

2022 Annual Report

ElectriFI is an EU-funded impact investment facility, managed by EDFI Management Company. We finance private early stage companies and projects, focusing on new/improved electricity connections as well as on generation capacity from sustainable energy sources in emerging markets.

EDFI Management Company (EDFI MC) was created in 2016 to serve as a common platform for developing innovative partnership models between the European institutions and the European Development Financial Institutions (DFIs). We deliver development finance solutions that enable European DFIs and private sector investors to increase the scale and impact of their work. These solutions allow them to focus on those business models, technologies, and geographies where they have not been able to operate at the desired scale, given their resources and investment criteria. It places a particular emphasis on sectors that are critical to sustainable development such as clean energy and sustainable agriculture.

ElectriFI aims to accelerate the development of businesses providing access to clean energy to millions of people by 2030. ElectriFI's unique business model relies on EU funding so that it can invest in local markets in poorer economies and fragile situations. By combining technical assistance and risk capital, ElectriFI can take greater risks than other investors. ElectriFI's activities de-risk investments and allow private investors and DFIs to deploy capital that they could not have invested otherwise.

www.electrifi.eu
www.edfimc.eu



"Tackling the energy access challenge is particularly difficult in remote areas where the ability to pay for electricity services is low. This makes it hard for project developers to establish viable and profitable businesses. In order to achieve the SDG7 on energy access, renewable energy and energy efficiency, the EU has established ElectriFI.

Through Global Gateway, we work with partners to deploy sustainable energy worldwide."

Stefano Signore
Head of Unit,
Climate Change and Sustainable Energy;
Nuclear Safety
European Commission



Ensuring access to clean and affordable energy is key to the development of agriculture, business, communications, education, healthcare and transportation. By providing risk capital to private sector led investments, Electrifi boosts sustainable energy in developing countries. As one of the EU’s key innovative financial instruments, we are pioneering efforts to support private sector-led climate finance to address SDG challenges. Through our investments in private companies and projects, we aim to accelerate the development of businesses providing access to clean energy for millions of people by 2030. Here are the key contributions to development outcomes in 2022:

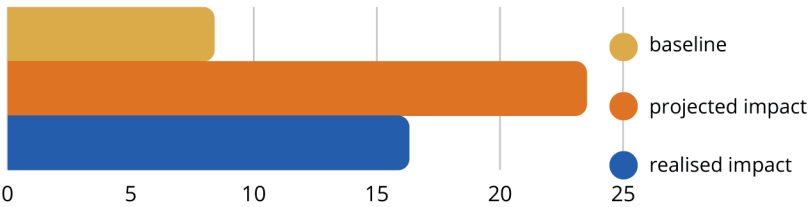
Our Mission

Contribute to ensuring access to affordable, reliable, sustainable and modern energy for all.

Key contributions to SDGs



Millions of beneficiaries

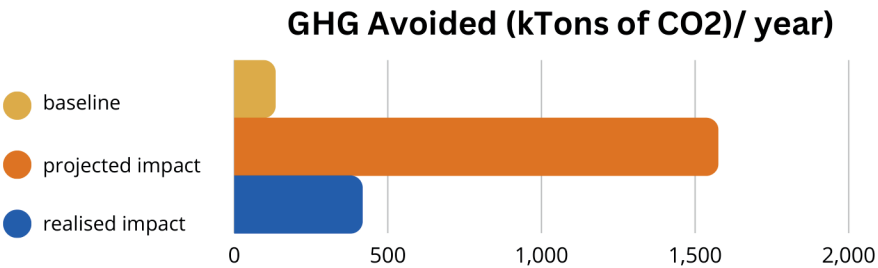


16.3 million

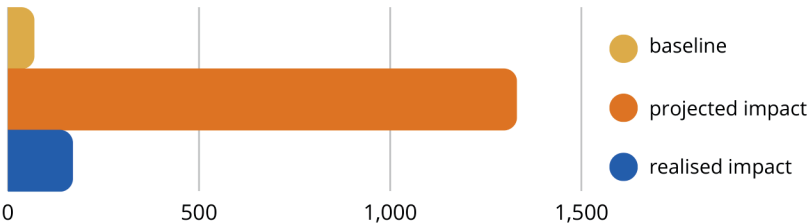
beneficiaries reached by the end of 2022, attributed to Electrifi funding

