

NEW GENERATION SOLAR CONSORTIUM

*Growth Financing and Knowledge Capital For Young
and Locally-Owned Off-Grid Solar Distributors*

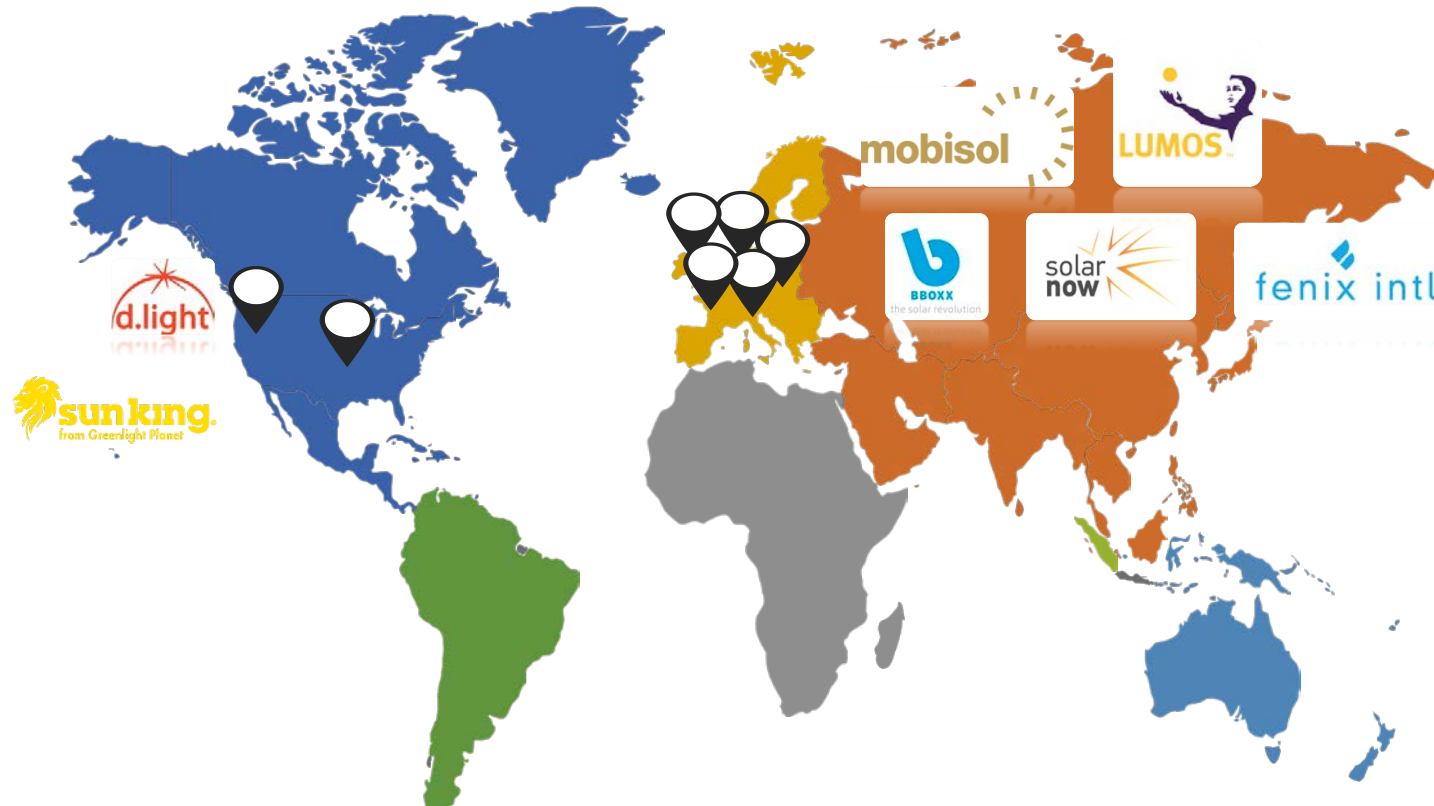


PRESENTED BY ERIN DAVIS, VICE PRESIDENT **SIMA** SOCIAL INVESTMENT MANAGERS & ADVISORS



OFF-GRID FUNDING HAS BEEN ASYMMETRIC

Most of the off-grid funding is going to first generation, large companies with origins in Europe or the US:

