Spark Energy Services Annual Report

2024

spark ENERGY SERVICES

camco A BRIGHTER FUTURE, TODAY

In this report

Cover page image source: Ariya Finergy

Image source: Renen Energy Solutions Limited

01 Impact Outcomes

Spark Energy Services (Spark) is an innovative financing platform that exists to support the sustainable development of Africa's commercial and industrial (C&I) sector. Spark provides finance for renewable energy and energy efficiency projects designed to reduce power costs, improve quality of supply and tackle greenhouse gas emissions from industry. By doing so, Spark also supports Africa's green growth agenda, helping to create quality jobs whilst increasing the competitiveness of the continent's C&I businesses, which depend on affordable, quality power as an engine for growth.

Figures refer to realised impact as of 31 December 2024:

$3.76m
funding committed

3.3
MW operational renewable energy capacity

1,280
kWh battery storage capacity

3
countries invested in

15
C&I businesses supported (plus 12 development partners)

59
jobs created (14 held by women)

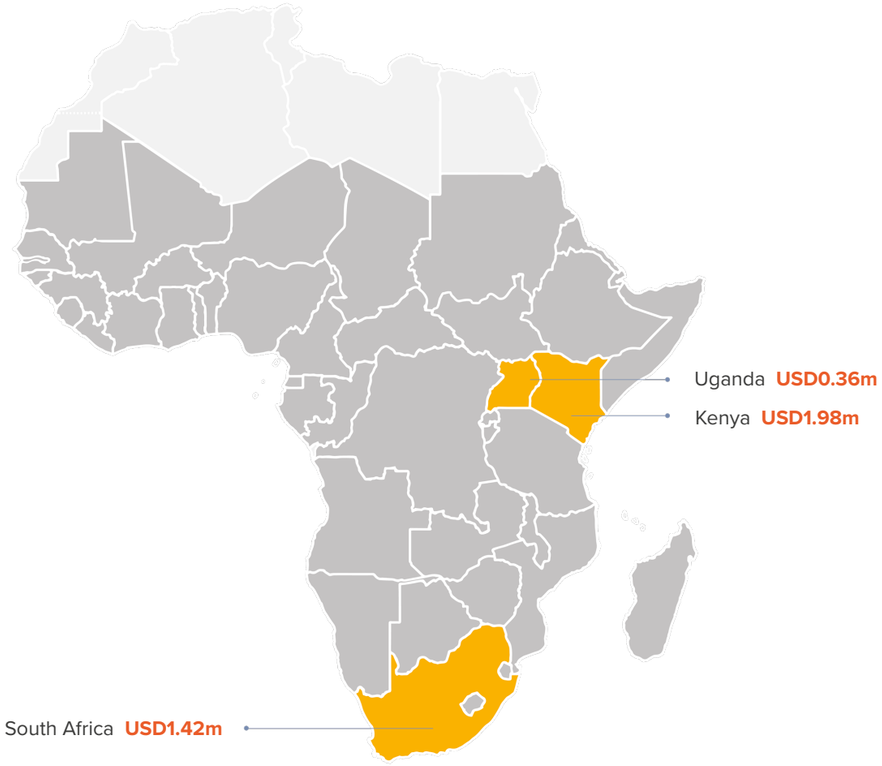
26%
average reduction in customers electricity costs