417 kTons of CO2

avoided by the end of 2022, attributed to Electrifi funding



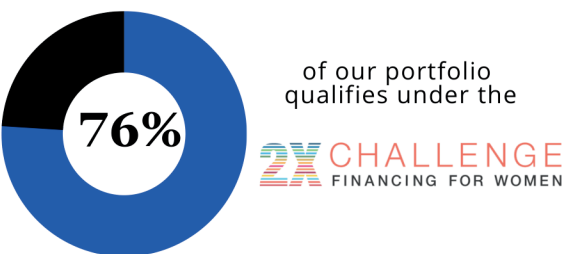
Output (GWh per year)



170 GWh

of energy produced, by the end of 2022, attributed to Electrifi funding

Women empowerment



Methodology:

Baseline information is the status of the relevant indicator prior to Electrifi investment. The Projected Impact is the expected impact to have been realised at the moment when the relative Electrifi investment (including the financing that is made available to such companies in the same investment round) has become fully invested and operational. This is the aggregate of Projected Impact for signed and committed investments. Realised impact tracks the annual progress of these impact indicators and is based on annual monitoring, which occurs in January for data from the previous twelve months. It includes exited investments when applicable.

ElectriFI is

100%

focused on delivering impact on the ground. Increasing access to clean, reliable and affordable sources of energy is our key mission. Those targets, properly analysed and measured in terms of beneficiaries, generated electricity, avoided CO2 and other indicators are the main driver of our investments.



Impact
first



Additional
and
collaborative

As a common initiative between the EU and the European DFI's, ElectriFI is a collaborative tool designed to be additional to the market, by providing risk capital to early stage private businesses in difficult economic environments.

All

of our investments are done in collaboration with private or public investors, including DFIs.

ElectriFI's total investment has leveraged an extra € 414 million of additional commitments in the coming years, resulting in a leverage factor of

4.2

Our collaborative approach and our risk appetite have allowed us to catalyse substantial amounts of capital to the sector.



Catalytic

Tailor-
made



All the investments made by ElectriFI are tailor made and fit for purpose. The large range of our available financing instruments (straight equity, convertible note, junior debt senior debt, working capital) allow us to always design the most appropriate solution, serving company needs and maximising impact and the additionality.

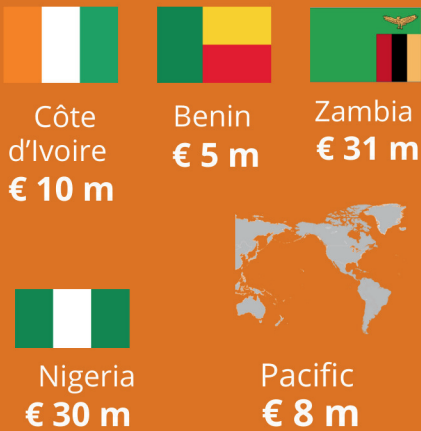
After 6 years of operation, ElectriFI manages € 276,9 million on behalf of the EU. This funding supports three facilities: ElectriFI Global and 2 Country Windows. Power Africa, Sweden and Italy also contribute to the Global facility, and country Windows are managed in close collaboration with EU delegations and with the support of national governments.

ElectriFI
Global
€ 125,9 m

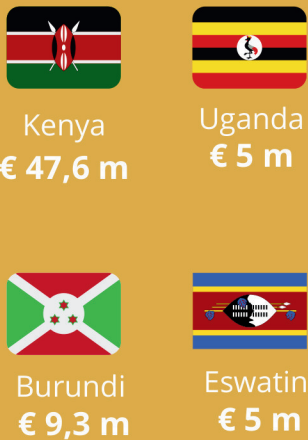
launched in 2016 and including contributions from Power Africa (\$10m targeted at sub-Saharan Africa), Italy (€ 5m) and Sweden (€ 5m)



