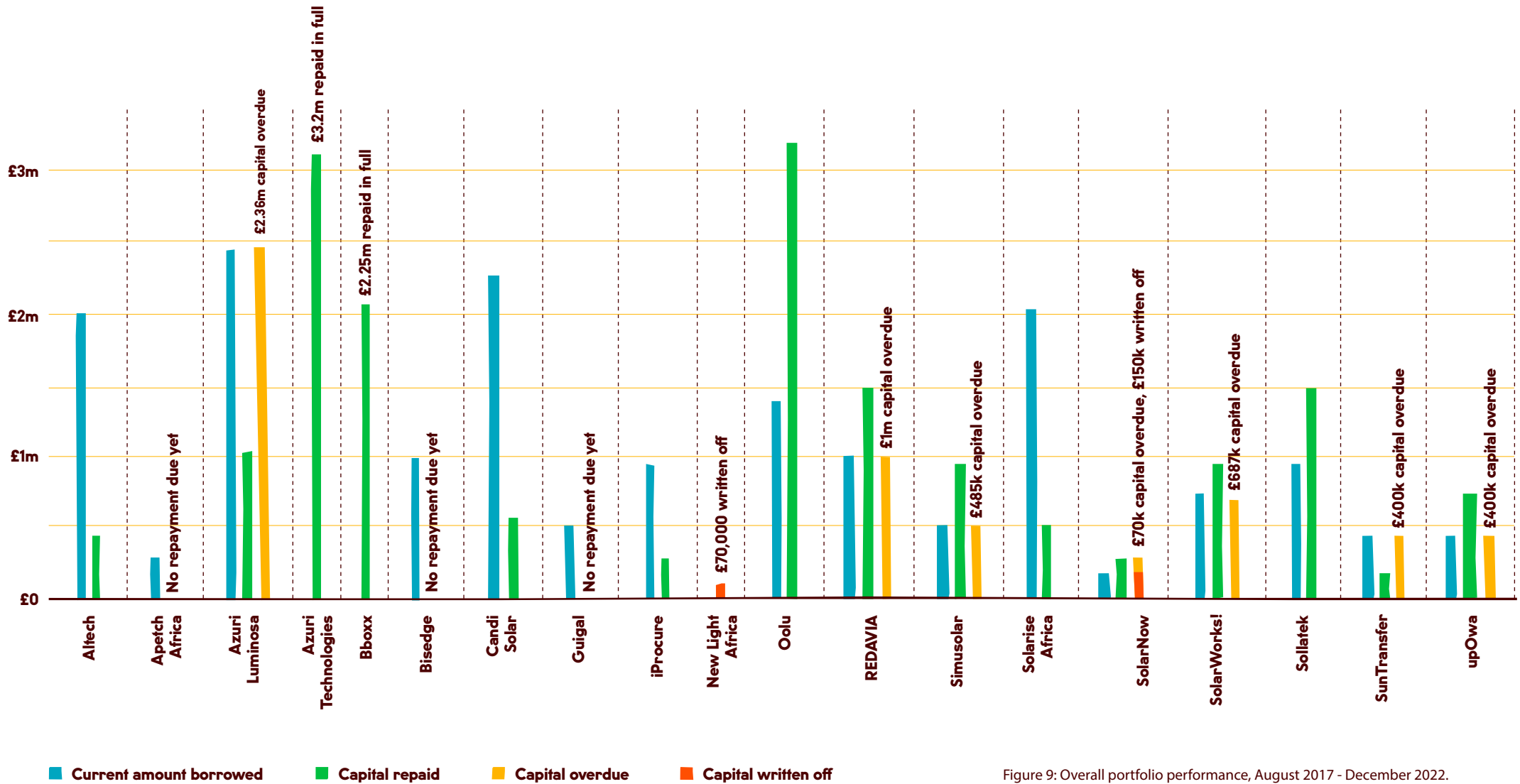


Figure 9: Overall portfolio performance, August 2017 - December 2022.

ENERGISE AFRICA: INVESTMENT OFFERS IN DETAIL

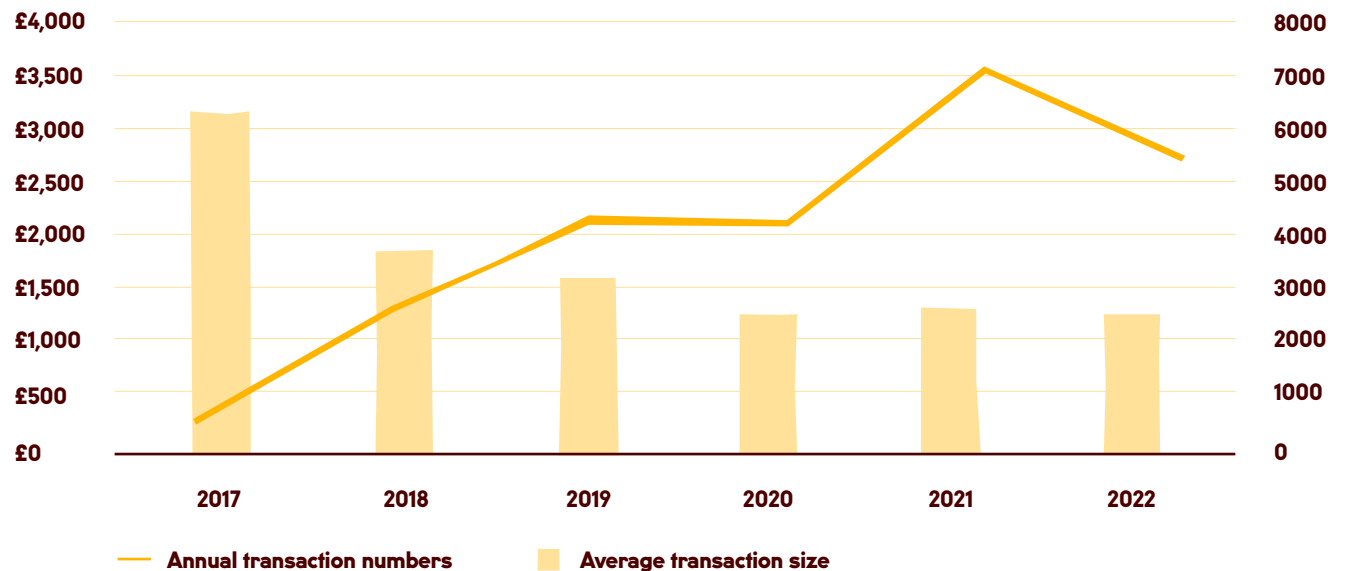
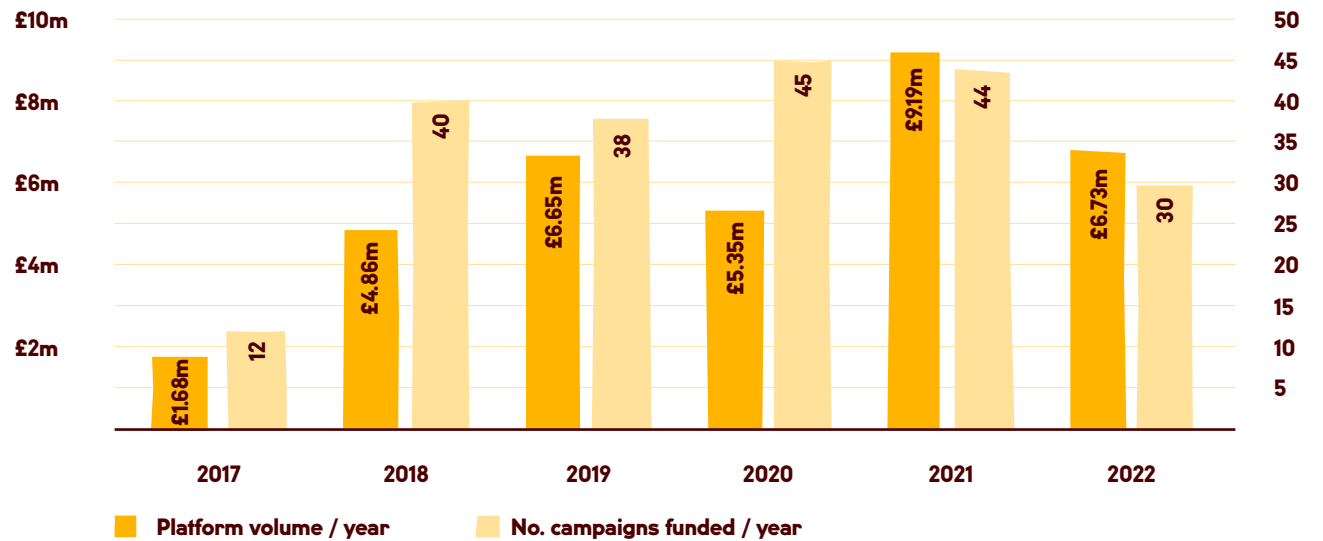
Consideration of investment funds raised each year shows Energise Africa’s strong potential for growth – years where investment volume has been lower are in the main attributable to wider economic and global events: the pandemic in 2020 and the Russian invasion of Ukraine, coupled high inflation globally, and the UK cost of living crisis in 2022 (fig.10). This is further illustrated by the low average investment amounts in April – August 2020, when investors were holding back to better understand the impact of the pandemic. Similarly, in seven of the last eight months of 2022, average investments have been below £1,000 as more people are impacted by high inflation and rising prices (fig.11).