725
MWh saved through energy efficiency

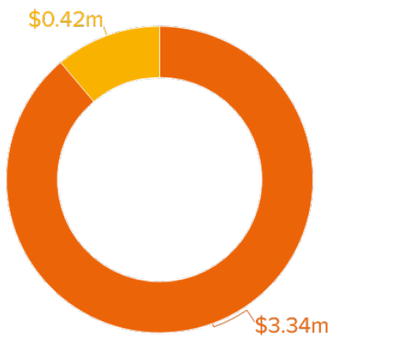
2,690
tCO_2e avoided

Portfolio allocation

Funding committed by country

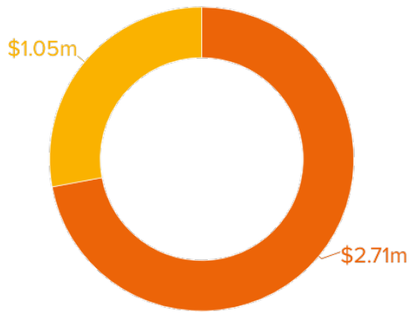


Funding committed by technology type

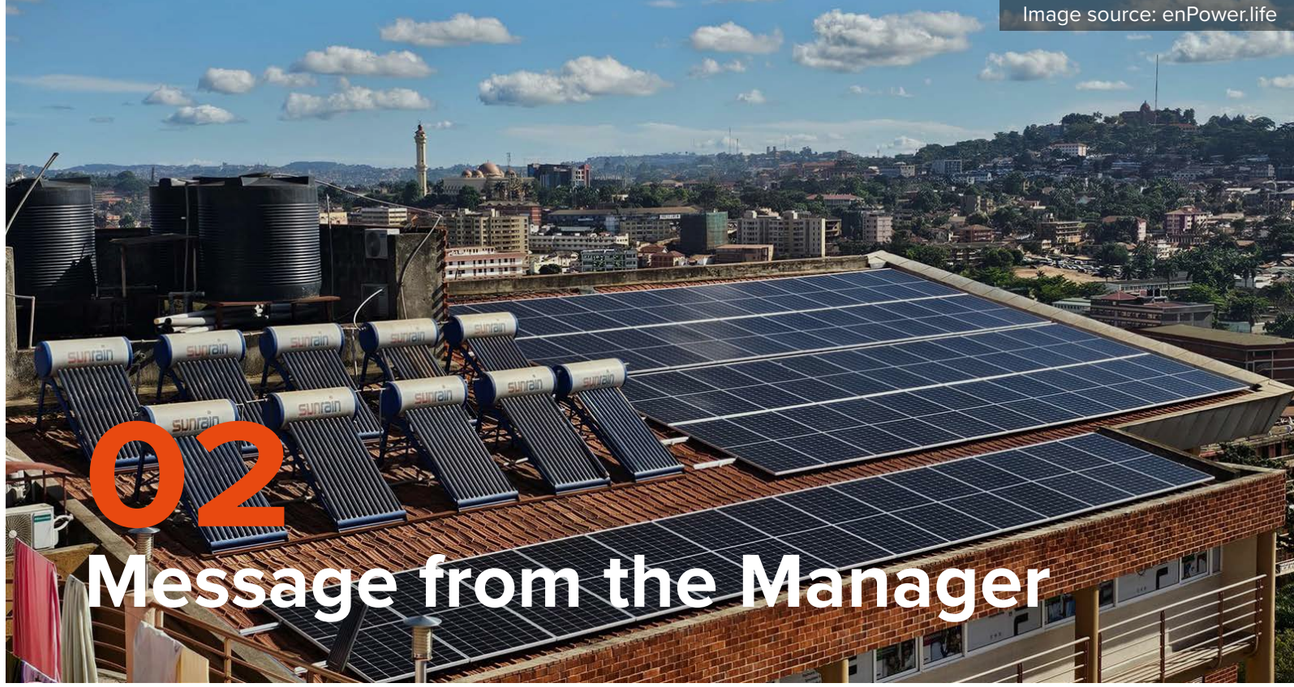


Captive renewable energy Energy efficiency

Funding committed by asset class



Debt Equity



02 Message from the Manager

2024 marked a pivotal year for Spark, transitioning from proof of concept to full-scale implementation.

In February, we successfully closed our initial equity round, securing almost USD10m from FSD Africa Investments (FSDAi), Fortis Green Renewables and Jaltech Asset Management, as well as a contribution in-kind from Camco by way of seed assets. These funds enabled the Spark team to start executing on our significant pipeline of renewables and energy efficiency opportunities, expanding into Uganda and scaling up our operations in Kenya and South Africa. By the end of the year, Spark had funded 20 projects across the region and cemented its reputation as one of the leading financiers of sustainable energy solutions, particularly for SMEs.