ElectriFI
Country Window I
€ 84 m

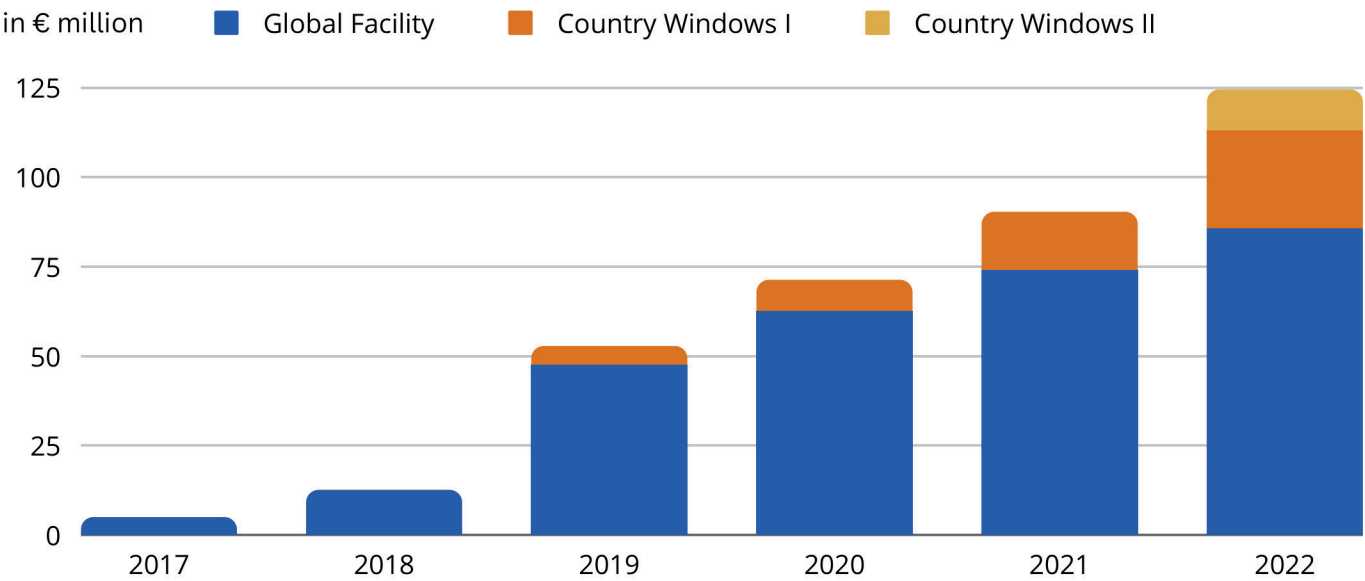


ElectriFI
Country Window II
€ 66,9 m



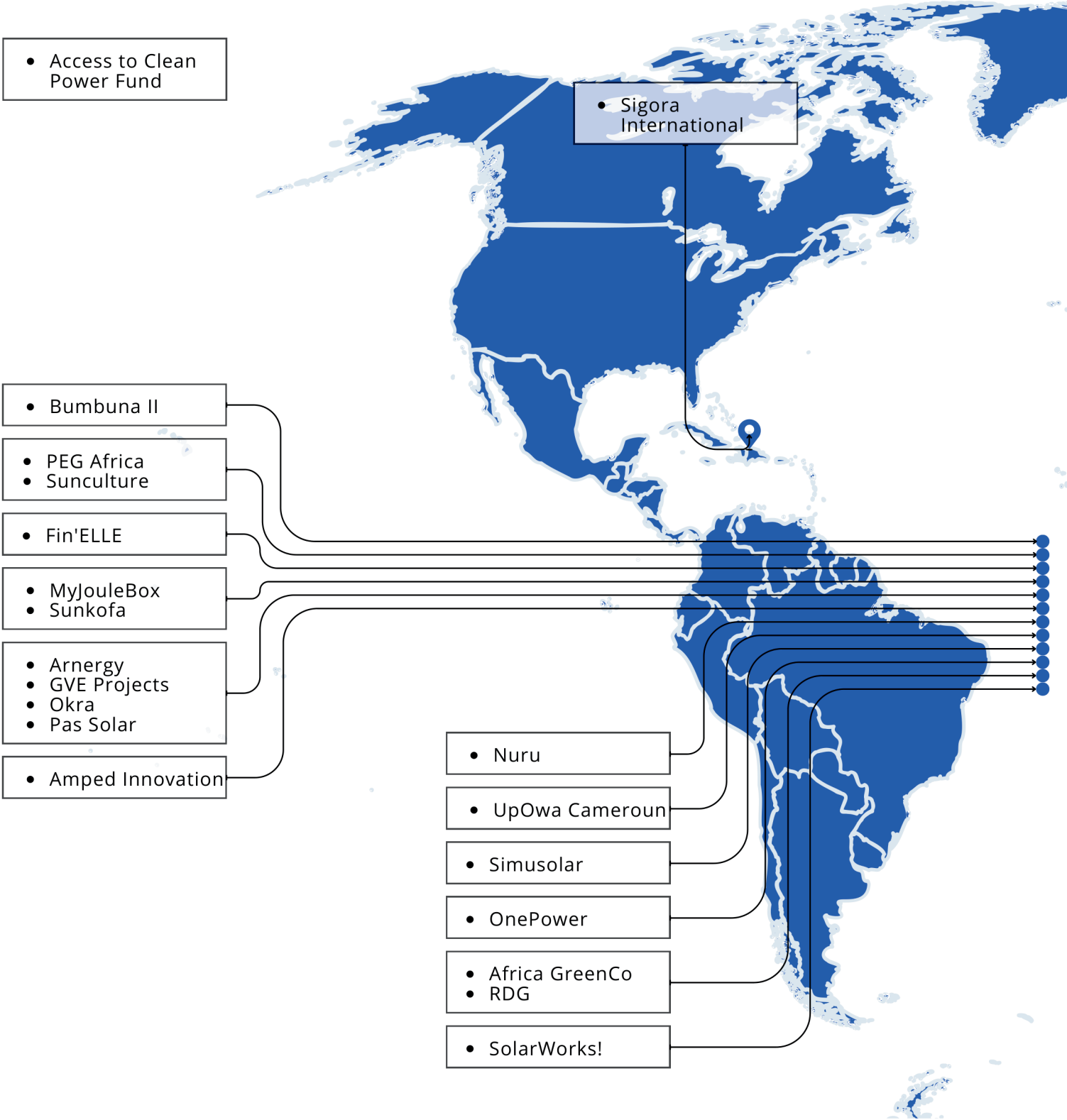
At the end of 2022, in total 55% of the amounts allocated to financial instruments received from the European Commission under the 3 ElectriFI facilities, have been committed to investments.

