

Press Release

Ed Partners Africa raises Ksh 205 million to fund affordable private schools

Nairobi, 15th June 2021: Nairobi-based Ed Partners Africa, an affordable private schools financing company, has raised US \$1.9m (Ksh205 million) to expand its presence and enable the unserved affordable private schools market access to credit.

The funds were raised from Acumen, I&P and Zephyr with participation from existing investors.

Ed Partners is targeting affordable private schools that provide education to the low-income population and charge school fees of between \$150 (Ksh16,000) and \$500 (Ksh54,000) per year. Additionally, these schools are looking for loans of between \$2,000 (Ksh200,000) and \$70,000 (Ksh7 million) payable up to six years.

Ed Partners' CEO Amos Mwangi said that the company is focusing on Kenya's affordable private school sector which is typically starved of credit by mainstream lenders.

"Affordable private schools have found it extremely difficult to access formal credit due to arduous application processes and limited collateral. Mainstream financial institutions lack operational insight to lend to this school segment, further exacerbating an already credit-starved sector", the CEO explained.

He added that Ed Partners aims to bridge this gap through school-focused lending and through hub-and-spoke based model where the company's relationship managers work closely with the school leadership through the entire credit process.

Ed Partners loans are designed for specific end-uses such as expansion of classrooms, purchase of school buses, building sanitation facilities etc. and are designed keeping the school cashflows and repayment abilities in mind.

Ed Partners, which was founded in 2018 by Lydia Koros and David FitzHerbert, has to date offered \$ 1.5 million (Ksh162 million) in loans to 142 affordable private schools, which educate 41,000 students.

Mr. FitzHerbert said that the funds will help catalyse lending to this sector at this critical time when the sector is recovering from COVID-19.

"We are excited to have Acumen, I&P and Zephyr show their faith in Ed Partners and its vision to improve access to credit to affordable private schools in Kenya. Ed Partners stand on the cusp of

exponential growth and we believe that this current round will enable us to extend financing to the affordable private school segment – which is urgently needed as Kenya emerges from the pandemic.”

Ed Partners also becomes the first company to receive funding from Acumen’s recently launched Education Facility.

Commenting on the investment others said.

“Acumen is thrilled to have Ed Partners join our portfolio, as the first investment under our recently launched Education Facility. Affordable private schools are an important piece in delivering education to African children, however they have historically been underbanked. In Kenya, and across Africa, 80%+ of private schools have never accessed a bank loan. Ed Partners’ tailored products enable the most affordable private schools to invest in quality-improving initiatives. Amos, Lydia, David and the entire Ed Partners team have demonstrated operational excellence, especially during recent school closures. Acumen is excited to work alongside Ed Partners to further support schools in improving the quality of education children receive. ” **said Abdulkarim Mohamed, Portfolio Manager, Acumen.**

“I&P’s investment in Ed Partners marks our growing presence in East Africa, a few months after the launch of our Nairobi-based office. We are proud to support this new investment in the education sector, which makes up one of I&P’s focus areas. Built on a strong social mission, we believe that Ed Partners has the potential to have an important impact on the education sector in Kenya and in the long term in East Africa” **said Jeremy Hajdenberg, Deputy Managing Director, Investisseurs & Partenaires**

“We are excited to have Ed Partners as part of our portfolio. Ed Partners has experienced remarkable growth since its inception. By availing financing to affordable private schools, Ed Partners has improved the quality of education to tens of thousands of pupils in the lower-income segment in Kenya and this investment, is set to positively impact even more schools and pupils in Kenya and beyond. Ed Partners will benefit from Zephyrs’ hands-on approach and experience in the education financing sector, having invested in similar successful businesses in India..”, **said Mike Mbari, Investment Manager, Zephyr Acorn.**

Bangalore-based Unitus Capital acted as exclusive financial transaction advisor to Ed Partners, while Taylor Wessing acted as legal advisors to the transaction.

About Ed Partners Africa

Ed Partners was founded in 2018 by Lydia Koros and David FitzHerbert to improve access to affordable quality education in Africa. The company provides loans to affordable private schools by bringing access to formal credit to their doorsteps. So far the company has cumulatively disbursed \$1.5 million (Ksh 162 million) to 142 schools reaching out to 41,000 students. Ed Partners aims to provide innovative and affordable credit, removing the cumbersome processes faced by the schools with mainstream lenders to enable them to scale their operations and cater to a wider student base. In addition to loans, Ed Partners offers advisory services to schools to improve leadership and management capacity of the school owners.

About Acumen

Acumen is changing the way the world tackles poverty. We invest patient capital in inclusive, early-stage social enterprises that serve people in poverty and enable them to transform their lives. We share our ethos, principles, and practices to train the next generation of leaders through Acumen Academy. We scale the most effective solutions to systemic poverty through for-profit, returnable impact funds totaling more than \$100 million. Founded in 2001 by Jacqueline Novogratz, Acumen has invested more than \$137 million in 139 companies across Africa, Latin America, South Asia, and the United States. Learn more at www.acumen.org and follow us on Twitter [@Acumen](https://twitter.com/Acumen).

About Investisseurs & Partenaires (I&P)

Founded in 2002, I&P aims to promote small and medium-sized African companies, with high local added value and capable of developing a profitable and sustainable activity as well as generating positive impacts on their stakeholders. To date, I&P has supported more than 170 SMEs operating in around fifteen countries in Sub-Saharan Africa.

About Zephyr

Zephyr Management is a global investment manager specialized in the creation of highly focused private equity funds. The firm has initiated several private equity funds investing in several African countries, South Korea, Mexico, India, and Sri Lanka since its founding. Zephyr's funds serve medium-sized enterprises that are often ignored by larger private equity players. Zephyr funds provide growth capital to established companies with proven business models and sustainable competitive

advantages. In East Africa, Zephyr's Acron fund has made over 10 early stage investments across sectors.

About Unitus Capital

Unitus Capital is a boutique investment bank focused on raising debt and equity for impactful businesses across various sectors such as: microfinance, other financial institutions, affordable healthcare, affordable education, agriculture, renewable energy, technology and women empowerment. To date, Unitus Capital has raised around USD 3 billion in debt and equity for approximately 107 social enterprises across India, Australia, Philippines, Cambodia and Kenya.

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