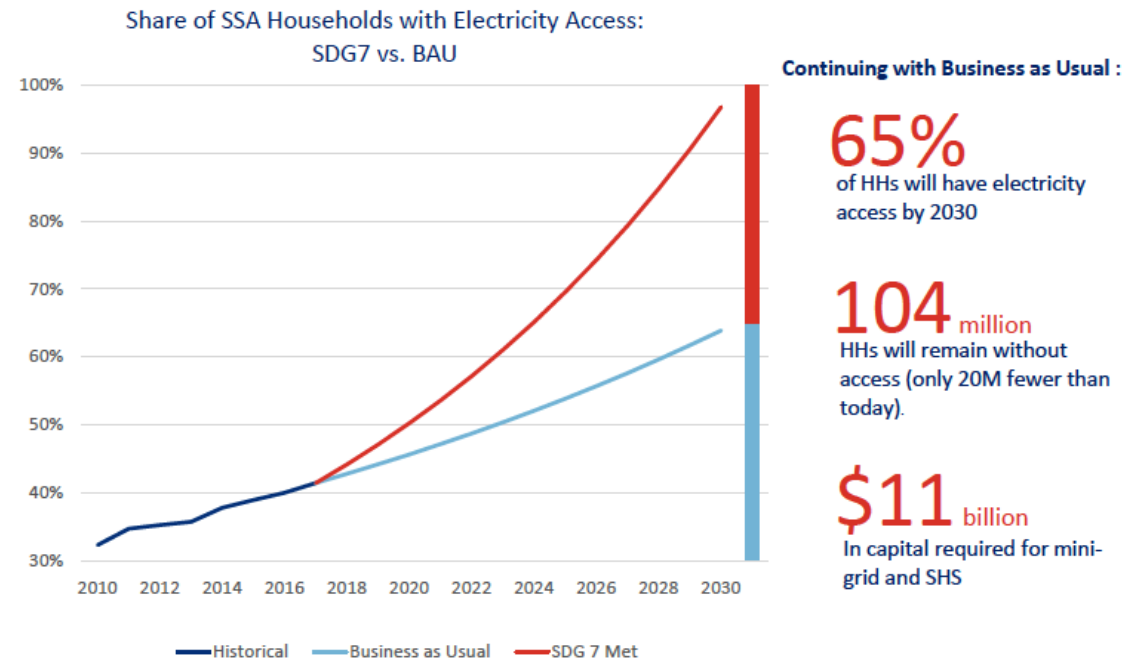


In 2016, \$223 million was raised **but \$60 million—more than 25% of it—went to two companies:**
Mobisol and Lumos Global



SDG 7 WILL BE MISSED IF WE CONTINUE BUSINESS AS USUAL

With the current pace of financing, SDG7- Universal Energy Access by 2030 will be **missed by more than 100 million households** in sub-Saharan Africa (SSA) alone:





SAMPLE COMPANIES

There are hundreds of “2nd and 3rd generation” distributors operating across the globe. They are ideal candidates for growth financing and technical support as they understand the needs and particularities of their local market.





CHALLENGES FOR DISTRIBUTORS

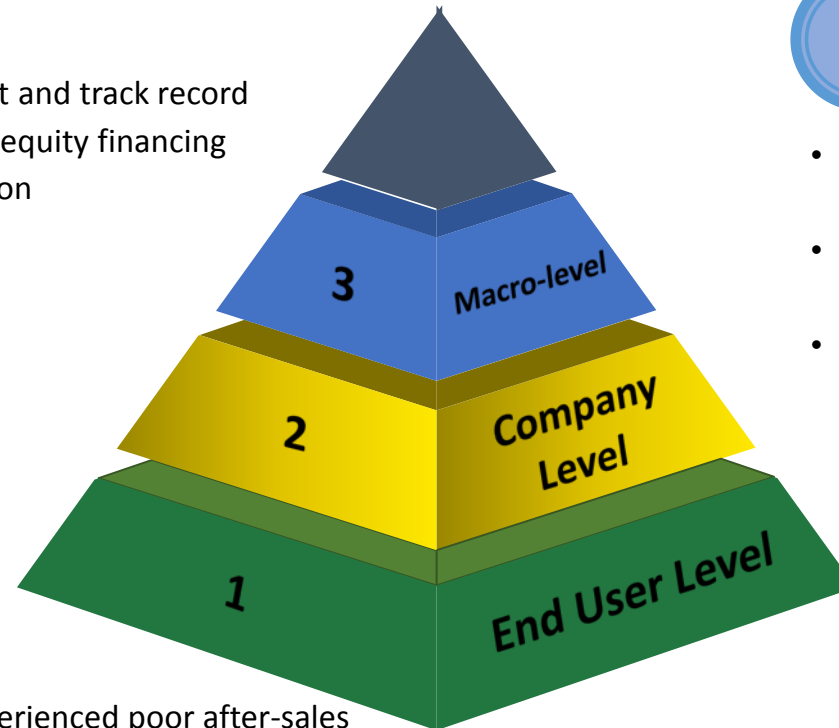
*Young Distributors are affected by challenges at the End-User, Company and Macro-level.
The New Generation Solar Consortium offers solution to the challenges at all three levels.*