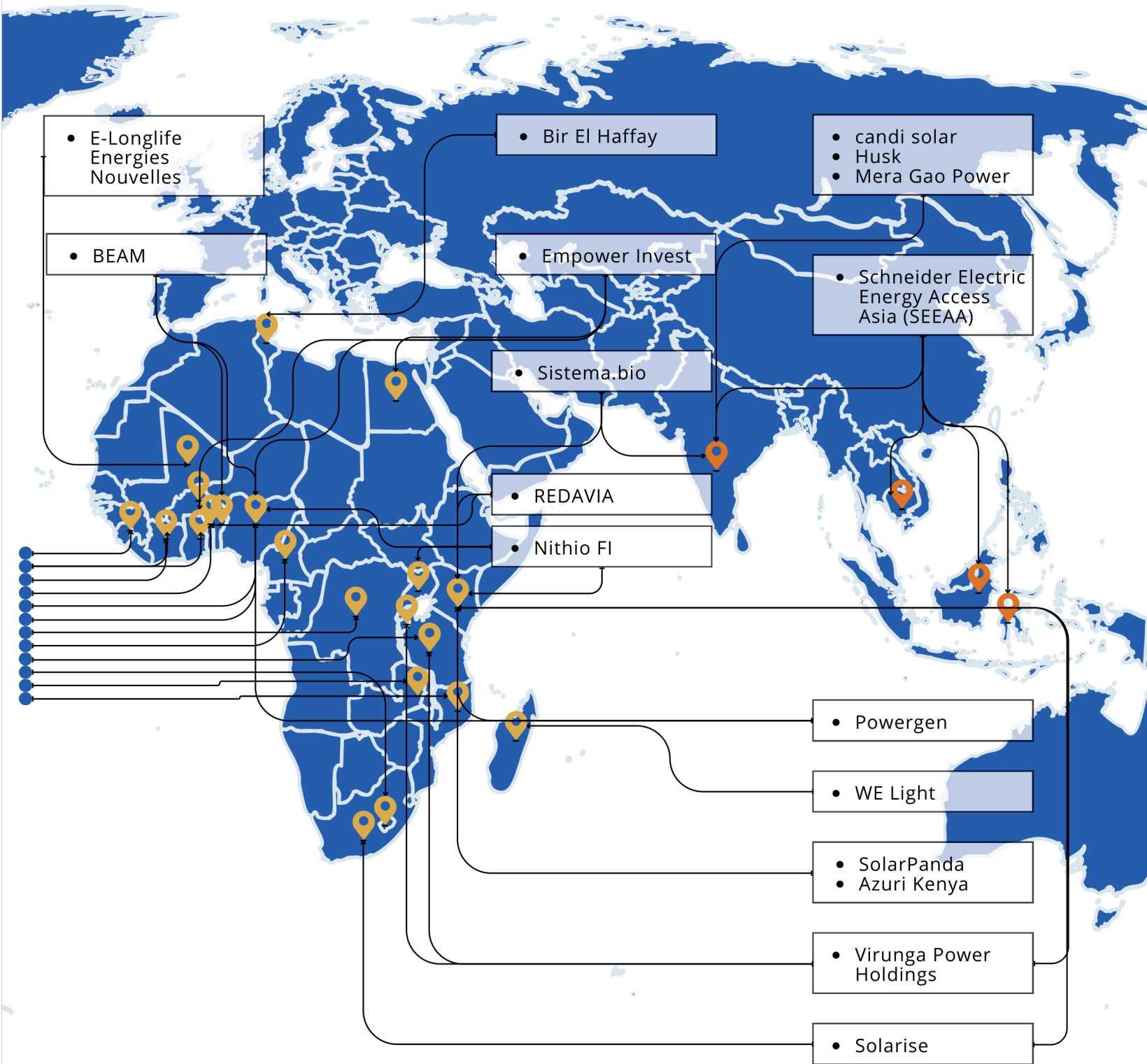
Breakdown of the committed capital by facility