Our focus on SMEs is intentional, since they represent an estimated 80% of employment across the continent. By solving existing power cost and reliability issues, we aim to unlock many more opportunities for growth and job creation, while making these businesses more sustainable and competitive. These projects are made possible through our expanding network of capable development partners, which, with access to Spark's funding and expertise, are able to scale their own operations and create more high-skilled jobs in Africa's sustainable energy sector.

To support Spark's ambitious plans for 2025, we topped up our initial equity round with a USD19m debt round that closed in August, with the European Investment Bank (EIB) contributing junior debt, and Symbiotics Investments and the Energy Entrepreneurs Growth Fund (managed by Triple Jump) providing senior debt. Notably, Symbiotics' contribution was made via a green bond, which evidences an ever-growing set of financial tools available to scale climate finance in the future. Innovations like these will be critical to achieving the Paris Agreement's goals of limiting global warming to 2°C.

The debt round has left Spark well-equipped for further growth in 2025, backed by a supportive funder group, a robust project pipeline of over USD80m across 10 jurisdictions, and development partners with an increasingly proven track record for delivery.

On the topic of development partners, we were delighted to welcome two new partners during 2024. Ashipa Electric joined Spark with an impressive pipeline of captive solar opportunities across Nigeria, while GreenYellow South Africa came on board with exciting prospects in energy efficiency across Southern Africa. We look forward to developing these relationships further in the coming year.

We thank all our partners for placing their trust in Spark during 2024 and we look forward to facing the challenges and opportunities of 2025 together.

Adam Fitzwilliam
Spark Director

LinkedIn


Image source: enPower.life

03 About Spark

Spark Energy Services (Spark) is a dynamic and scalable investment platform designed and managed by Camco, which efficiently deploys capital for captive renewable energy and energy efficiency projects in Sub-Saharan Africa's C&I sector.

Spark partners with a network of local development partners (DPs) to deploy capital quickly and at scale, enabling impactful projects that address the region's energy challenges.

By leveraging standardised processes and a streamlined approach to financing, Spark makes it easier and faster for DPs to access the funding they need to scale multiple projects simultaneously. This efficient model allows Spark to drive widespread adoption of clean energy solutions, unlocking new opportunities for growth while mitigating risk.

As of the end of 2024, Spark had secured almost USD30m in debt and equity commitments from investors including the EIB, FSDAi, Jaltech Fund Management and Symbiotics Investments. Spark is now targeting an additional USD20m in senior debt from a consortium of lenders in the next 12 months, with a subsequent close of at least USD100m in the coming years.

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Spark's governance structure

Spark's Board is responsible for the overall direction and strategy of the platform. Its Investment Committee is appointed by, and accountable to, the Board and is responsible for reviewing and deciding on investment proposals, and ensuring that investments are compliant with Spark's strategy, policies and procedures. The Investment Committee also oversees the monitoring of the performance of projects and the portfolio as a whole.

Spark's governance structure, as of 31 December 2024:

