

EDFI ElectriFI

An EU fund focused on access to energy

- Investing in **early-stage private companies and projects in renewable energy**;
- Generating **new/improved electricity connections**;
- Invests in the **private sector**
- Business models include **minigrids, C&I, SHS, IPPs and productive use companies**

Some of our investees



solarise africa



PowerGen



azuri



VIRUNGA
POWER



Case study – FutureSolar

Background in 2020

- 2 founders met at university around main issue: lack of energy access in Africa. Founded **FutureSolar** in 2016, active in West Africa with 95% of activities in 1 country with small market
- In fiscal year 2019, they generated USD 1,200,000 of revenues or +50% growth from 2018.
- Business model: off grid solar solutions for rural areas (solar home systems, small rooftop installations, technical installation of solar PV)
- Raised initial funding from family & friends + grants
- Restricted staff capacity due to lack of financial resources

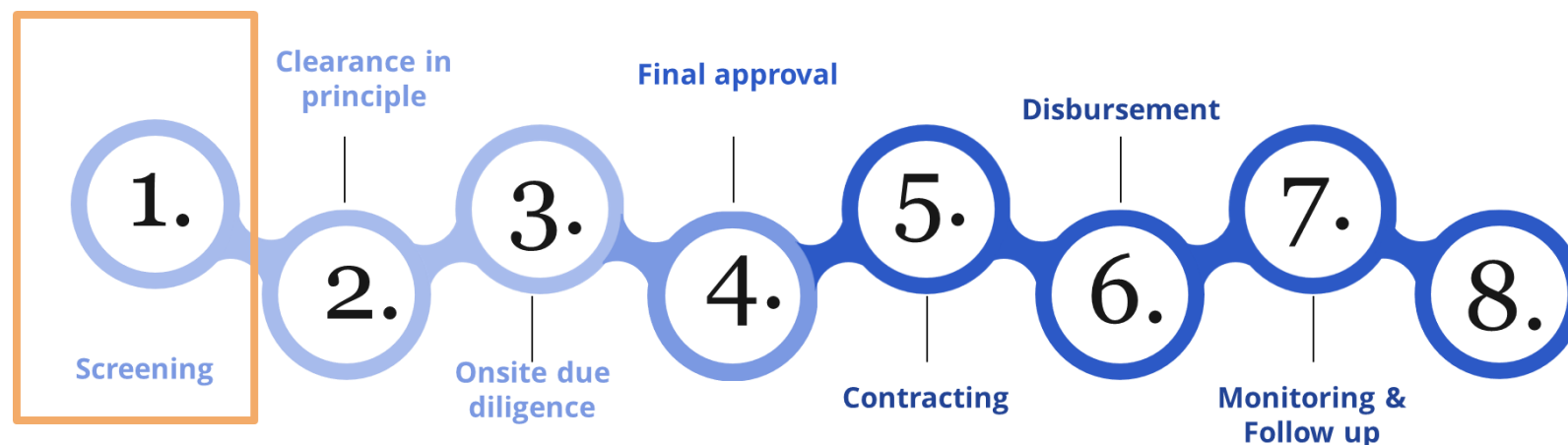
Objectives 2021-2022-2023

- High growth ambitions: become #1 provider in home market and expand to two new countries. Annual growth of +50% forecasted until 2023
- Hire additional staff around Sales, Technical aspects, Engineers, etc
- Be financially more resilient and look for new investors who can support the business growth

Case study – FutureSolar

Initial Screening – First Investment step

The screening phase is about the **first contact you might have with a possible investor**



Typical questions would be

- Does it fit my investment mandate ?
- Is there a compelling story ?
- Do I sense sincerity and integrity?
- Are needs well (operationally and financially) ?
- Do I feel they got their model right ? (track record, lessons learned) ?
What is the path to profitability ?
- How is information access ?
- Does company have external support (advisor) ?



Business Planning is the reflexion on a 3y or 5y strategy including all strategic, operational and financial elements of your business



Output: 10-15pages document

Case study – FutureSolar

What did FutureSolar do ?

Company background/overview

- › What is my story? Is it compelling?
- › Do I get the business model right? What are my key products/services ?
- › Can I summarize what we do in 1 comprehensible sentence?

Operational & financial strategy

- › How will the business model evolve ? What should I do to get to operational performance (HR, logistics, sales, services etc) ?
- › Can I size what type of funding and how much I need to get there ?
Timelines

External environment

- › Do I have a good understanding of the market I am in?
- › Who are my competitors and what is my competitive advantage ?
- › What are the main risks?

Internal environment

- › What are my biggest strengths, opportunities, weaknesses and threats SWOT ?
- › Do I have complete financials, and can I do projections on at least 3y ?

Business Planning Do's and Don'ts

- **DO**: Build your story ! Rehearse
- **DO** have an executive summery
- **DO**: Show integrity and honesty. Be clear, **concise** and convincing
- **DON'T** fool the investor by flooding with information
- **DO** build a pragmatic and **financially sustainable** Business Plan (remember the investor's interests in commercial returns)
- **DON'T** promise the moon
- **DO** build a network of entrepreneurs, investors and advisors
- **DON'T** consider all investors all the same (different investment mandates)