Generally, the size of investment offers has increased on average as the platform has matured. The exception is 2020, when several companies issued bonds to refinance existing borrowing during the COVID-19 pandemic (fig.11).

As the number of investors and investment volume on the platform increases, so does the number of transactions. The average transaction size also decreases slightly but with no direct relationship to volume or number of transactions.

Figure 10 (top right): Annual investment volumes and campaigns per year.

Figure 11: (bottom right) Numbers of investment and average investment amount has varied over the years.



CASE STUDY:**ALTECH, DEMOCRATIC REPUBLIC OF CONGO**

"THE FINANCE FROM ENERGISE AFRICA HAS GREATLY HELPED US WITH EXPOSURE TO FUNDING AT AN INTERNATIONAL LEVEL... TO ATTRACT, IN A CHALLENGING BUSINESS ENVIRONMENT, A NUMBER OF POTENTIAL INTERNATIONAL INVESTORS [WHO ARE] INTERESTED TO SUPPORT OUR GROWTH IN DRC."

Altech was founded in 2013 in the Democratic Republic of Congo, and specialises in distribution of PAYGo solar products to low income, off-grid households in the country, where an estimated 12 million households (over 80% of the population) do not have access to electricity¹. The company was founded by Washikala Malango and longwa Mashangao, who were forced to flee their home village in South Kivu during the Congolese civil war, and grew up together in a refugee camp in Tanzania².

Altech wants to see an end to energy poverty in DRC by 2030, and aim to sell 1 million products and create 2,000 new jobs by 2023. The company serves a diverse customer base: from rural households who

gain their first access to electricity through Altech's solar lanterns; to urban households and shop owners who step up the electricity "ladder" by purchasing a solar home system, with appliances such as TV, radio or sewing machine. Due to low electrification rates even in urban areas, most customers relied previously on traditional, cheap and dirty energy sources which not only cost more, but also have a detrimental impact on their health³. In fact, Altech estimate that people in DRC spend over \$1bn each year lighting their homes with kerosene lanterns, candles or diesel generators².

The company also successfully operates in conflict zones, and runs several electrification projects in refugee camps. In July 2022 they were awarded

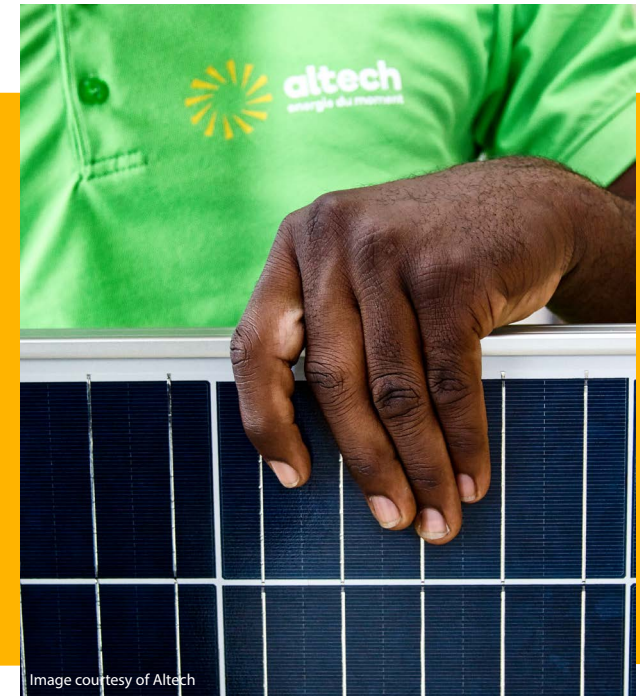


Image courtesy of Altech

CAD \$1.5 million from the Humanitarian Grand Challenge. Under the partnership, Altech will reach eight UNHCR-recognised conflict zones in Eastern DRC, opening 34 sales outlets and creating local job opportunities by setting up three local assembly lines in Lubumbashi, Bukavu and Aru. These will enable Altech to build more autonomous operations by reducing the risk of stockouts, and high international transport costs⁴.

1. Off-Grid Solar Market Assessment Report, DRC, Oct 2019; Power Africa Geospatial Analysis, ES-3.

2. www.altech-rdc.com/about

3. Reproduced from Energise Africa offer document: Altech Group, Issue 6, February 2022.

4. www.humanitariangrandchallenge.org

The platform’s biggest challenge for growth has been in building pipeline and growing the portfolio. While the initial exposure (minimum deal size) has generally increased each year, there are a smaller number of companies in need of this level of finance, and who have the capacity to repay these larger amounts. As a result, Energise Africa has faced challenges in sourcing enough high-quality deals to meet investor demand.

In line with larger deal sizes, issuers are seeking longer tenors, with Energise Africa having now successfully filled ten campaigns of 48 month tenor, and two campaigns of 54 month tenor. The latest campaigns on the platform are not due to be fully repaid until May 2027, showing the willingness of many investors to make a long-term commitment both to using the platform, and to

supporting companies with high potential climate impact over the longer-term.

Analysis of bonds issued each year in different sectors (fig.12) shows how Energise Africa has moved from an almost exclusive focus on household energy access in 2017/18, to a more diversified portfolio, with companies in a variety of distributed renewable energy sub-sectors. This diversification is a positive move, which allows users in turn to diversify their own portfolios within the platform, rather than being encouraged to use other platforms in order to achieve diversification. It also means that the platform can potentially attract a wider range of investors, with interests beyond household energy access.

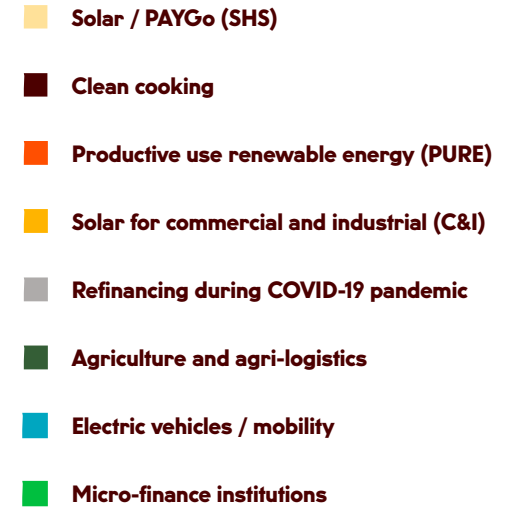
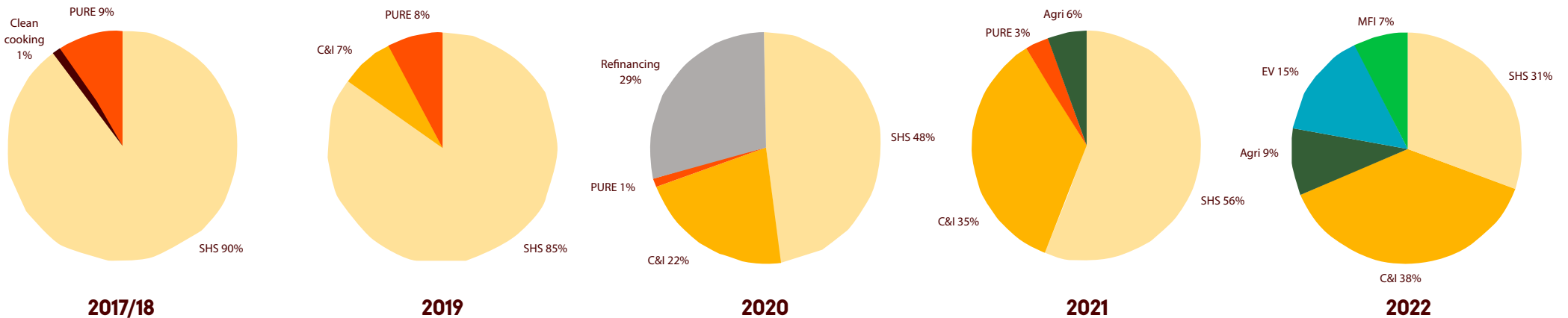


Figure 12 (below): The platform has diversified its portfolio as it has scaled up investment activity.