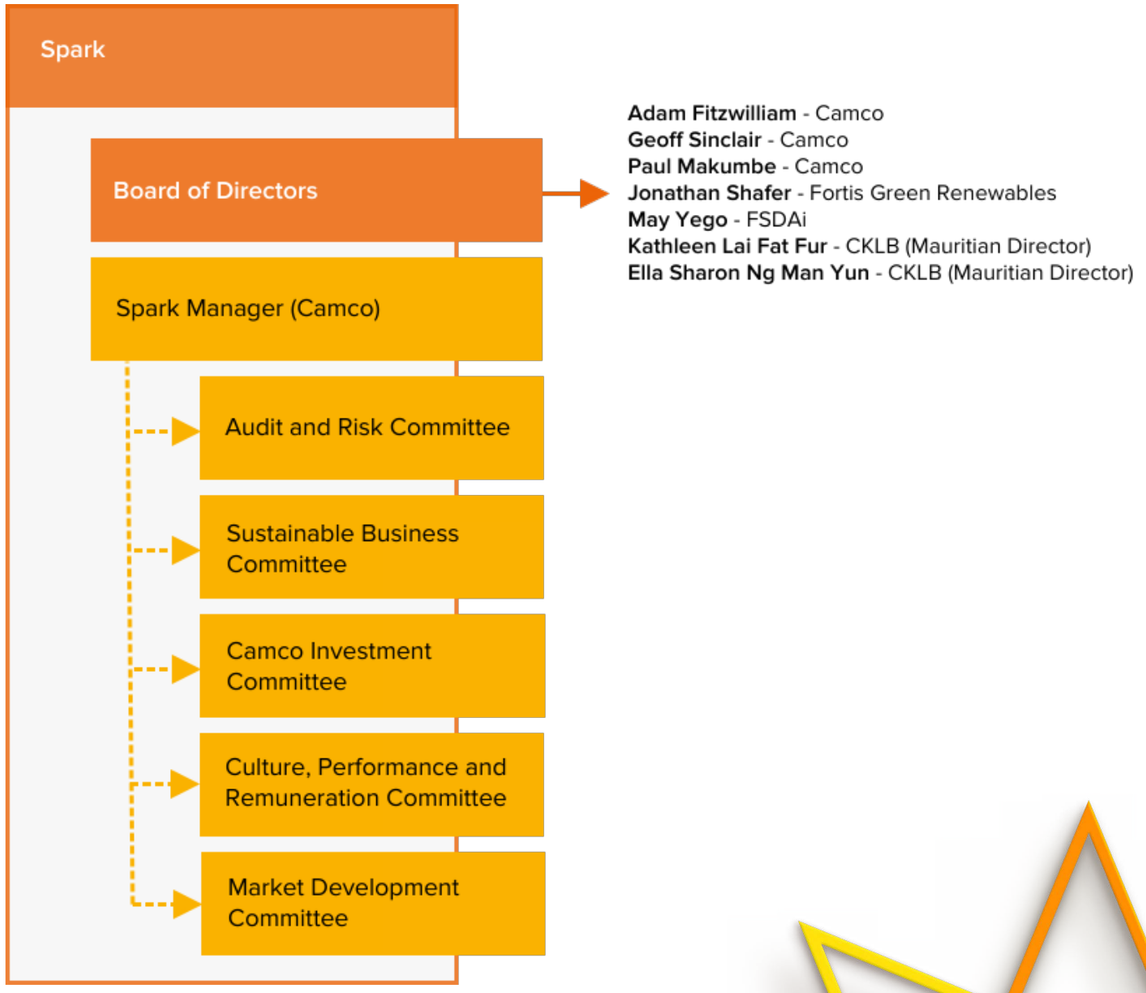

Image source: Camco Management Ltd

About Camco

Camco is a climate and impact fund manager, leading the transition to a prosperous net zero future in emerging markets. Camco's experienced team is based in Abuja, Accra, Auckland, Helsinki, Johannesburg, London, Nairobi and Toronto and is united by its passion for funding the clean energy transition with a hands-on, commercial approach. Camco excels in fund formation and advisory, asset management and monitoring. It currently manages several climate investment portfolios, including REPP, REPP 2 and Spark Energy Services, and is an accredited entity of the Green Climate Fund.

Camco combines:

- on-the-ground knowledge and origination capabilities
- disciplined structuring, execution and portfolio and risk management
- diligent fund and asset management
- strong integrity, environmental and social safeguards, and active gender mainstreaming
- considered and pragmatic monitoring and evaluation, and
- project development expertise.

Unlike many fund managers, Camco has direct experience with both project development and the creation of policy and regulatory frameworks. Its team places high value on its local presence and experience, which enhances its ability to deliver on fund management mandates.