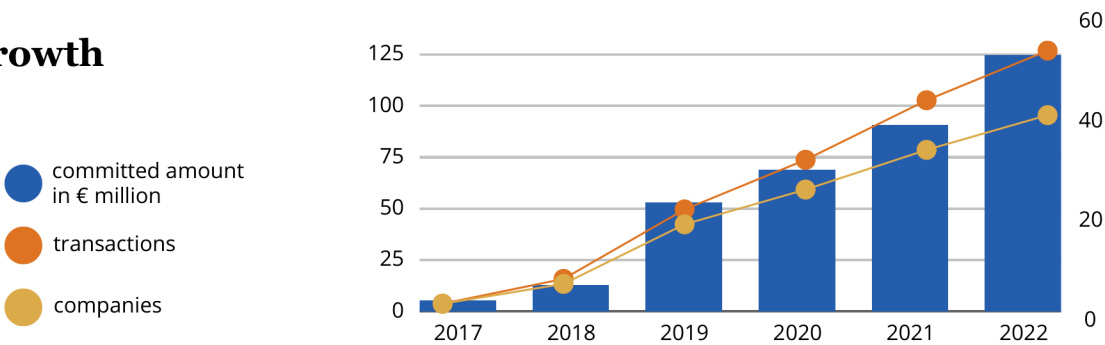
ElectriFI operates globally. In addition to its global mandate across the OECD DAC (Development Assistance Committee) list, it has developed customised investment strategies that target specific countries and regions. To date, ElectriFI has committed investments in 22 countries, of which 75% of the projects are located in sub-Saharan Africa. By the end of 2022 we have committed:

€ 124 million in 46 investees

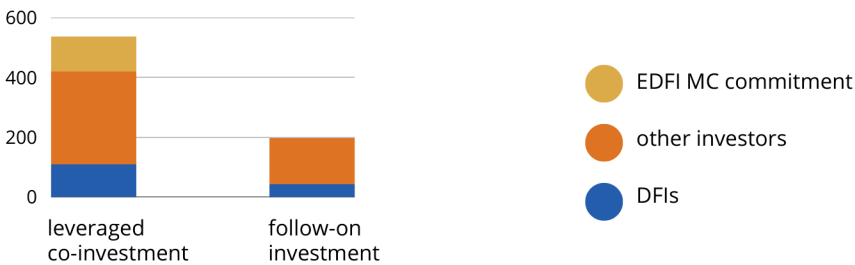




Portfolio growth

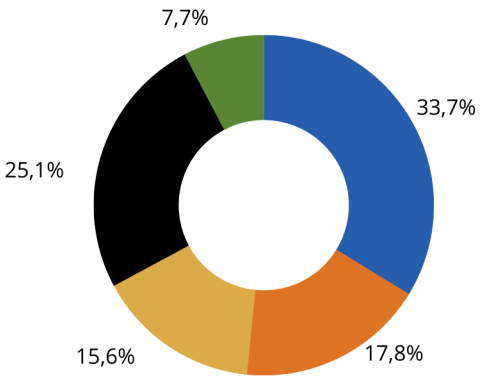


Leverage investments
Catalysed capital in € million



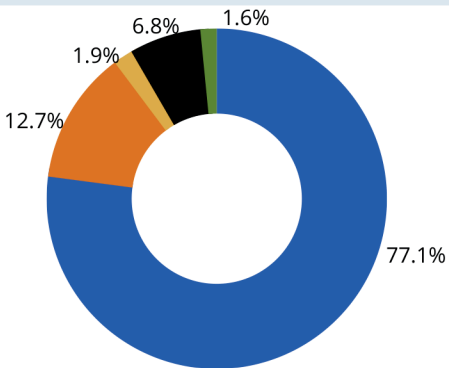
Breakdown per investment type

- Equity € 42 million
- Quasi equity € 22.1 million
- Junior debt € 19.3 million
- Senior debt € 31.2 million
- WCF € 9.5 million



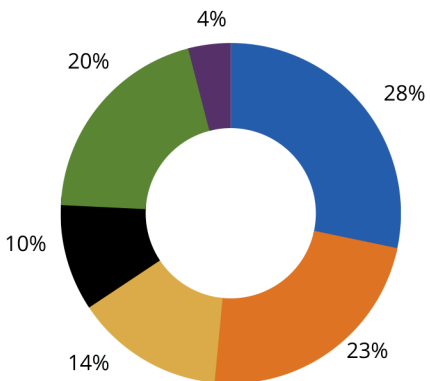
Breakdown per geography

- Sub Saharan Africa € 95.76 million
- Asia € 15.75 million
- Central America € 2.31 million
- Global € 8.45 million
- North Africa € 1.9 million



Breakdown per business model

- Solar Home Systems € 35 million
- Minigrid € 28.95 million
- Commercial and Industrial € 17.65 million
- Independent Power Producer € 12.70 million
- Diversified DRE € 25.45 million
- Other € 4.48 million





RDG Collective was established with the ambition to ‘Empower the Future’, by developing and distributing innovative Solar Home Systems (SHS) throughout Zambia where an estimated 2.4 million households still lack access to electricity.



Solar Panda is an innovative company providing solar home systems to rural African communities without access to electricity. Their pay-as-you-go model allows millions of families to have electricity for less than the daily cost of kerosene and mobile phone charging.



Okra offers an innovative technology, the Mesh-Grid, that can transform and accelerate the development of off-grid energy for rural electrification and bolster use of productive appliances by households in Nigeria and the rest of Africa.



Solarise Africa provides tailor-made finance or rental solutions for captive solar installations and other renewable energy and energy savings assets to selected commercial and industrial sectors of the Kenyan and South African economies.



Husk Power Systems, established in India is a leader in the mini-grid sector with 125+ operating mini-grid sites, totalling 3.8 MW installed capacity and providing electricity to rural households and businesses using decentralized hybrid mini-grids (solar photovoltaic and biomass).



SunCulture manufactures, finances and distributes solar water pumps and irrigation equipment to smallholder farmers. To date the company has sold +23.000 units, through a combination of direct B2C sales and distributor partnerships.



Sunkofa is a developer and operator of rural mini-grids in sub-Saharan Africa. Their most advanced project is in Benin where they target 40 mini-grids. In addition to Benin, Sunkofa has a pipeline of projects in West and Southern Africa.



WeLight Madagascar SA develops a sustainable energy solution for rural population, with a proven business model, reaching already 35 villages today, leading to cross fertilization of new economic activities in the villages.



Africa GreenCo acts as an intermediary offtaker and service provider, purchasing power from renewable independent power producers and selling that electricity to utilities and private sector off-takers (i.e. commercial and industrial users) and markets of Zambia and the Southern African Power Pool.



REDAVIA offers a cost-effective clean energy solution without the need for upfront investment or technical skills, supporting the reduction of carbon emissions and increasing the impact on society, focusing on businesses and communities in East and West Africa.





ElectriFI offering

We are a specialist equity and debt financing facility for renewable energy companies active on- and off-grid in emerging markets.

