

## Competitor Analysis

The competitor space regionally shows an interesting mix of players, successes and failures.

Below is a summary of what RISE has discovered through 18 months of research and 8 years of market experience.

### M-KOPA

M-KOPA: Based in Nairobi, Kenya and already expanding to other regions including Tanzania and Uganda. M-Kopa offers solar energy units to rural households via mobile money, PAYG model. Taking advantage of the rapid spread in mobile coverage, customers are able to afford the systems on instalments through mobile payment over Vodacom network hence the term MKOPA (M=Mobile & KOPA=To borrow). M-KOPA has been extremely successful in Kenya, however their growth in Tanzania has been slow to date for uncertain reasons.

### Mobisol

Mobisol offer a premium PAYG product that requires a high density and relatively affluent off grid to semi off grid population and give excellent back up service. The limits Mobisol face are the requirement for mobile network, limited product range and the high end target market limiting numbers which are needed in this industry. Mobisol appear to be focusing on Rwanda where this industry is heavily supported and subsidized.

### EGG Energy

EGG is the most similar business model to RISE except it focused mostly on selling Mobisol products to milk farmers in Tanga region, but did try to sell BBOX PAYG products also. EGG appears to have lost funding and some key team members and has a very uncertain future after selling around 300 systems.

### Off Grid Electric (OGE)

OGE only offer a pre paid solution mirroring a utility service – the customer never owns their system. An extremely well funded and thought through business operating in the wider East (Kilimanjaro) and North (Mwanza) regions of Tanzania and focusing heavily in Rwanda. Like Mobisol, OGE are dependent on high density and affluent areas. Because OGE run a utility type service, they run the risk of being regulated which could force them to lower their tariffs and cut profits. To a certain extent, OGE operate in a class of their own given their apparent limitless ability to acquire grants and finance. This will create a strong market and eventually more players (like RISE) will enter.

### Sunnymoney

Is a charity and donor funded NGO that distributes several solar products including Dlight and Sunking brand solar lanterns and home system to customers in Africa. Sunnymoney are raising awareness of their products through school campaigns and their resellers spread though out the regions. Sunnymoney was the number one lantern seller in Tanzania during 2013-2014 however has since faded and in December 2015, Sunnymoney sold / handed over their Tanzanian operation to Arti who have been distributing energy efficient cook stoves for some time.

### Azuri

Azuri is a new entrant into the market and will be selling PAYG systems through Tigo shops on a similar model as M-KOPA. Their entry level system only includes 2 lights compared to the Sunking three and will also require a TSH6,000 a week payment to pay for the system.

Azuri could be one of our big competitors but for the short term will only focus on communities far from the grid. Their marketing strategy is not aimed at the deep rural segment or the farming community and their DDP price for a small two (60 lumen) light system is \$100 making it very expensive.

### In Summary

The overall picture is that there appears to be a widening gap between the successful players (OGE and Mobisol) and smaller entries into the market. This will change as more small players grow and take advantage of the market development that has already taken place by operating more effectively (like RISE working through channel partners such as Olam).