Camco's roots date back to Nairobi in 1989, since when it has supported over 200 projects in 30 countries worth USD 15bn. Camco's realised impact as of 31 December 2024 based on current assets under management includes:

- 313MW renewable energy installed and in development
- USD191m funding mobilised, and
- 1.4 million people with new or improved electricity connections.

Camco is a signatory to UN Global Compact and has adopted the highest standards of financial and ethical conduct through related policies and monitoring.

In 2024, Camco was featured for the third year running in ImpactAssets 50™, the world's best known database listing fund managers which have consistently demonstrated a commitment to delivering social and environmental impact. The listing is recognition of Camco's work as a leading climate and impact fund manager in emerging markets. Camco was also listed as one of 2023's 1,000 fastest growing companies in Europe in the Financial Times and Statista's annual ranking.

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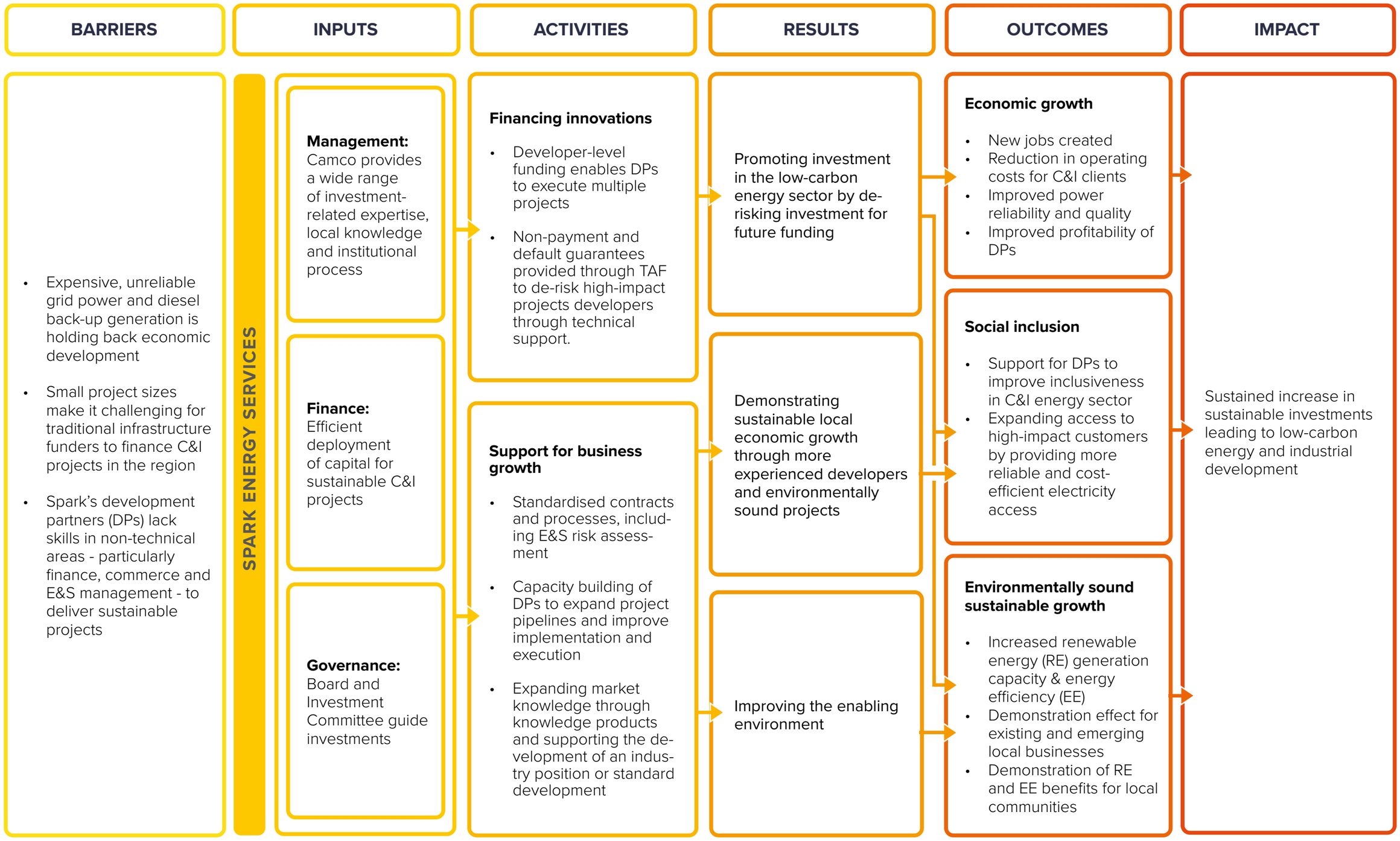
A BRIGHTER FUTURE, TODAY

