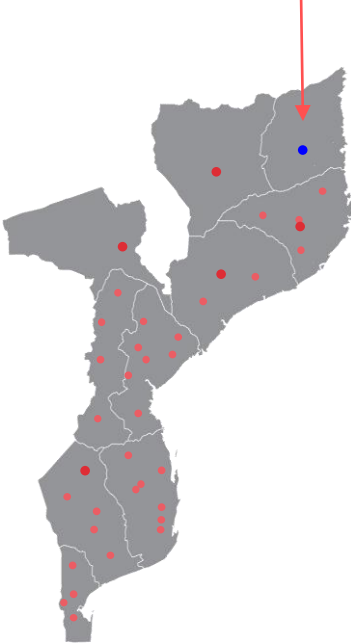
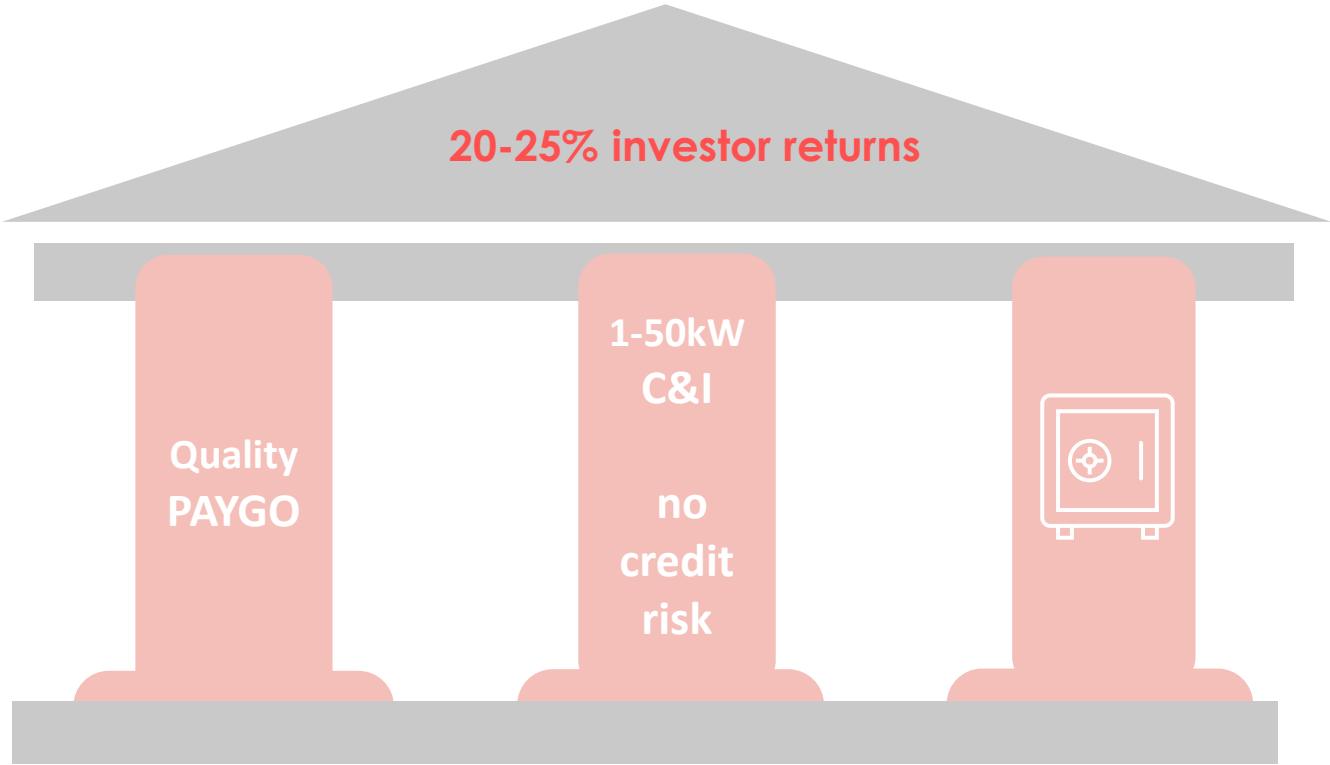


SolarWorks!

RenMoz, Mozambique
November 2023



SolarWorks!: off grid energy services provider in Southern Africa



Products

Larger systems

- Medium Solar + backup
 - *1-6kWh*
- Large Solar + backup
 - *5-30kWh*
- Inverters
 - *Custom systems (5-30kW)*



PAYGO



Productive use



Retrospective: key learnings over the past years resulted in strategic and operational changes

Invest in partners



- The importance of great partners: they make the difference!



Balance scale and profitability



- More focus on profitability in PAYGO. **Unit economics** need to be realistic

Subsidies to sell small systems in remote areas



- Without subsidies, PAYGO contracts are profitable from 300+ USD onwards.

Capitalize on PAYGO infrastructure, processes and brand reputation



- PAYGO infrastructure has enormous value: use it!!

De-risk your balance sheet



- Debt financing for PAYGO is essential. But be careful!

Culture



- Our business is complex and in a difficult environment: build a strong culture so people really enjoy the mission of the company

Unit profitability PAYGO

PAYGO contract value (ex vat)	150 ¹⁾	150	150	
Not collected (20%)	-30 ²⁾	-27 ⁶⁾	-27	
Product cost (based on 60% GP)	-60 ³⁾	-60	-54 ⁷⁾	
Variable cost (at scale 10%)	-15 ⁴⁾	-15	-15	
Interest (local interest rates!)	-36 ⁵⁾	-29 ⁶⁾	-29	+
<hr/>				
Profit before fixed costs	9	19	25	
	6%	13%	17%	

- 1) This is a small contract but not even the smallest one around
- 2) The average you do not collect on your 'cohort'
- 3) 60% GP is challenging
- 4) E.g. Mobile money (3%), Commissions (4%) + variable IT cost, sms cost + repossession cost + ..
- 5) Stock financed with debt. 24% local interest rate. Repayment after 30 month contract
- 6) 24 month contract. 18% not collected and debt repayment after 24 months
- 7) Cost price goes down with 10% (think duties and vat;)

Interesting to know:
 Net margin of Walmart in the last 13 years was:
 And Carrefour?
 And MediaMarkt?

We seek investors that support us in our vision to bring energy services and change lives for the people who most need it



Continue PAYG growth, but responsibly in one of the fastest growing sectors worldwide (off-grid energy)



Capitalize on the distribution and service footprint by adding new products and services (focus on Cash sales)



Expand into new regions and further increase impact



Grow larger systems (cash sales, or partnering with banks): offices, school, tourist accommodation



Attract debt finance from local banks (b2b) and longer term debt for PAYGO in MW

solarworks!

OUR WAY

NO WAY