CASE STUDY: OOLU, SENEGAL

Oolu is a leading off-grid solar home system distributor in rural regions of West Africa, with its headquarters in Dakar, Senegal. With a well-adapted and competitively priced PAYGo solar home system offering for the local market, Oolu has a market leading position in Senegal, Mali and Burkina Faso, and also has operations in Niger and Nigeria.

The company was founded by Dan Rosa and Nilmi Senaratna in 2015, and by 2022, had over 350 full time employees¹.

Oolu distributes Lighting Global™ certified products and provides after-sales customer support on PAYGo plans which make their products affordable to rural customers with variable incomes.

Prior to purchasing Oolu's off-grid products, many customers report that they used to walk for hours to charge their phones, and that their children were often unable to study at night due to the lack of affordable lighting options. In response to customer demand, the company expanded its product range to include smart phones and clean cook stoves, alongside the more standard solar homes systems with TVs, lighting and radios.



Image courtesy of Azuri Technologies Ltd.

Oolu sales agent demonstrating a PAYGo solar lighting kit to potential clients.

In April 2022, Oolu's Burkina Faso subsidiary signed an agreement with the Beyond the Grid Fund for Africa to support the scale up of their operations in the country, where only 2% of the rural population have access to electricity².

The funding aims to enable Oolu to establish over 28,000 additional subscriptions [customers] over a four-year-period, providing power sources for household and commercial customers and expanding operations to four additional regions in the country³.

Oolu have raised £4.95 million on Energise Africa to finance distribution of over 32,000 solar power products.

1. Reproduced from Energise Africa offer document, Oolu Issue No. 33, January 2022.
2. cia.gov/the-world-factbook/countries/burkina-faso/#energy
3. oolusolar.com/pressarticles/bgfa-oolu-burkina-faso

Bonds issued by country (fig.13) show a high portfolio concentration in East Africa, with over half of all bonds issued going to fund projects in the region. This is in part a reflection of the maturity of both the distributed renewable energy and mobile money/mobile payments sectors in East Africa relative to other parts of the continent. Foreign direct investment regulations, capital controls and stability of local markets have also been important considerations in deciding which countries would be suitable in offering investment opportunities to retail investors.

As the platform moves into 2023, new products, projects and partnerships are planned which will allow Energise Africa to host more investment offers for companies in a wider variety of countries in sub-Saharan Africa and other regions.



Energise Africa are pleased to be partnering with the Impact Investment Exchange to identify new deals in Southeast Asia. IIX are a pioneer in impact investing in Asia, and global leaders in sustainability and transformation of financial systems so that women, the environment and underserved communities are given value and a voice in global markets.

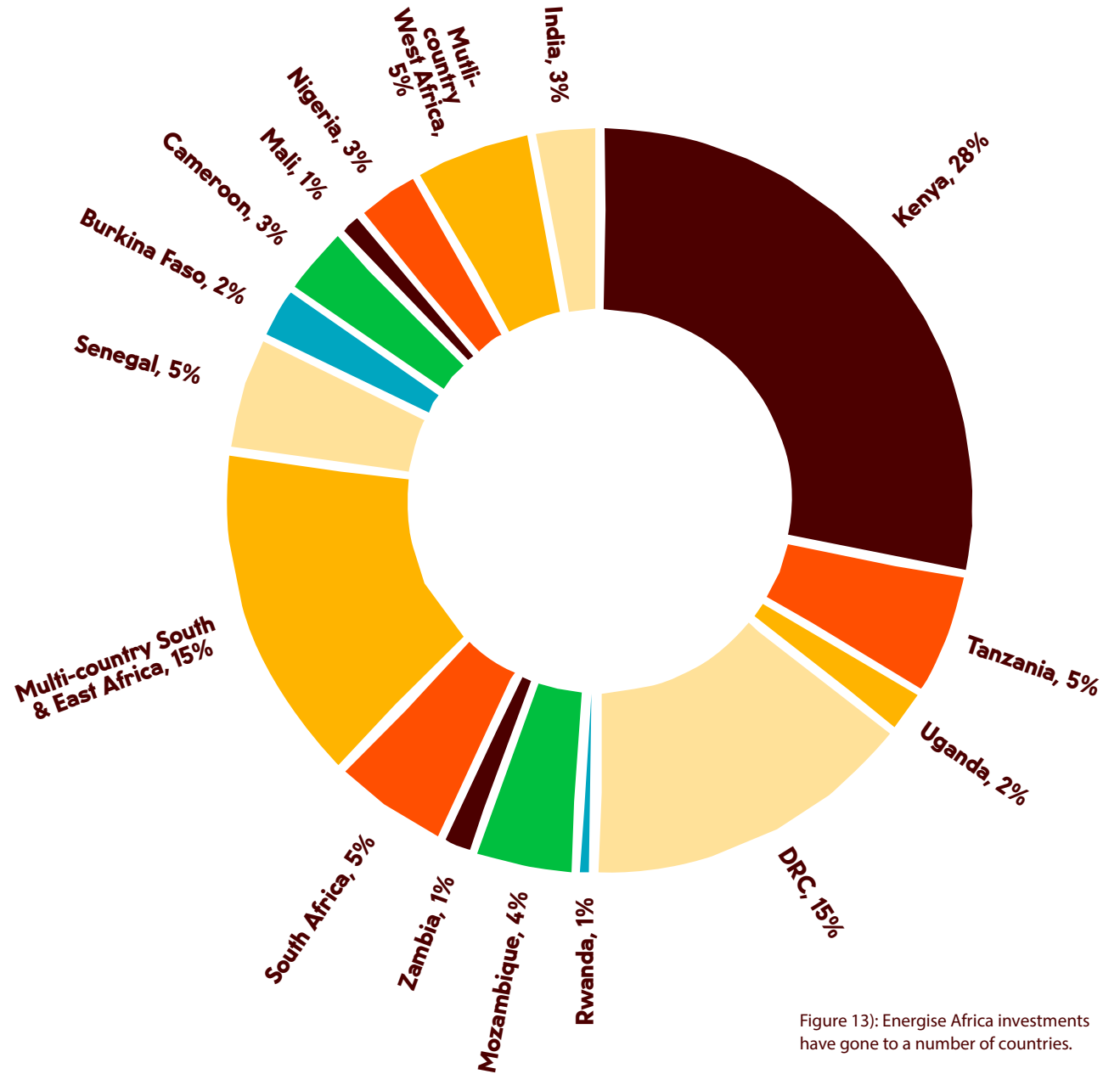


Figure 13): Energise Africa investments have gone to a number of countries.

CASE STUDY

SOLARISE AFRICA

Solarise Africa is a pan-Africa "energy-as-a-service" leasing company, with clients including universities, medical facilities, agricultural centres and recycling facilities¹.

Solarise Africa focuses its business model on commercial and light industrial (C&I) sectors, and their market approach is to partner with local or regional

EPCs² who undertake the system design, installation, operation and maintenance³. Solarise Africa offer a variety of finance solutions to enable their clients to overcome the high upfront costs often associated with solar power installations.

Solarise Africa estimate that clients save 30% on their electricity costs from the first month of installation.

1. <https://solariseafrica.com/our-projects/>

2. Engineering, Procurement and Construction companies.

3. Reproduced from Energise Africa offer document, Solarise Africa Issue 4, April 2022.

SUCH SIGNIFICANT ENERGY SAVINGS HAVE ENABLED SOLARISE AFRICA TO ATTRACT A PIPELINE OF OVER 50 COMPANIES IN EAST AND SOUTHERN AFRICA LOOKING TO INSTALL SOLAR POWER TO SUPPLY THEIR BUSINESSES AND REDUCE THEIR ELECTRICITY COSTS. SOLARISE AFRICA ALREADY HAVE 33 PROJECTS UNDER OPERATION, WITH A TOTAL SOLAR GENERATING CAPACITY OF OVER 8,000 KWP.