Spark's Theory of Change



Sustainable impact objectives

Spark's activities directly support the provision of clean, affordable and reliable power in the region, thereby facilitating economic growth and job creation and allowing businesses to rebuild and grow in a more sustainable manner post-Covid 19.

The unreliability and restricted reach of grid electricity in many African countries has led to more than 50% of businesses in the region relying on diesel generation as either a backup or as a primary source of power. Not only do these generators emit harmful levels of environmental pollutants, they are also extremely expensive to operate, with the average cost of running a diesel generator between 1.5 to 4 times more expensive per kWh than grid alternatives.

Through partnering with and building the capacity of DPs, Spark seeks to increase the deployment of technically and commercially viable alternatives that exist in the form of captive renewable energy generation and energy efficiency within the region's C&I sector. This leads to inclusive and sustainable economic growth, shifting developing countries towards a net zero and climate-resilient pathway.

Through its combined investment and technical assistance offering, Spark contributes to the following Sustainable Development Goals (SDGs):

SDG 7: Spark activities support universal clean and affordable energy access by assisting local C&I businesses in becoming more sustainable through investment in innovative renewable energy and energy efficiency solutions.

SDG 8: Spark activities promote sustainable, inclusive economic growth through supporting the diversification and technological upgrading of C&I companies (target 8.2), and creating decent work opportunities through its DPs (target 8.5).

SDG 9: Spark supports building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation, by providing access to finance for small-scale industrial and other enterprises so that they can adopt clean technologies to make themselves more sustainable and resource-efficient (targets 9.4 and 9.5).

SDG 13: Spark is taking urgent action to combat climate change and its impacts by decoupling economic growth and carbon emissions and supporting the implementation of countries' climate policies through additional funding (targets 13.2 and 13.a).

Image source: Pieter van Noorden

04
Featured investments

Are you a business in Africa's C&I sector looking to take control of your energy future with solar power and/or energy efficiency?

Take our eligibility test to find out how Spark and our development partners can help provide you with a tailor-made renewable energy solution.

Case study: Case Hospital

Case Hospital in Kampala, Uganda, commissioned Spark development partner enPower.life to install a 65kWp rooftop solar PV system in a bid to reduce costs and reinforce its commitment to sustainability.

Incorporated in 1995, Case Hospital provides round-the-clock healthcare services in the Ugandan capital and has consistently been ranked among the country's top ten private healthcare facilities over the past three years. However, in recent years it has faced increasing operating expenses, prompting the hospital to turn to enPower.life to provide an affordable clean energy solution that cuts energy bills and overall expenses.

enPower.life's innovative business model offers solar-as-a-service to its clients. This allows them to benefit from clean, reliable and cost-effective solar power without any of the upfront costs of installing the PV plant, which in the case of Case Hospital were fully funded by Spark.

The grid-tied installation was completed at the 100-bed private hospital in June 2024 and is intended to provide a significant reduction in like-for-like electricity costs, while also saving around 27 tonnes of greenhouse gases per annum.

The works mark the first Spark-financed project in Uganda, as well as the first healthcare project supported through the platform.