Offering

- **Instruments:** Equity, quasi/equity, junior/senior debt, both at corporate and project level
- **Ticket size:** From EUR 0.5 to 10 million; capped at 50% of the project cost/funding round
- **Flexible structuring:** Instruments, commercial terms, conditions
- **Currency:** EUR, USD, local currency

Impact

ElectriFI's investments shall result in a measurable positive impact, both on the development of local communities as on climate change. All projects are monitored based on:

- Number of beneficiaries
- New or improved connections
- Capacity generation
- GHG emissions avoidance
- Job creation
- Business & women empowerment

Investment criteria

- Off-grid or integrated renewable energy access
- Proven additionality and catalytic role
- Commitment to high standards (E&S, governance, tax, KYC)
- Private company or counterparty located or investing proceeds locally
- Credible professional track-record, strong commitment, and a capacity to deliver
- Replicability and scalability
- Demonstrated impact

EDFI MANAGEMENT COMPANY - ELECTRIFI FRONT OFFICE

Dominiek Deconinck Chief Investment Officer				
Jean-Denis Collin Fund Manager	Corentin Billiet Senior Investment Officer	Guillaume Cruyt Investment Associate	Quentin Antoine Senior Investment Officer	Maud Watelet Senior Investment Officer
	Natalia Svarinska Senior Investment Officer	Liesbet Mijlemans Senior Investment Officer	Quentin De Hoe Senior Investment Officer	Ruben Boeynants Investment Analyst
William Barrault Portfolio Manager	Aude Sauvaget Senior Portfolio Officer	Didier Niati Portfolio Officer	Géraldine Crosset Senior Portfolio Officer	Antonieta Delgado Portfolio Officer
Luciana Gaspar Impact and Sustainability Manager	Vladimiro Labate Junior Sustainability Officer (e)			

EDFI MANAGEMENT COMPANY

Rodrigo Madrazo García de Lomana CEO (b)	Mimsy Van Bokkelen General Counsel & Compliance Officer	Luc Cool Chief Financial Officer	Lionel Dieu Fund Manager (a)	
Olivier Moyens HR Specialist	Aurélie Terlinden Legal Counsel	Didier De Smedt Head of risk (c)	Bart Coenegrachts Senior Investment Officer	Perrine Duffaure Investment Officer
Natasa Lakovic Senior Communication Specialist (d)	Charlotte Cavanagh Paralegal	Georgi Georgiev Financial Analyst	Guillaume Simoes Senior Investment Officer	Robin Boereboom Senior Investment Officer
Els Dalle Office Manager & Executive Assistant Support	Toep Van Mierlo Senior Legal Counsel	Laurent Peltier Senior Accountant		
Josyane Costa Executive Assistant & Office Manager support		Nicholas Chung Senior Financial Analyst (f)	Pere Ribas Barceló Co-Financing & Guarantee Manager	
Sophie Laine EU Mandate Expert		Arlette-Joy Utuje Financial Analyst	Aleix Jolis Rosell Senior Financial Analyst	

The EDFI MC Team is shown as per publication date of 1 September 2023 and with following notes:
(a) Lionel Dieu is the new fund manager as of 1 September 2023. The fund manager during 2022 was Dimitry Van Raemdonck who left the company in February 2023.
(b) Rodrigo Madrazo took over the position of CEO in succession of Frederik Van den Bosch who left the company in October 2022.
(c) Didier De Smedt took over the Head of Risk role in succession of Thomas Heinig who left the company in December 2022.
(d) Natasa Lakovic took the role of Senior Communication Officer in succession of Mathilde Poncelet and Flore Depierre.
(e) Vladimiro Labate joined as a Junior Sustainability Officer in succession of Javier Costello Corvillo.
(f) Nicolas Chung joined the company as a Senior Financial Analyst in succession of Peter De Roo who left the company in December 2022.

Closing note

“In EDFI Management Company we uphold universal access to affordable and renewable electricity as the main guiding principle of Electrifi. Nonetheless, millions of households in the world lack electricity supply, especially in Sub-Saharan Africa, generation capacity falls short to ensure the United Nations 2030 Goals, new connections are needed, and the financing gap is huge. We aim at addressing those challenges together with our partners, in particular the EU, through blended-finance investments in underserved geographies that promote cheap and clean energy. Their ripple effects contribute not only to poverty alleviation, but also to lay the ground for sustainable development.”



Rodrigo Madrazo García de Lomana
CEO, EDFI Management Company



Get in touch

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