2

- Weak balance sheet and track record to attract debt and equity financing
- Access to information

1

- Customer have experienced poor after-sales service
- Lack of Affordability
- Lack of exposure to the benefits of solar products



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- High taxation on imported products and difficult importation processes
- Costly to navigate country-specific trade and tax regulations
- Lack of awareness among investors

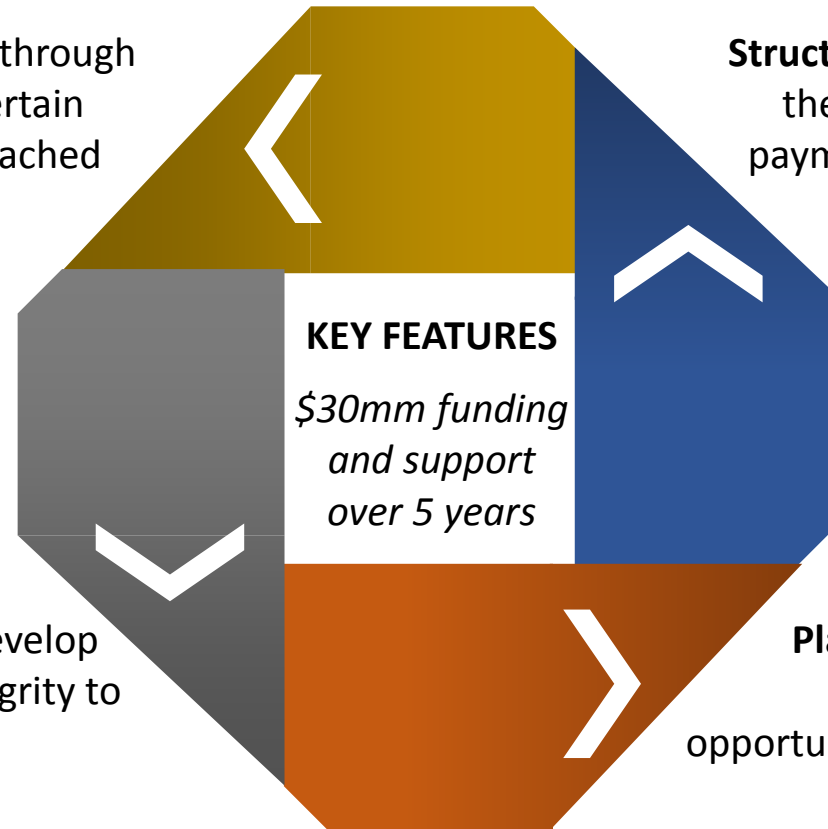


THE NEW GENERATION SOLAR CONSORTIUM

Growth Financing and Knowledge Capital for Young and Locally-Owned Off-Grid Solar Companies

Quasi equity with an exit through revenue sharing after a certain threshold of revenue is reached

Structured PAYGO Debt that relies on the cash flow of the pay-as-you-go payments and built-up cash reserves rather than the balance sheet



Technical assistance to develop systems and financial integrity to attract larger financing