This project is a significant step in expanding Spark's presence in East Africa and entering the healthcare sector, which aligns well with the company's impact thesis. By providing affordable clean energy to Case Hospital, Spark is helping to lower operational costs while reinforcing its commitment to sustainable development in the region's commercial and industrial sectors.

At a glance

Figures refer to realised impact as of 31 December 2024

Location:
Kampala, Uganda

Status:
Operational

Technology type:
Rooftop solar PV (captive generation)

GHG emissions avoided:
27tCO_2e per annum (target)

Operational capacity:
65kWp

Reduction in customer electricity and heat costs:
5%

SDGs supported:

Case study: Cold Solutions

One of Kenya's largest cold storage warehouses has slashed its electricity costs by nearly a quarter with the installation of a 1.4MWp grid-tied rooftop solar PV system.

The 15,000sqm warehouse in Tatu City is the flagship facility of Cold Solutions, a private company that owns and operates temperature-controlled warehouses and offers long-term 'pay as you store' services to its customers. The facility maintains temperatures ranging from +26°C to –40°C, allowing it to store a wide range of products, from fresh fruits and vegetables to meats, poultry and pharmaceuticals.

After commissioning the facility in mid-2023, Cold Solutions experienced growth in primary revenue streams, but also a sharp increase in administrative costs and power consumption. To address its rising electricity bills, Cold Solutions partnered with Spark's development partner Ariya Finergy to install the grid-tied system, with Spark providing upfront funding for the project.

The installation was completed on 30 December 2024, cutting Cold Solutions' electricity costs at the warehouse by 24% and saving the company approximately USD11k per month.

The project represents the largest captive power project supported by Spark to date and has strong replication potential as Cold Solutions' additional facilities become operational in Spark-eligible countries. By cutting both costs and emissions, the project underscores the critical role of innovative financing in strengthening the resilience of Kenya's agriculture food.

Image source: Ariya Finergy

At a glance

Figures refer to realised impact as of 31 December 2024

Location:
Tatu City, near Nairobi, Kenya

Status:
Operational

Technology type:
Rooftop solar PV (captive generation)

GHG emissions avoided:
576tCO_2e per annum attributable to Spark funding (target)

Operational capacity:
500kWp attributable to Spark funding

Reduction in customer electricity costs:
24%

SDGs supported:

Case study: Ngong Hills Hotel

The pragmatic owners of a Kenyan hotel addressed multiple needs in one with their decision to combine captive solar with a new carport installation.

Ngong Nills Hotel, a popular 110-room, four-star business and leisure destination, is part of an increasing trend of businesses opting for solar-integrated carports. These structures not only provide covered parking for guests but also serve as an effective means of reducing electricity costs and lowering carbon footprints through on-site solar generation.

The 124kWp solar PV system installed at Ngong Hills Hotel, which includes both conventional rooftop solar panels and the carport array, was constructed by Spark development partner Safi Power. The project received 100% upfront financing from Spark under its funding agreement with Safi Power and was completed in September 2024 following financial close in April 2024.

Since the system was commissioned, the hotel has experienced a significant reduction in electricity costs, with a 50% decrease in their energy bills. The solar panels are expected to generate more than 194MWh of solar power and avoid an impressive 112 tonnes of greenhouse gas emissions annually.

This project not only enhances the hotel's sustainability but also sets a strong example for other businesses looking to embrace clean energy solutions.

Image source: Safi Power

At a glance

Figures refer to realised impact as of 31 December 2024

Location:
Nairobi, Kenya

Status:
Operational

Technology type:
Rooftop solar PV (captive generation)

GHG emissions avoided:
112tCO_2e per annum

Operational capacity:
124kWp

Reduction in customer electricity costs:
50%

SDGs supported:

Case study: Retailabilty

Outdated lighting systems are being overhauled at 93 of Retailability's outlets across Southern Africa as part of a major energy efficiency project financed by Spark.