Image courtesy of Solarise Africa

Don't invest unless you're prepared to lose all the money you invest.

This is a high-risk investment and you are unlikely to be protected if something goes wrong. [Take 2 minutes to learn more.](#)

February 2023



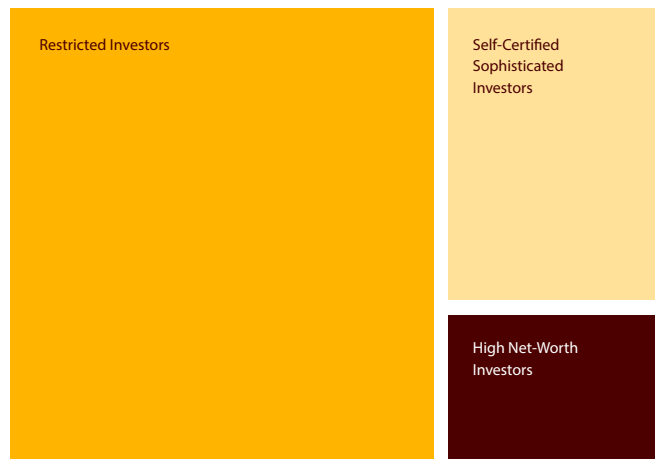
INVESTORS & MARKETING

Who are Energise Africa investors?¹

Since launch, over 4,750 users have registered on the platform. These range from restricted investors, who make up 45% of registered users and account for 29% of all capital invested on the platform, to high net worth investors and investment professionals, who account for a similar level of invested capital, but make up only 7% of registered users (fig.14).

The "average" investor on Energise Africa (excluding high net worth companies) has so far made about 12 investments, typically of £1,150 each. However, user

Figure 14: Energise Africa investors by categorisation.

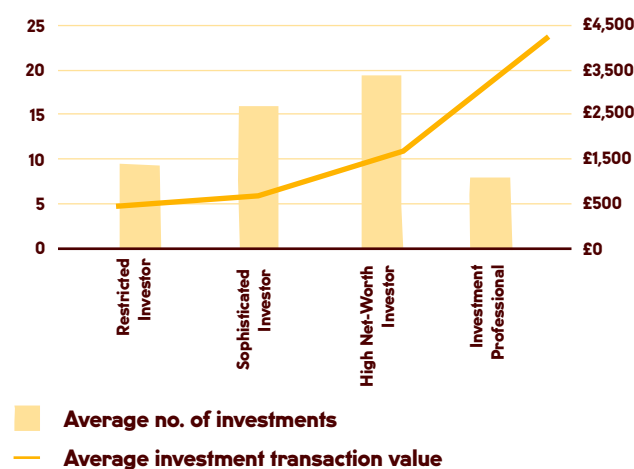


1. Data is taken up to December 13th 2022 for the purposes of this report.

segmentation reveals quite some disparity in investor behaviour when disaggregated by categorisation (fig.15), age (figs 16 & 17), and gender (fig.18).

Restricted investors have typically made around 9 investments, of £875 (average) while self-certified sophisticated investors have made an average of 16 investments of £1,090 each, and high net worth individuals have made around 20 investments, with an average investment of £1,880.

Figure 15: categorisation and investor behaviour.



Investor categorisations

The UK Financial Conduct Authority defines several different types of investor. The main categories who use Energise Africa are as follows:

Restricted Investor: This refers to most Energise Africa users, and is a category of investor which any user can categorise themselves as. When registering, restricted investors agree to not make more than 10% of investments (including savings, stocks, ISAs, bonds and property excl. primary residence) in products that cannot easily be sold.

Self-Certified Sophisticated Investor: This categorisation applies to any investor who has made more than one investment into an unlisted company or bond in the past 24 months; is a member of a business angel syndicate; or works in the private equity sector.

High Net-Worth Investor: This applies to investors who have an annual income of £100,000 or more; or hold net assets of £250,000 or more (excl. primary residence).

See full definitions [here](#).

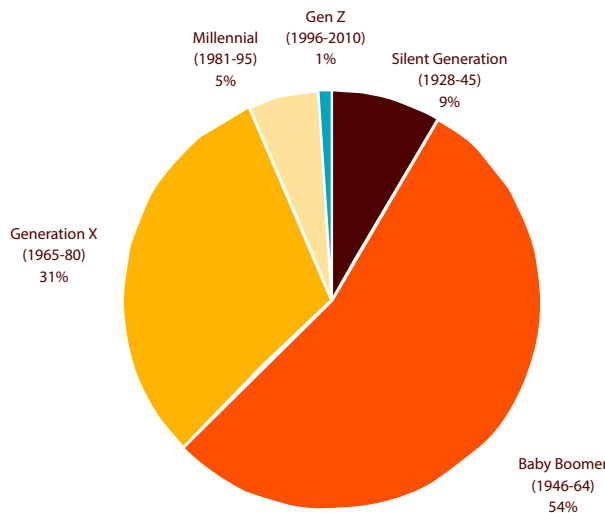
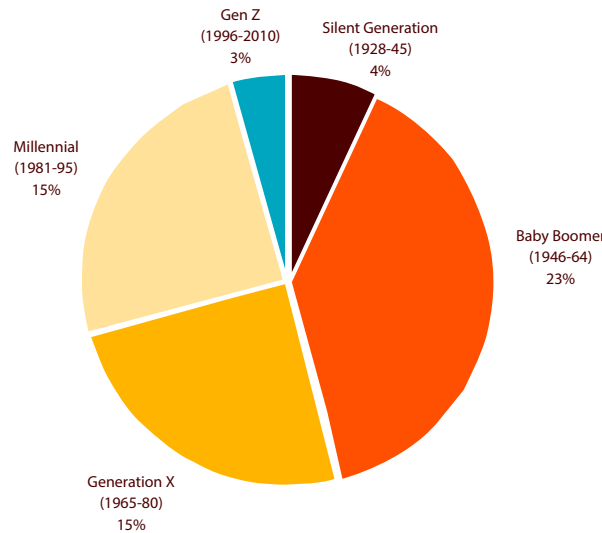
Age segmentation: People born before 1965 (“baby boomers”) form the largest group of users on Energise Africa, and as those with (likely) higher levels of savings and/or more disposable income, also account for the largest proportion of capital invested, at 54%. Generation X (1965-80) make up the second group, both in absolute number and amount invested, having collectively invested over £10.5 million to date. These age groups also invest an average of £1,300 to £1,550 per transaction.

Millennials (1981-95) and Generation Z (1996-2010) make up a much smaller proportion of users and invested capital. Both age groups will likely have less in the way of savings and disposable income, thereby limiting their capacity to invest at present, but being younger, are likely to continue using impact investment platforms (and other digital/online investing tools) to manage a larger proportion of their finances than older generations. They therefore represent groups with a potentially very high “lifetime value” as they move into their 30's and 40s.

It is interesting to note that while the average investment amount amongst Millennials is £528, Generation Z's average investment currently stands at £620.

Figure 16 (centre top): Energise Africa users by age group.

Figure 17 (centre bottom): Proportion of all capital invested on Energise Africa by different age groups.

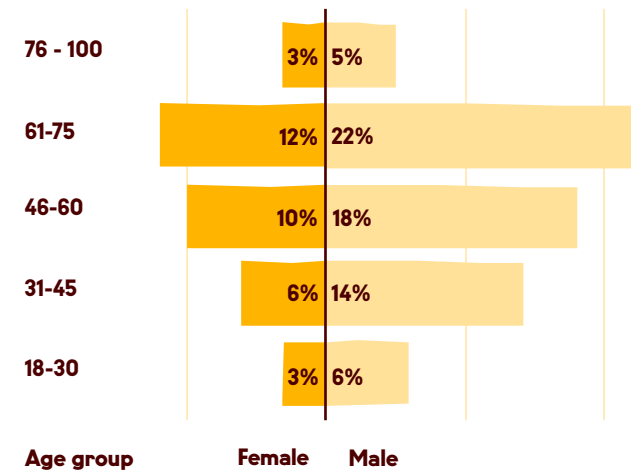


Gender segmentation: Energise Africa does not collect data on the gender of users. However, an analysis conducted in 2021 and based on common first names indicated that around two thirds of investors were male, and could be broken down in the approximate age bands shown in figure 18.

