



## **Press release: SunCulture closes inventory working capital facility with the Facility for Energy Inclusion's Off-Grid Energy Access Fund**

*September 5, 2019*

NAIROBI, KENYA — SunCulture, a Kenya-based technology company and a leader in solar water pumps and irrigation solutions for smallholder farmers, has closed an inventory working capital facility with the African Development Bank's flagship fund, the Facility for Energy Inclusion's Off-Grid Energy Access Fund (FEI-OGEF) managed by LHGP Asset Management ("Lion's Head").

Four out of five African families depend on agriculture for their livelihoods, but just 4 percent use irrigation, with the rest relying on increasingly unpredictable rainfall. At the same time, over half the population in sub-Saharan Africa lacks access to reliable sources of energy. SunCulture's systems enable customers to increase their agricultural productivity, while accessing a steady supply of water and energy for household use. Through increasing yields, growing higher-value crops, expanding land under cultivation, and raising more livestock, farmers increase their incomes 5x - 10x.

"SunCulture is at a pivotal moment in our growth, and this inventory working capital facility is a key step forward in building the financial capacity to address this enormous opportunity. We're excited to bring life-changing technology to more and more farmers in partnership with FEI-OGEF and Lion's Head. We look forward to working with them in their goal of enabling lasting local capital markets participation in the sector," said Samir Ibrahim, SunCulture's CEO and Co-founder.

Harry Guinness, Fund Manager for FEI-OGEF at Lion's Head added: "Given SunCulture's pioneering commitment to linking energy access to productive use, the company was a clear fit for our investors' priorities, namely using energy as a lever to unlock a wide range of social and environmental impacts across sub-Saharan Africa, with a focus on economic development and food security. We are very pleased to have established a well-structured facility that can scale with SunCulture's growth and applies global best practice for secured inventory finance in the East African context. We're excited to see where this dynamic team can take the company next."

Samir Ibrahim, SunCulture's CEO and Co-Founder, is available for interviews.

### **About SunCulture**

SunCulture develops and commercializes life-changing technology that solves the biggest daily challenges for the world's 570 million smallholder farming households. SunCulture was the first company to commercialize solar-powered irrigation in Africa and is the only company in Africa that provides a comprehensive solution bundled with financing and value-add services. SunCulture's partners include EDF, Energy Access Ventures, Partners Group Impact, Shell Foundation, Microsoft

Corporation, MIT, and USAID. SunCulture recently won awards for Excellence in Transformational Business and Achievement in Sustainable Development: Food, Water and Land at the Financial Times and International Financial Corporation Transformational Business Awards.

### **About Lion's Head**

Lion's Head is a specialized investment bank based in London, Lagos and Nairobi, which provides financial advisory and investment management services across a range of sectors, including agriculture, energy, financial services, and infrastructure, with a focus on innovative ways to increase capital markets engagement for businesses and governments in sub-Saharan Africa. Lion's Head manages approximately \$500m AUM. In addition to the Off-Grid Energy Access Fund, Lion's Head is the fund manager for the parallel FEI On Grid facility, offering debt on a project finance basis to developers, IPPs, and other renewable energy platforms in Africa, and the African Local Currency Bond Fund, created by KfW and supported by FSDA and various DFI and private investors to anchor public debt issuances.

### **About the Off-Grid Energy Access Fund**

The Facility for Energy Inclusion's Off-Grid Energy Access Fund offers flexible financing solutions to companies in sub-Saharan Africa that provide affordable renewable energy to communities living off the grid. The Fund invests via a range of debt instruments, including receivables lending, inventory finance, other working capital lending and unsecured corporate debt, in order to increase the availability of local currency debt and build the capacity of local capital markets. FEI OGEF is sponsored by the African Development Bank, and received catalytic investments from the Nordic Development Fund, European Union and All On that unlocked additional capital from public and private sector investors, including the Global Environment Facility and Calvert Impact Capital.