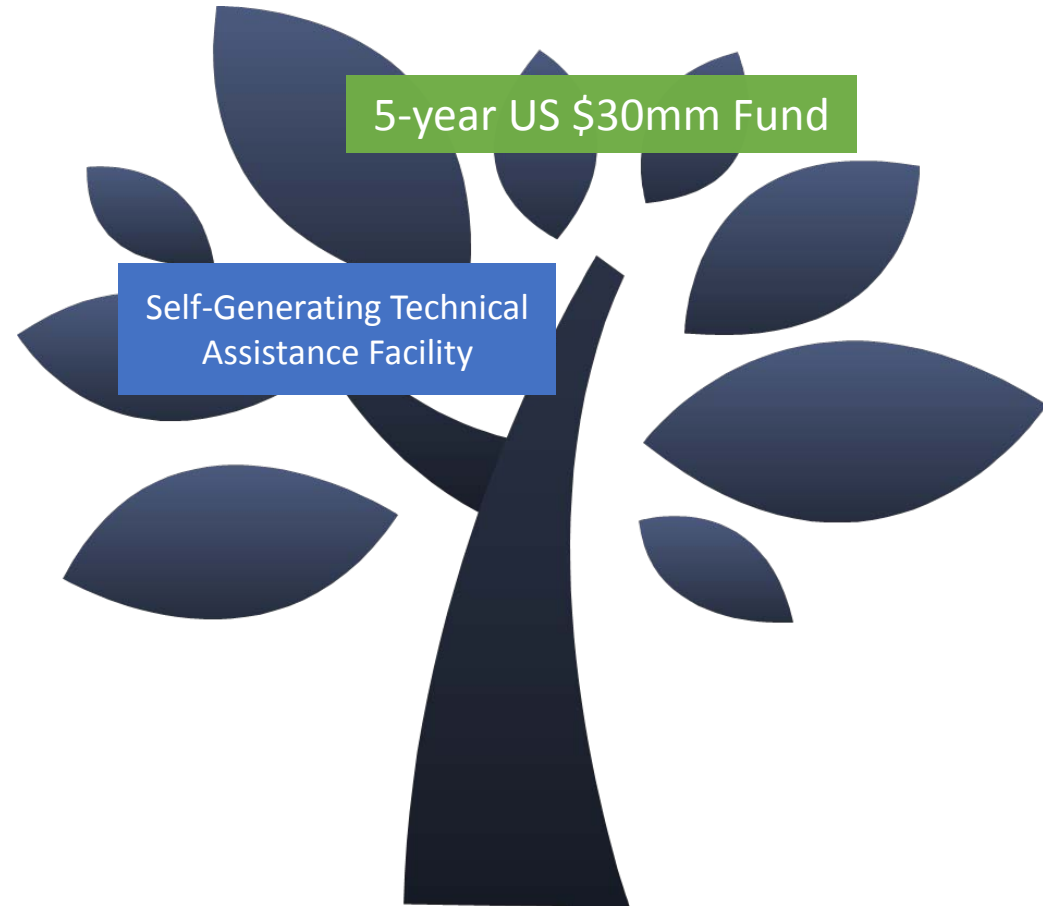
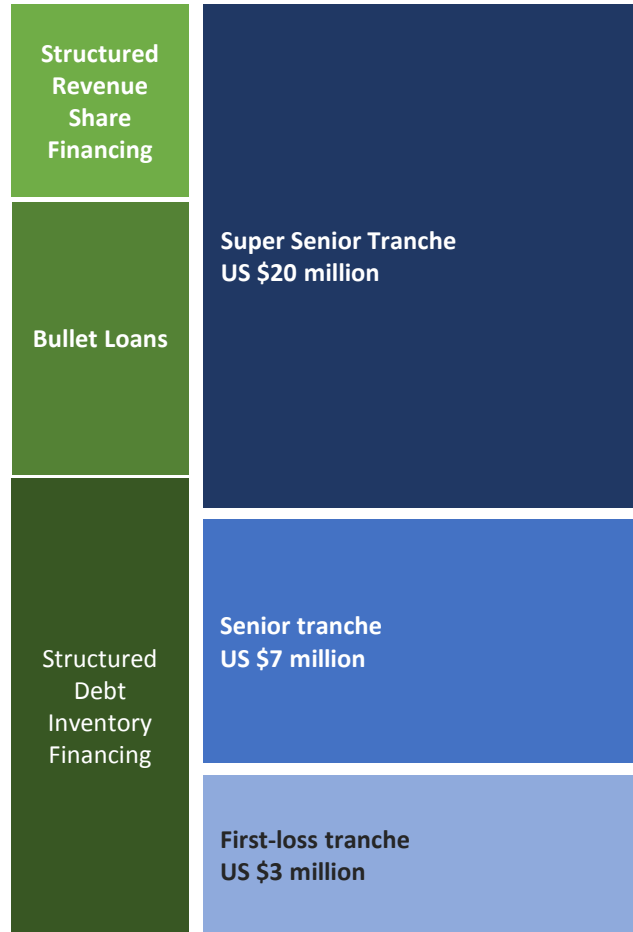
Platform with knowledge sharing, matchmaking and exposure opportunities (developed in partnership with the UN Foundation)