Amongst restricted investors, the proportion of female investors increases to 41%, and data available from Google Data Studio on website users suggests that over 40% of website users are female.

These figures compare favourably to national averages, where recent research shows that only 28% of women hold investments, versus 46% of men¹.

Figure 18: Approximate gender disaggregation of investors in different age bands.



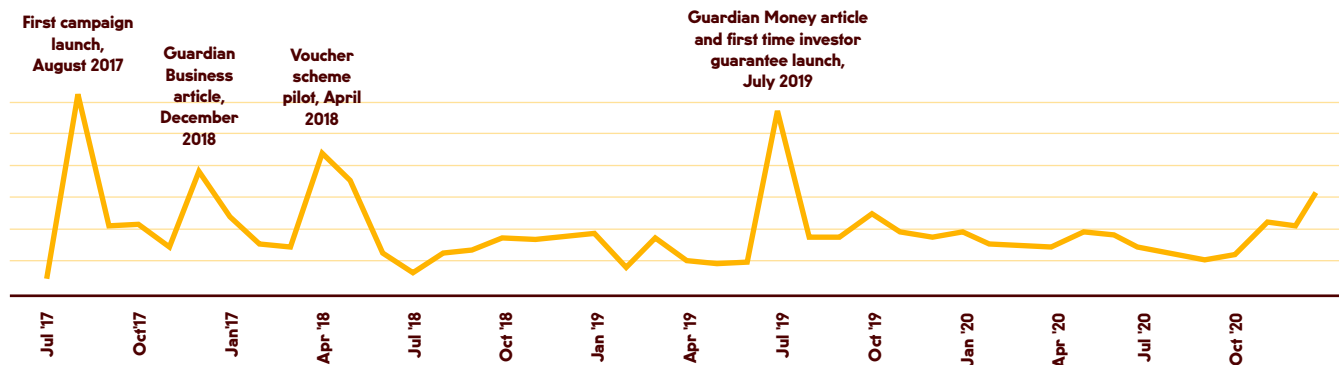
1. www.finder.com/uk/women-investors; March 2022

Bringing users to Energise Africa

Early marketing: Energise Africa's early marketing efforts focused on bringing across users from the two parent companies, in particular, existing Ethex users. In the investor survey conducted in 2019, 49% of respondents said that they first heard of Energise Africa through Ethex communications.

Another key source for investor acquisition in the first two years of platform operation was newspaper articles, including a series of articles published with Guardian Labs and pieces in The Guardian Business¹ and Money² sections in December 2017 and July 2019 respectively, the latter coinciding with the launch of the first time investor guarantee.

Figure 19: Spikes in registrations correspond with articles in national newspapers and product launches.



Of the 2019 survey respondents who were not already Ethex users, 26% said that they first heard of Energise Africa from newspaper and magazine articles. These appear to have been particularly effective in attracting new users to register on the site, as can be seen by the high numbers of new registrations in December 2017 and July 2019 (fig.17).

The lower number of new registrations in 2021/22 appears to be a result of existing users being very quick to invest, effectively "crowding out" new users. This highlights the need for Energise Africa to expand its portfolio and range of investment products to give new users more opportunities to invest.

The Regular Investor

Having made over 55 separate investments since first registering with Energise Africa in May 2018, Ellie is one of the platform's most active investors.

In her 60s, and already in receipt of her pension, Ellie wanted to do something that empowered her to invest small amounts in an ethical way, and says:

"I am very glad the company has enabled me to make these investments.

At times, climate change seems such a huge problem, so these investments help me to feel that it is possible to make a difference."

Although Ellie typically only puts £50-100 into each investment offer, over time she has cumulatively invested nearly £4,000 across 14 of the 19 companies to have issued bonds on Energise Africa.

Ellie likes to reinvest the repayments she receives, effectively revolving the capital and interest, to continuously create impact with her money.

1. www.theguardian.com/business/2017/dec/15/invest-solar-energy-energise-frica
 2. www.theguardian.com/money/2019/jul/06/ethical-investing-energise-africa-a-solar-scheme-with-the-power-to-change-lives

Digital advertising: As the platform matured and built up track record with a number of successfully funded investment offers visible on the website, marketing activities shifted from attracting investors who were already within the ethical investing ecosystem to attracting completely new users.

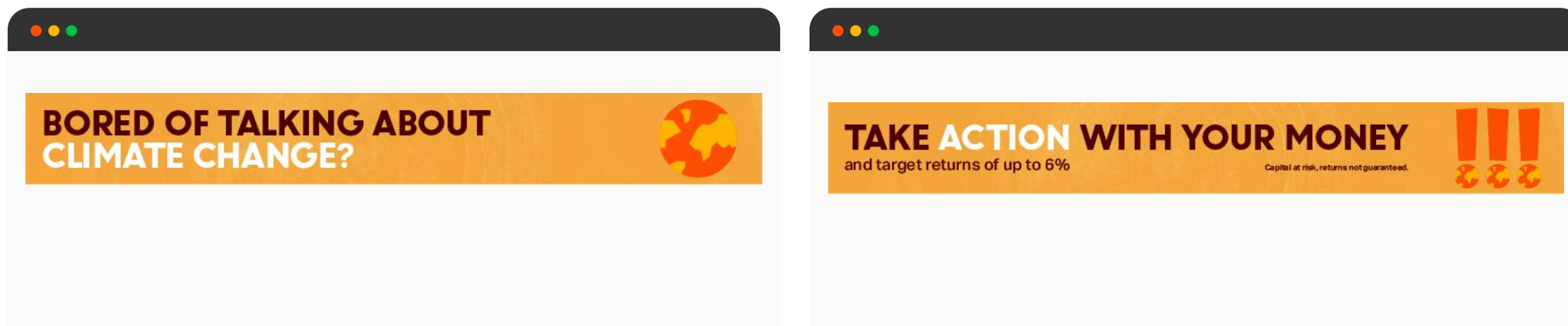
Marketing channels included social media (Facebook, Twitter) and digital advertising, managed through Quantcast. These were complimented with improved search engine optimisation (SEO) making pay-per-click digital marketing campaigns increasingly effective. In fact, from 2020, pay-per-click advertising has consistently been the strongest source of web traffic,

likely given a major boost in Q4 2021, when the United Nations Climate Conference was hosted in Glasgow – a COP26 focussed marketing campaign, coupled with media coverage of the conference, and public interest in climate change and ethical investment drove 22,265 new users to the site, significantly higher than the 9,549 new users attracted by the second most successful pay-per-click campaign in June 22.

By the end of 2022, Energise Africa had over 3,300 followers on Twitter, and 1,500 followers on Facebook, and both channels remain critically important for ongoing engagement, offer promotion and communication with existing investors.

Other online marketing activities: With website traffic growing to reach over 85,000 new users in 2022 (up 15% on the previous twelve months), it has become increasingly important for Energise Africa to engage users who have visited the site but not yet registered an account. The monthly newsletter, regular blog-posts, and webinars are all useful ways to stay in touch with potential investors. In particular, Energise Africa's emails are a valuable channel for communications - 5,400+ people are signed up to newsletters, and over 7,300 are signed up to receive email alerts whenever new offers launch. Both figures are significantly higher than the number of registered users on the platform.

Figure 20: Example of a digital advertising campaign, managed through Quantcast and used for platform marketing in 2021/22. Note that the FCA prescribed risk warnings have since changed.



Don't invest unless you're prepared to lose all the money you invest. This is a high-risk investment and you are unlikely to be protected if something goes wrong. [Take 2 minutes to learn more.](#)

Email and blog articles are also an important channel for Energise Africa to communicate the ongoing impact that investments are having for households and businesses.

Stories and updates give users the opportunity to learn more about the sectors which people have (or may be considering) invested in, as well as giving updates on the activities of the companies within Energise Africa's portfolio. For example, how Bisedge is working to improve job opportunities for women in Nigeria¹, or providing updates on long-term fund-raising activities of companies such as Altech² and iProcure³. The November 2022 launch of the "news feed" functionality within users' accounts is another important new tool enabling Energise Africa to communicate stories of social and environmental impact which are such a key part of what motivates users to invest on the platform.

