M-KOPA Solar, headquartered in Nairobi, Kenya, is the market leader of "pay-as-you-go" energy for off-grid customers with over half a million connected homes worldwide.

Founded by former executives behind M-PESA, M-KOPA (M= mobile, KOPA= to borrow) combines mobile payments with GSM sensors to enable consumer financing of solar power systems.

The company was established on the belief that mobile technology will revolutionize energy services in emerging markets the same way it has already changed communications and banking.
**Introducing M-KOPA**

M-KOPA has already connected 3.0m people with source of energy and is well-placed to launch new product sales via mobile money

A simple business model based on affordability and progress ...  ... with proven results

1. Customers pay deposit to get M-KOPA Solar
2. Customers make daily payments using mobile money
3. Customers own the unit after payments end
4. Customers can get more M-KOPA upgrades, e.g., smart phones and data

- **600,000** Families connected
- **92%** Positive credit
- **1,000** People currently employed
- **$15** Monthly ARPU per customer

*SOURCE: M-KOPA Solar, 2017*
Life-changing PAYG Products Drive Mobile Money Adoption

Plus access to other life-changing upgrades...

- Smartphones
- Data bundles
- Education loans
- And others...
500
new homes
connected daily
~1,000 full time staff
2000 sales agents
M-KOPA current geographic presence

5 countries
M-KOPA Labs unlocks the full potential of energy access

Universal access to modern energy services enables human and economic development.
Access to energy will continue to be a challenge in Africa for decades

The number of people without access to energy will fall in most of the world but will grow in Sub-Saharan Africa due to population growth and slow grid extension.

IEA estimates off-grid solutions will be the most cost-effective way of connecting over 70% of these people – yet one-size-fits-all approach too simplistic.

“On current trends, it will take Africa until 2080 to achieve universal access to electricity.”

– APP report, 2015

1 Excludes Middle East & North Africa, Latin America

SOURCE: IEA World Energy Outlook 2017
Energy and credit markets for low-income customers in Sub-Saharan Africa are rapidly evolving

As the pioneer of PAYG solar, M-KOPA has unlocked energy access for > 3.5 million through flexible consumer financing – underpinned by digital infrastructure

M-KOPA’s next phase of growth will depend on:

- Bringing customers onto and up the solar ladder with more energy services and appliances
- Using telemetry from devices to inform future design
- Collaborating with industry-leading experts to bring new products to market
- Securing communications between and across devices for robust customer analytics
- Investing in our platform to scale PAYG services and drive cost-efficiencies as product lines expands
M-KOPA Labs was formed to address future needs of low-income customers and expand PAYG services

Today, Labs is testing a range of products and services

- Rural Digital Financial Services
- Larger Power Systems (with Shell Foundation)
- Home Appliances (with Shell Foundation)
- Battery Management Science
- Content & Connectivity
M-KOPA Labs Overview

Labs’ R&D addresses the challenges of low-income market development

M-KOPA Labs was established in October 2016 to provide ring-fenced resources to research the future needs of low-income customers and develop products and services to realise M-KOPA’s growth strategy.

Since then Labs has successfully...

- Launched development of larger power devices and low-energy appliances
- Tested the demand and value proposition for PAYG credit-sales of agricultural credit
- Partnered with Oxford, Imperial, Microsoft and others to develop battery analytics for off-grid solar
- Examined use cases of digital content and economics of low-cost Wi-Fi in rural areas
- Developing the market for off-grid cold storage for households and MSMEs
- Exploring potential to collateralise other hardware devices to widen the adoption of PAYG financing
M-KOPA Labs Overview

Investments in R&D continue to play critical role in innovating for nascent PAYG sector

A wider pipeline of products and services exists to achieve universal energy access, yet funding partnerships are needed to develop and test concepts considered too risky for traditional investors.

Expand the PAYG model
- Test willingness to finance amongst low-income consumers for ‘lumpy’ purchase items or unaffordable goods
- Unlock greater financial inclusion with lower-cost devices secured through IoT capability

Develop more and better uses of energy
- Improve energy efficiency, increase capacity and enhance longevity of M-KOPA products
- Develop effective and scalable solutions for productive use of energy, specifically targeting MSMEs
- Drive solar demand with affordable access to modern energy appliances

Test and build the market globally
- Develop and test solutions for new markets and segments
- Expand M-KOPA’s beyond East Africa
- Enable third-party hardware providers to use PAYG financing to reach low-income customers
CLEANER, BRIGHTER FUTURE

Mary Meli Musau, from Athi River, Kenya:
“Now I spend less and get clean and brighter light. I can also charge my phone and listen to the news on the radio.”
CONNECTED TO THE WORLD

Benjamin Onyango, from Kisumu, Kenya: “I’ve been listening to the football live on my radio. My favorite team is Arsenal and it was a very unpredictable season.”
GOOD TIMES WITH THE FAMILY

M-KOPA customer Daniel Okumu and his wife Eunice in Kisumu, Kenya say, “At the touch of a button, we can now see the world from the comfort and safety of our home.”