The multi-site energy efficiency initiative is being carried out by Spark development partner, GreenYellow South Africa, and spans South Africa, Namibia, Botswana and Lesotho. The work involves replacing the 93 stores' inefficient lighting systems with more cost effective and energy efficient LED solutions. The upgrades are expected to save over 17GWh of electricity generation and mitigate over 18,000 tonnes of greenhouse gas emissions annually.

Through an agreement with Retailability, GreenYellow South Africa provided the equity funding for the work, allowing its client to benefit from energy savings without upfront capital expenditure. GreenYellow South Africa, through its SPV GreenYellow South Africa EE1, then partnered with Spark to secure debt financing against the portfolio, optimising the capital structure.

As of 31 December 2024, Spark had signed funding agreements with GreenYellow South Africa and its subsidiary, with the conditions precedent for first drawdown expected to be met in early 2025.

The landmark project marks Spark's first venture into Southern Africa's energy efficiency sector and the first time Spark has worked with GreenYellow South Africa. Through its partnership with Spark, GreenYellow South Africa is able to unlock access to streamlined finance specifically targeted at accelerating energy efficiency adoption in Southern Africa, which is a priority sector and region for both partners.

Image source: Renen Energy Solutions Ltd

At a glance

Figures refer to realised impact as of 31 December 2024

Location:
Botswana, Lesotho, Namibia, South Africa

Status:
Partially completed

Technology type:
Low energy lighting

GHG emissions avoided:
18,600tCO_2e per annum (expected)

Energy saved:
17.4GWh per annum (expected)

Reduction in customer electricity costs:
20%

SDGs supported:


Image source: Zero Point Energy


Image source: Camco Management Ltd

05 Outlook

Africa's macroeconomic landscape remains challenging, and 2024 was no exception. Political instability across West Africa, rapid currency devaluation in Nigeria and persistent inflation in Ghana are just a few examples that have tested the resilience of the continent's business community. These issues, compounded by a slow post-COVID recovery, high sovereign debt levels and an increasingly polarised geopolitical environment globally, continue to shape the backdrop for 2025. However, despite these challenges, we are confident that the sustainable energy sector will continue to play a critical role in driving growth.

At Camco, our commitment to Africa's development through sustainable energy remains unwavering. With over 30 years of leadership in the climate and renewable energy space, we are resolute that sustainable energy is a powerful engine for economic growth and job creation across the continent. We are deeply committed to building long-term relationships based on mutual benefit, which allows us to adapt and remain resilient in the face of adversity.

Looking ahead to 2025, we anticipate Africa's renewable energy and energy efficiency sectors will see significant growth, driven not by political ideology, but by equipment cost reductions and increasingly mature supply chains that further enhance commercial viability. This trend is not just a positive for businesses within the continent's commercial and industrial sector, but also for the broader population, since greater access to reliable, affordable energy fosters economic development and job creation, benefitting all.

The path forward will not be without its challenges, but we believe that the opportunities in Africa's energy transition have the potential to be transformative. We are excited about the growth prospects and the positive impact we can make on the SME sector and the local communities they support across the continent. In 2025, we remain committed to playing a key role in this transition, supporting sustainable energy projects that will shape Africa's future for decades to come.

Further information

Contact information

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Email: spark@camco.fm
Website: camco.fm/spark

Spark company information

Directors:	Directors: A D D Fitzwilliam (appointed 5 July 2022), K Lai Fat Fur (appointed 5 July 2022), P M Makumbe (appointed 20 June 2023), E S Ng Man Yun (appointed 5 July 2022), J Shafer (appointed 15 February 2024), G D Sinclair (appointed 5 July 2022), M Yego (appointed 15 February 2024)
Company secretary:	CKLB International Management Ltd (appointed 5 July 2022)
Registration number:	C188897
Registered address:	Felix House, 24 Dr Joseph Riviere Street, Port Louis, Mauritius

About this report

This report has been prepared by Camco Management Ltd on behalf of Spark Energy Services.

Our partners

Equity / debt investors

Manager

Development partners