Partner Publications: While not directly targeting potential Energise Africa investors, partner publications can also be a valuable marketing tool, demonstrating how the platform sits within both the ethical/impact investing ecosystems, and the development and climate finance spheres.

Since 2018, Energy for Impact have published their annual "State of the Market Report - Crowdfunding for

Energy Access", as well as producing the "Investment & Impact Report for Energise Africa" in May 2020 [available here], and featuring the platform in many of their other Crowd Power research reports.

Energise Africa has been featured in two reports published by the World Resources Institute:

- Unlocking Early-Stage Financing for SDG Partnerships [September 2022, available [here](#)]
- A Time For Transformative Partnerships [October 2020, available [here](#)]

Energise Africa has also been featured in online newsletters and publications from blended finance network Convergence, the Africa Venture Philanthropy Association, and is an investor member of the Private Finance Advisory Network (PFAN).

Awards: In 2020, Energise Africa was shortlisted for the Ashden Award. As a UK-based award, this was particularly valuable in raising the platform's profile amongst potential investors in the UK.

In 2021, the platform was recognised with the Keeling Curve Prize in the Climate Finance category, and by the UNFCCC Climate Action Awards for Climate Friendly Investments.

The New Investor

Nick is a millennial in his mid-thirties and lives in Scotland. He first heard of Energise Africa through his interest in community energy programmes. After some initial research, he found that the platform had a good reputation, and set up his account in November 2022, going on to invest £1,000 into Sollatek Kenya Bond Issue 40 just two weeks later.

Nick says he was motivated to use the platform because:

"I wanted to find opportunities to manage my assets beyond what banks offer, and to do something ethical with it. Energise Africa met all of my needs: a way to support renewable energy; a way to support communities in the developing world; and a way to get a return on an investment."

Nick found it easy to use the platform, and was reassured that the risk awareness test prepared him to make his investments. He would recommend Energise Africa to friends and family, and looks forward to learning more about the impact of past and present projects.

1. www.energiseafrica.com/news/investing-in-creating-secure-jobs-in-nigeria

2. www.energiseafrica.com/news/altech-awarded-1-5m-to-provide-affordable-energy

3. www.energiseafrica.com/news/iprocure-secures-10-2-million-expansion-funding

The UNFCCC award ceremony took place at COP26 in Glasgow that year, and with high level of coverage for the conference in the UK media, no doubt raised awareness of the platform amongst many potential investors in the UK.

Major marketing campaigns: To date, Energise Africa has not undertaken any large-scale marketing campaigns (e.g. adverts on public transport or billboards, and has not advertised on TV, radio or other broadcast networks). To have built up an investor base of several thousand users with only limited marketing activities is an impressive achievement, and with larger marketing campaigns planned for the future, and increasing interest in ethical and climate friendly investing, there remains strong potential for significant growth in the number of users the platform can attract.



Figure 21: Energise Africa Directors, Lisa Ashford (left) and Koen The (centre) receiving the UNFCCC Climate Action Award at COP26 in Glasgow, 2021.

The High Net Worth Investor

Jon is a long standing user of Energise Africa, having first registered an account in 2017. Jon is an Oxfordshire resident, in his mid-50's and like many of the platform's "high net worth" investors, Jon has a household income below £100,000 but his net assets mean he is classified as a high net worth investor.

Over the last five years, Jon has deposited around £200,000 in his Energise Africa wallet, but by reinvesting the capital and interest payments received, he has put cumulatively nearly £400,000 of support for impactful projects on the platform. Revolving funds in this way has enabled Jon to make over 40 separate investments, supporting projects in 11 countries, providing over 8,500 people with access to clean, affordable energy, and preventing 6.9 tons of CO₂ emissions.

"I have found Energise Africa an ideal way to have a positive environmental impact and help people improve their standard of living at the same time. Although a few of the projects have had problems due to the pandemic, the entire global economy has been affected, so it isn't surprising. However, the vast majority of projects have been completed successfully, and I find investing on the platform easy, with the risks made clear."

Energise Africa on ★ Trustpilot

To attract new users and build investor confidence, Energise Africa has been listed on Trust Pilot since May 2019, and features the Trust Pilot rating on the website.

The platform has consistently maintained a score of 4.6/5 or higher, and of the 500 reviews left by users (up to December 2022), 481, were 4* or 5*.

★★★★★ Verified Updated 16 Jul 2021

Ethical and good for our future environments
Ethical, efficient and good for our future environments
Date of experience: 16 July 2021

HS Helen
18 reviews GB

★★★★★ Verified 20 Jul 2022

Very worthy causes
I am pleased to invest in Energise Africa projects because of the worthy causes they are supporting. The Energise Africa website ensures that potential investors are aware of the risks associated with investing in the projects and that they understand the nature of the projects before making a commitment. I've been investing small amounts, spread over different projects, for several years now and have been very satisfied with the opportunities offered.
Date of experience: 20 July 2022

MC Mr Clare
11 reviews GB

★★★★★ Verified 7 Dec 2022

Simple and straightforward
Simple and straightforward, plenty of investment warnings to make sure you understand risks.
Date of experience: 07 December 2022

SI Simon
4 reviews GB

★★★★★ Invited 10 May 2019

This is a great way for small investors...
This is a great way for small investors to support companies providing low cost energy solutions for some of the world's most disadvantaged households. The website is transparent, impacts of the projects well described, and risks clearly spelled out. I am very happy with the investment process and have been receiving regular repayments.

Don't invest unless you're prepared to lose all the money you invest.

This is a high-risk investment and you are unlikely to be protected if something goes wrong. [Take 2 minutes to learn more.](#)



INVESTMENT PRODUCTS

INVESTMENT PRODUCTS

For issuers: Companies raising finance on Energise Africa are expected to draw down between £750,000 and £3 million within the first twelve months of being onboarded to the platform. This can be drawdown in tranches of as little as £100,000 with companies only paying fees on the tranches which are drawdown.

Alongside interest paid to investors, there is a tranche-based fee paid to Energise Africa for each successfully funded campaign, typically equivalent to 3% annual interest of the term.

For issuers, Energise Africa’s standard offer is summarised in table 1 (right).

Note that Energise Africa are reviewing interest rates and fees in light of the wider economic environment in 2022.

Illustrative credit line for companies raising finance on Energise Africa

Facility size	£750,000 - £3 million typical annual draw down Companies can raise monthly campaigns and draw down funds in tranches as small as £100,000 enabling them to match borrowing to their underlying business needs and only pay for what they actually draw down
Seniority	Senior , pari-passu to other lenders
Tenor	12-48 months Determined by the Issuer on a tranche basis (within a permitted range) Other tenors may be considered on a case-by-case basis
Security	Negotiated on a case-by-case basis. Bonds issued on Energise Africa can be secured against assets and receivables, or in some cases, can be unsecured
Repayment schedule	Semi-annual linear amortising (i.e. interest and a proportion of capital repaid every six months) Grace periods on capital repayments, and bullet loans considered on a case-by-case basis
Pricing	Typical interest to crowd of 5-8% (from 2017-2022) plus tranche-based fee for each successfully funded campaign, paid upfront (i.e. deducted from tranche on disbursement), typically equivalent to 3% interest over the term
Currency	All bonds are issued in GBP Energise Africa are developing hedged USD and local currency products, with expected launch in 2023 (note that initial facility size will be limited for hedged products)

For investors: Bonds issued on Energise Africa are typically 12-36 month tenor, with target annual interest rates of 5-8% offered to investors. The majority of bonds repay both capital and interest every six months (linear amortising), though on some investment offers, a grace period has been included, meaning that investors do not receive repayment until the end of the first year.

More recently, the platform has also piloted bonds of 48 and 54 month tenor (candi and Bisedge respectively), as well as two shorter term bonds, of four and six months (both for Aptech Africa).

When surveyed, investors cite social and environmental impact as the two most important factors when choosing to invest in a project. However analysis of user behaviour, coupled with relative scarcity of investment offers on the platform in recent years, suggests that users are choosing to use the Energise Africa platform for the social and environment impact that all offers have, but are selecting their specific investments based on interest rate and tenor.

Analysis of investor behaviour shows that investment offers with a shorter tenor (<36

months) have tended to be more popular with Energise Africa users. Similarly, the interest rate and track record of the issuer appear to influence investor behaviour - offers from new issuers tend to take longer to meet their investment target.

Energise Africa has also developed and tested a number of other investment products to attract new investors, including voucher schemes, match funding, and a first time investor guarantee. These are considered in further detail here.

