Ability to respond to COVID-19

AMDA Members: Ability to respond to COVID--19
- We can sustain this for 3-4 months but then get into serious trouble
- We have a healthy financial situation and can sustain this situation, even if lasting 6-9 months
- We have some bandwidth to absorb this but will struggle if it lasts for more than 6 months
- We will be almost immediately in financial trouble

All participants: Ability to respond to COVID--19
- We can sustain this for 3-4 months but then get into serious trouble
- We have a healthy financial situation and can sustain this situation, even if lasting 6-9 months
- We have some bandwidth to absorb this but will struggle if it lasts for more than 6 months
- We will be almost immediately in financial trouble

On a scale from 0 to 5, how disruptive do you feel COVID – 19 currently is for your business?

4.3  -  AMDA Members

4.0  -  All Participants
AMDA MEMBERS

Concern Areas

AMDA Members: Percentage of Ratings per Concern Area

1 - Lowest Concern  2  3  4  5 - Highest Concern
AMDA MEMBERS

Concern Areas

1. HR Capacity
   Avg: 3.3

2. Ceased Operations
   Avg: 4.1

3. Decreased Ability to Pay
   Avg: 3.9

4. Shortage of OPEX
   Avg: 3.8

5. Challenges Attracting CAPEX Funding
   Avg: 3.9

6. Inventory Mgmt./Supply Chain
   Avg: 3.8

7. Loan Issues
   Avg: 3.1

8. Increased Risk Management Demand
   Avg: 3.0

9. Possible Need to Scale Down Pipeline
   Avg: 3.4

10. Decrease in Demand
    Avg: 2.6
AMDA MEMBERS
Areas of concern by rank

Top 3 Issues

1: Ceased Operations
There’s a high degree of concern that the pandemic will potentially lead to ceasing of operations.

2: Ability to pay & decreased capex funding
Most feel that end users will be affected and lead to decreased ability to pay; separately there’s concern that capex funding will dry up as investors adopt a “Wait and see” approach.

3: Shortage of opex & Inventory management / supply chain Issues
Most expect a shortfall in ability to meet operational costs. This is possibly a direct consequence of decreased revenue due to end user’s low ability to pay. Similarly, there’s genuine concern as to how the pandemic will impact the supply of goods, logistics and working capital.
All Registrations
Concern Areas

All Registrations: Percentage of Ratings per Concern Area
All Registrations
Concern Areas

- **HR Capacity**
  - Avg: 2.9

- **Ceased Operations**
  - Avg: 3.8

- **Decreased Ability to Pay**
  - Avg: 3.4

- **Shortage of OPEX**
  - Avg: 3.3

- **Decrease in Demand**
  - Avg: 2.8

- **Inventory Mgmt./Supply Chain**
  - Avg: 3.3

- **Challenges Attracting CAPEX Funding**
  - Avg: 3.7

- **Loan Issues**
  - Avg: 3.1

- **Increased Risk Management Demand**
  - Avg: 2.9

- **Possible Need to Scale Down Pipeline**
  - Avg: 3.1
Individual companies’ capacity to respond to Covid-19 related impact

More than half of the 49 respondents have less than 4 months financial runway

- **WE CAN SUSTAIN THIS FOR 3-4 MONTHS BUT THEN GET INTO SERIOUS TROUBLE**: 22 responses
- **WE WILL BE ALMOST IMMEDIATELY IN FINANCIAL TROUBLE**: 15 responses
- **WE HAVE SOME BANDWIDTH TO ABSORB THIS BUT WILL STRUGGLE IF IT LASTS FOR MORE THAN 6 MONTHS**: 10 responses
- **WE HAVE A HEALTHY FINANCIAL SITUATION AND CAN SUSTAIN THIS SITUATION, EVEN IF LASTING 6-9 MONTHS**: 3 responses

Approximately 50% of respondents have less than 4 months financial runway.
What type of support are companies asking for?

The top three things respondents requested are:

1. Fundraising support / relief funding
2. Bridge loans
3. Technical guidance
Projects in Pipeline
Additional Challenges

100%
of all respondents would be interested in building off-grid solar projects to power hospitals, clinics, and other healthcare facilities if funding was available.

Number of healthcare-related projects in your pipeline that could be built within the next 6 months with availability of concessional financing:

- **AMDA Members**
- **All Participants**
### Projects in Pipeline
### Additional Challenges

**Average size of pipeline healthcare facilities that could be built within the next 6 months with availability of concessional financing:**

<table>
<thead>
<tr>
<th>AMDA Members</th>
<th>All Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>$506,429</td>
<td>$2,148,648</td>
</tr>
<tr>
<td>Community mini-grid pipeline CAPEX</td>
<td>Community mini-grid pipeline CAPEX</td>
</tr>
<tr>
<td>$57,000</td>
<td>$1,117,877</td>
</tr>
<tr>
<td>Stand-alone project pipeline CAPEX</td>
<td>Stand-alone project pipeline CAPEX</td>
</tr>
<tr>
<td>12 kW</td>
<td>851 kW</td>
</tr>
<tr>
<td>PV Installed (Stand-alone projects)</td>
<td>Stand-alone pipeline PV planned</td>
</tr>
</tbody>
</table>
CONCLUSIONS AND RECOMMENDATIONS

- Concerns over 1) Ceased Operations; 2) Challenges attracting Capex Funding, mean we must urgently ask investors to treat ongoing due diligence on minigrids companies as a matter of urgency. There is no room for a 6 month delay in deal closing.

- Concerns over 1) shortage of opex; 2) decreased ability to pay; 3) possible pipeline reductions, mean we urgently ask existing minigrid investors to consider extending additional funding and operational support to portfolio mini grid companies should need arise.

- Concerns over 1) shortage of opex; 2) =decreased ability to pay, mean we urgently ask interested investors without or with little experience in the minigrid sector to consider plugging in to emergency relief funding efforts being coordinated by others.

- Concerns over 1) challenges attracting capex funding; 2) possible need to scale down pipeline, mean we urge a prioritisation of deploying signed RBF commitments to enable minigrid companies achieve connection milestones as prescribed within RBF timelines

- Concerns over 1) inventory management/supply chain; (2) possible need to scale down pipeline mean we urge support of AMDA’s initiative with government agencies and regulators in classifying mini grid developers and operators as essential service providers during this period of possible lockdowns, shutdowns or curfew restrictions on businesses and individuals