THE FUND STRUCTURE

Assets

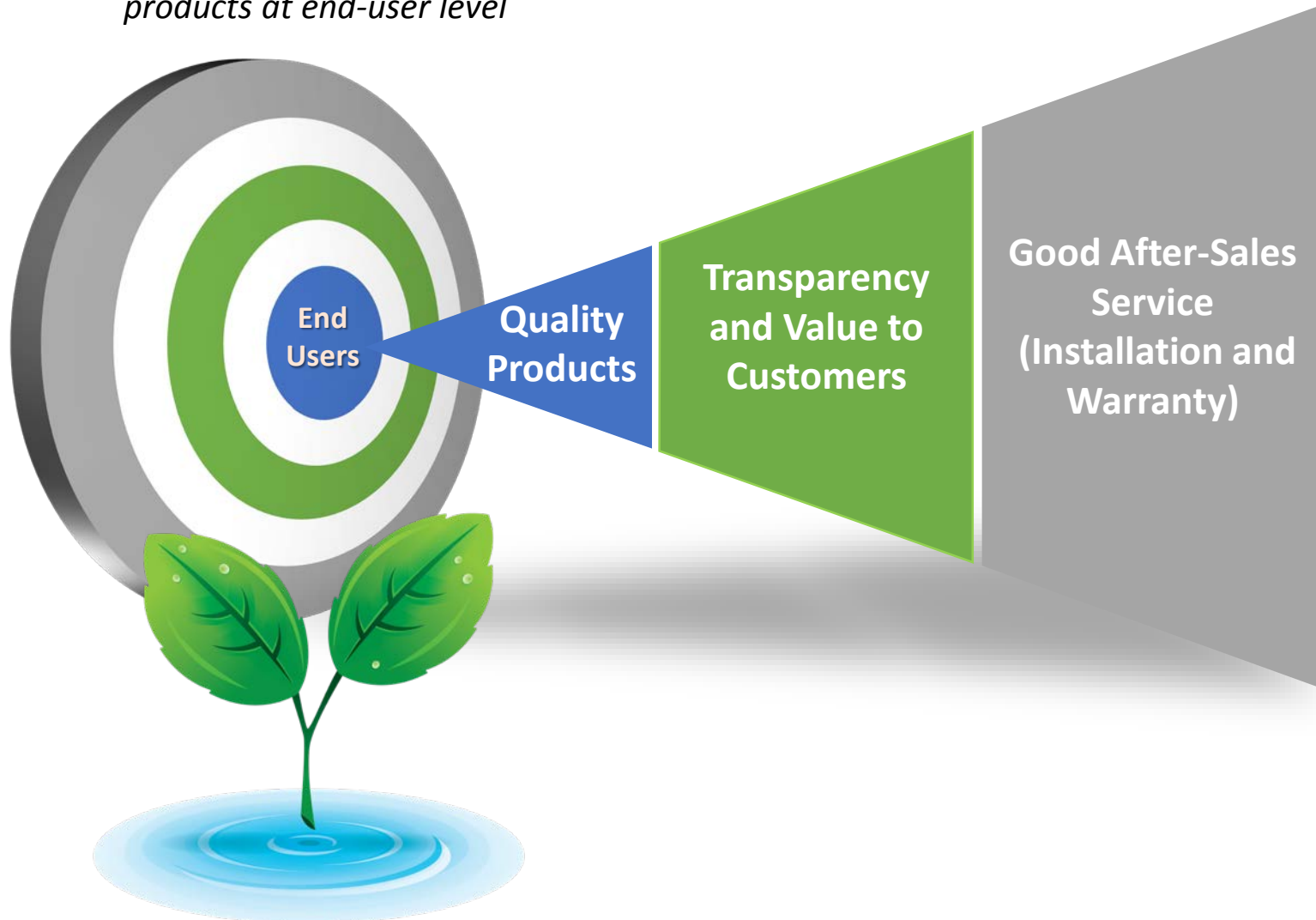
Liabilities





SIMA CODE OF CONDUCT

New Generation Solar Consortium will promote adaptation of a Code of Conduct to ensure customer protection and widespread acceptance of solar products at end-user level





COMPANY HIGHLIGHT:

ARESS SARL	
Year Established	2012
Revenue (2017)	\$500,000 +
Employees	26 Full time Employees; 247 Commission-based Agents
Capital Structure	Private Equity Capital from Founders Inventory Financing Facility from SIMA Funds
Locations	Benin, Togo, Burkina Faso
Business Model	ARESS has a diversified portfolio of business segments: <ol style="list-style-type: none"> 1) SHS: Last mile distribution and installation of Pico and SHS systems on cash and Paygo basis. 2) Productive Use: Victron energy solar products and components parts on cash basis through its showrooms spread across Benin. 3) Engineering/Commissioned Installations: works with government agencies and other organizations for commissioned projects for installation of solar streetlights, mini grids, solar water pumps and others
Products Distributed	Greenlight Planet, Victron, and MyJouleBox

4. The New Generation Solar Profile





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