Match funded investment offers

Supported with funding from UK Aid, Good Energies Foundation and Virgin Unite, match funded investment offers build on the concept of match-funded donor campaigns such as the UK Aid Match programme with the Disasters Emergency Committee (DEC)¹.

For each sum invested by Energise Africa users, the platform contributes £1 of institutional capital. Typically, match funding is deployed at 25% (i.e. for each £3 from users, the platform deploys £1) to 50% where the platform deploys £1 for every £1 invested by Energise Africa users.

The institutional capital has typically been invested on the same terms as retail investors, or on occasion, has been structured as a "first-loss" layer.

★ 25% Match Funded

OFFER NOW CLOSED

Sollatek Kenya Issue 10: 5% Bond

24 months to mature 5% interest

Your investment will help Sollatek to provide 25 larger solar systems for schools, clinics and enterprises in Kenya

100% £100,000

£100,000 Raised	59 Investors	0 Hour to run
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Figure 22: Example of a match funded investment offer on Energise Africa.

1. www.gov.uk/international-development-funding/uk-aid-match

Deploying match funding on Energise Africa: Of the 208 campaigns successfully filled since platform launch to the end of December 2022, 75 campaigns (36%) have benefitted from match funding:

- 13 campaigns received 50% match funding
- 3 campaigns received 30% match funding
- 57 campaigns received 25% match funding
- 1 campaign received 40% match funding
- 1 campaign received 6% match funding

27 of the 29 campaigns run in the first twelve months of platform operation included 25-50% match funding, with the regular use of match funding reducing significantly from July 2019, coinciding with the launch of the first time investor guarantee. From mid-2019 onwards, match funding has been deployed mainly into larger campaigns (>£500,000), campaigns for new issuers, and/or where the project is being implemented in a new country.

Between August 2017 and March 2019, £2.9 million was deposited from donor organisations UK Aid, Virgin Unite and the Good Energies Foundation for use as match funding. With these investments being repaid largely on the same basis as retail investors, the funds have been revolved over the past three years, enabling £3.6 million in match funded investments to be made to date.

Impact of match funding on investments: While the presence of reputable investors into campaigns on Energise Africa has undoubtedly helped to build confidence amongst retail investors in the early months of platform operation, the specific impact at campaign level is less clear.

Two companies were selected to assess whether match funding had a discernible impact on investor behaviour, each having issued bonds on the platform with 50%, 25% and no match funding. Fill rate and

average investment (disaggregated by investor classification) were analysed and are summarised in table 2.

It should be noted that it is not possible to make direct comparisons between the different investment offers, as they were not hosted on the platform concurrently, and the offers were funding different projects, in different countries. Nonetheless, efforts were made to select the most comparable investment offers.

The small sample size also means that one or two investors making above-average investments into a single campaign could skew results (though this does not appear to have had a significant impact in the offers selected for analysis). Similarly, the number of other offers hosted on the platform at the same time might have made an impact, as investors may have chosen to have spread their investments into other offers where these were available.

While the analysis does not highlight any strong trends, it is clear that early offers take longer to fill, with investors appearing to gain confidence over time in both the platform and the companies issuing bonds.

Although the level of match funding does not necessarily impact the average investment amount, an investor survey conducted in late 2019 found that one third of investors saw match funding as a positive thing, citing Energise Africa's supporters willingness to put money into investment offers on the platform as a strong factor in determining Energise Africa's trustworthiness. One investor even said "knowing the [UK] government was chipping in it's own percentage" was a critical element in determining the platform's reputation.

Offer details								All investors			High-net-worth				Self-certified sophisticated				Restricted				
Company								No. investors	Average * investment (£)	No. of first time investors	No. HNWI	% HNWI	Average investment made by HNWI (£)	% invested by HNWI *	No. SCSI	% SCSI	Average investment made by SCSI (£)	% invested by SCSI *	No. restricted investors	% restricted investors	Average investment made by restricted investors (£)	% invested by restricted investors*	
Bond Issue	Launch date	Offer size	Match funding (%)	Match funding (£)	Days to reach target	No of campaigns live concurrently																	
Azuri Technologies	SolarPlus, Kenya, Issue 5	06/03/2019	£250,000	50%	£125,000	8	1	89	£1,404	6	22	25%	£2,984	53%	22	25%	£1,327	23%	45	51%	£670	24%	
	5% interest 24 month term	SolarPlus, Uganda, Issue 1	17/04/2019	£250,000	25%	£62,500	8	0	154	£1,192	5	18	12%	£1,911	19%	49	32%	£956	26%	87	56%	£1,175	56%
		SolarPlus, Kenya, Issue 6	14/03/2019	£ 250,000	nil	nil	16	0	208	£1,190	33	41	20%	£1,073	19%	84	40%	£1,642	56%	83	40%	£790	26%
Oolu SARL	Burkina Faso, Issue 6	07/01/2019	£ 180,000	50%	£90,000	22	3	76	£ 1,184	6	16	21%	£1,266	22%	25	33%	£1,466	41%	35	46%	£946	37%	
	6% interest 30 month term	Burkina Faso, Issue 4	18/10/2018	£ 150,000	25%	£37,500	14	2	93	£1,097	12	18	19%	£1,172	21%	33	35%	£938	30%	42	45%	£1,190	49%
		Mali & Burkina Faso, Issue 12	07/11/2019	£ 250,000	nil	nil	4	0	209	£1,195	10	43	21%	£1,624	28%	16	30%	£1,390	35%	104	50%	£901	38%

* excluding institutional investment

First time investor guarantee

In July 2019, with financial support from UK Aid and the Good Energies Foundation, Energise Africa launched their £100 first time investor guarantee. The product offered new users a guarantee that their first investment, up to £100, would be repaid by the Energise Africa Guarantee Company (a wholly owned subsidiary of Energise Africa), in the case that the platform had to write off bonds issued.

£60,000 was initially placed in reserve for the guarantee, meaning that up to 600 new users could benefit from cover during the planned six month product pilot.

The launch and promotion of the product saw the number of users making their first investment more than double during the pilot period, from 138 people in H1 2019 to 284 in H2. At the same time, there was a 19% drop in the number of £50 first investments, and £100 and £200 first investments increased from eight to 51 and six to 34 respectively (fig.23).

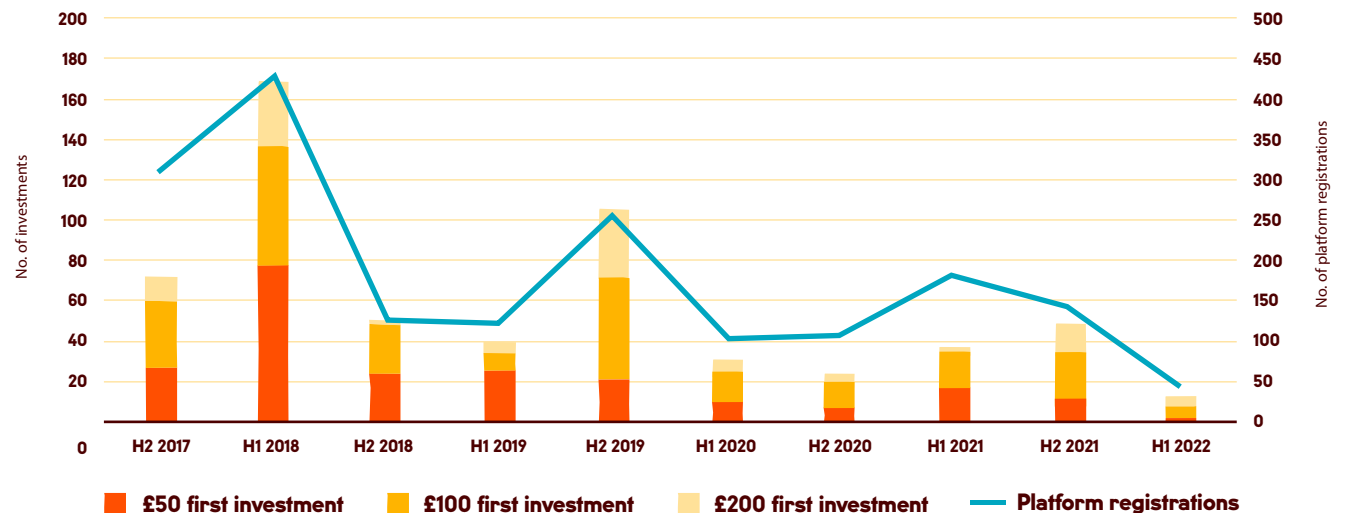
A survey conducted at the end of the six month pilot showed that amongst respondents who had made their first investment during this period, it was the second most important factor in determining Energise Africa’s trustworthiness,

ranked only slightly below the information available on the website. 50% of survey respondents said “it gave them the confidence to make their first investment”.

The first time investor guarantee has had a lasting impact – although the product has been less actively promoted after the six month pilot, the number of £100 first investments has remained consistently higher than the number of £50 first investments ever since, reversing the prior trend of most new users investing just £50.

Lower take up of the guarantee in 2022 has been largely due to the wider UK economic climate. Energise Africa anticipate that the guarantee will continue to attract new users as the economy recovers in 2023, and with over 900 new users having made their first investment since the launch of the guarantee product, and many of them having now received repayment on the first £100 of invested capital, the £60,000 reserve can be revolved to offer cover to new users coming to the platform in future years, making it a highly valuable product for long-term investor acquisition.

Figure 23: The first time investor guarantee generated a spike in platform registrations, and drove up first investment value.



New product development

For Issuers: There is little demand for emerging market debt in British Pounds Sterling (GBP), so over the past 18 months (2021-22), Energise Africa has been developing innovative blended finance solutions for hedged foreign currency (FX) products.



US dollar notes: Three potential solutions have been identified, utilising commercial hedging instruments with a blended finance component to provide cost-effective, affordable US dollar denominated finance to companies in emerging markets. Energise Africa aim to pilot two of these products in 2023, targeting £2.5 million in bonds issued.



Local currency notes: Building on parent company, Lendahand's product development, Energise Africa have developed a hedged local currency product in partnership with TCX, and aim to pilot the facility in 2023.

THE PLATFORM CONTINUES TO SEEK GUARANTORS AND BLENDED/ CONCESSIONAL FINANCE PROVIDERS TO EXPAND THESE FACILITIES AND GET NEW PRODUCTS INTO MARKET IN THE SECOND HALF OF 2023 ONWARDS.

For Investors: Customer surveys, alongside analysis of the first time investor guarantee (previous page) show that risk-mitigated investments are likely to crowd-in more investors, and increase the amount which they are willing to invest.

The provision of cost-effective credit protected products is seen as a critical development for Energise Africa in its positioning within the competitive UK alternative finance market, making its offer more attractive to potential users. The ability to mitigate risk will increase the activity of existing users and attract new users. Energise Africa believe with innovative blended finance solutions, this will lead to increased public-private finance leverage, with higher average investments and increased re-investment rates.

Partial loan portfolio guarantees: Energise Africa are working with potential guarantee providers, including international development agencies and development finance institutes, to explore the possibility of providing 50-70% partial guarantees for eligible investment offers on the platform.

A 2021 investor survey indicated that nearly half of respondents would be willing to accept a reduced return (interest rate) on offers which benefit from a partial guarantee, and across all respondents, investments in credit-protected products would be 10% higher than products without any risk-mitigation.

"[The] guarantee aspect makes offers more attractive. It represents a good compromise between protection and interest."

2021 investor survey respondents

Credit default pool: Energise Africa are also exploring the possibility of an in-house facility which could provide greater flexibility than third-party guarantees. This would be achieved through a dedicated, ring-fenced cash reserve, used on a discretionary basis to "make-good" to retail investors in the case of default.

Energise Africa are seeking seed capital to launch this facility in 2023, to cover selected offers of on the platform¹.

¹ The 2023 pilot credit default pool will likely aim to offer 30% cover on selected investment offers in the clean cooking sector, with a target seed reserve of £750,000.



PLATFORM FUTURE

FUTURE PLATFORM EXPANSION

With Energise Africa's two major grant and endowment programmes (UK Aid and P4G) closing in December 2022, the platform is embarking on a new phase of growth.

2023 will see the company seek its first commercial investment(s), rebranding to create a platform that can cater to a more diverse range of sectors, geographies, and potential investors.

With people across Europe and the UK becoming increasingly aware of how their choices can contribute to the fight against climate change, Energise Africa is well positioned with its offer of a straightforward, transparent platform offering direct investment, which everybody can access and start using, even with only a small amount of investable capital.

Energise Africa has already run a number of investment campaigns in sectors other than decentralised renewable energy (e.g. iProcure in agri-logistics; Guilgal in social micro-finance) and tested offers in countries beyond sub-Saharan Africa (candi bond issues 2 and 4 for projects in India).

"We have bold ambitions! We don't have time to play small - when we say we want to broaden our reach, we mean in the widest possible sense. To reach everyday people so they can add their money to the moving mountain of cash we're channelling in the direction of climate action.

We want to enter new geographies, reach new sectors, mobilise finance and put a rocket in everyone's pants (including our own!) to accelerate direct impact.

We've got to keep it simple and make it easy for people to see where their money goes: that if they invest in one of our projects, good things happen in the world; that by simply investing whatever they can afford, they are joining a movement of people who are putting their money to work for people and planet

Individuals might only invest £50, but together we will mobilise £££ billions in climate finance by 2030."

Energise Africa strategy development session

New partnerships and expanded networks, such as the work with the Global Warming Mitigation Project and IIX will enable the team to source deals in South and Southeast Asia, where the platform has not previously had much presence.

Scoping studies, undertaken in house and with consultants Allotrope Partners, Regain Paradise, and Alero Consult, have mapped new market and sectoral strategies for portfolio expansion, which will be supported by new USD and local currency products.

The platform aims to support a much wider variety of companies and projects, from an expanded renewable energy portfolio, to clean cooking; water, sanitation and hygiene; recycling and circular economy projects; and climate smart agriculture, agro-forestry and land regeneration projects; all of which can offer triple bottom line returns to investors.

New products will enable the platform to cater to many more emerging market SMEs with affordable products which meet their growth and financing needs.

Products to mitigate risks for retail investors will also be launched in 2023, aiming to attract thousands of new users to the site, as well as increasing the activity of the existing user-base.

The platform is looking at new marketing channels to reach a wider audience of potential investors, and redeveloping the website/progressive web application to provide an improved user experience for the growing number of Millennials and Gen Z-ers with capital to invest and who are largely mobile-first (if not mobile-only) users.

There is growing interest in the alternative finance sector and crowdlending in particular, from the UK public, to national governments, international development agencies, and development finance institutes. This is evidenced by the support for Energise Africa from the UK Foreign Commonwealth and Development Office (UK Aid); the Netherlands Enterprise Agency (RVO); and the German Federal Ministry for Economic Co-operation and Development (BMZ); as well as the United States Development

Finance Corporation (DFC) and the Swedish International Development Agency (SIDA) support for similar crowdfunding platforms like Lendahand and Trine.

Not only Energise Africa, but the entire crowdfunding sector has come a long way since the UK Department for International Development released the tender for their peer-to-peer solar Africa programme.

Stichting Clean Energy and Energy Inclusion for Africa (CEI Africa)



CEI Africa was established by KfW on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) in 2021 to improve access to energy for rural households and enterprises in sub-Saharan Africa. The managing consortium of CEI Africa (Triple Jump, Persistent, Green Max) work with financiers, off-grid solar and mini-grid experts, to develop investment solutions that bridge the financing gap in the most challenging access to energy sub-sectors.

In a first-of-a-kind programme, CEI Africa has set up a Eur 28 million crowd-lending window to provide senior debt, sub-debt, guarantees,

equity/quasi-equity, and technical assistance to be administered via crowdfunding platforms such as Energise Africa, Lendahand and Trine. While the initial funding has come from BMZ, the foundation aims to raise additional capital from other public and philanthropic sources to extend it's work with crowdfunding platforms and energy access companies. The size of the initial crowdlending window, the wider fundraising ambition and support of the German Government all show how alternative finance providers like Energise Africa are increasingly regarded as credible players, able to make meaningful contributions to development and climate finance.

FROM START-UP TO SCALE: IMPACT AND INVESTMENT ON ENERGISE AFRICA, 2017-2022

February 2023

This report has been prepared for donors, prospective donors and other potential Energise Africa supporters.

**Don't invest unless you're prepared
to lose all the money you invest.
This is a high-risk investment and
you are unlikely to be protected if
something goes wrong.**

Take 2 minutes to learn more.

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