

d.light and Solar Frontier Capital announce USD 65 million local currency receivable financing facility for Kenya

SFC has established Brighter Life Kenya as a local currency impact financing vehicle platform dedicated to providing d.light's Kenyan PAYGO SHS business with access to on-going, flexible and sustainable receivables funding.

Nairobi, Kenya, 8 June 2020 - Solar Frontier Capital Limited (**SFC**), a wholly-owned subsidiary of African Frontier Capital (Mauritius) LLC (**AFC**), and d.light design Inc. (**d.light**), a leading global innovator of solar energy products, have jointly announced the establishment of a USD 65 million financing vehicle, Brighter Life Kenya 1 Limited (**BLK1**).

BLK1 is an off-balance sheet financing vehicle, newly incorporated in Jersey, that is dedicated to acquiring pay-as-you-go (PAYGO) Solar Home System (SHS) accounts receivables from d.light's Kenyan subsidiary, d.light Limited (**d.light Kenya**), to provide the company with flexible, working capital to finance its continued growth. BLK1 is expected to finance the provision of improved energy access to 1.2 million people¹ in Kenya, coming on the heels of d.light celebrating its 100 millionth customer.

BLK1 has been structured to provide d.light Kenya with local currency financing (up to the Kenyan Shillings equivalent of ca. USD 65 million in face value of receivables) over a two year commitment period and is intended as the first in a series of vehicles designed to provide d.light with continuing access to sustainable and affordable local currency receivable financing.

Part of BLK1 is being financed by a \$20 million senior debt commitment from U. S. International Development Finance Corporation (**DFC**). SFC acts as the subordinated lender and the master servicer under the transaction and, more generally, as sponsor of the structure.

Commenting on the transaction:

- **d.light CEO Ned Tozun** said, *"We are excited to announce this innovative funding structure in partnership with SFC. BLK1 provides us with the flexible local currency receivable financing we need to make our Kenyan business sustainably cash flow positive, which is an important milestone for sustainability for d.light and the off-grid energy industry as a whole."*
- *"DFC is proud to team up with d.light and AFC to expand affordable energy to more than a million Kenyans living in off-grid communities,"* said **DFC Managing Director for Africa Worku Gachou**. *"This innovative collaboration will deliver reliable electricity access that individuals depend on to live, cook, and learn and businesses require to grow, invest, and create jobs."*
- **Eric De Moudt, founder and CEO of AFC**, remarked that, *"We have been very impressed with d.light as a leading innovator in the distributed energy access sector, and SFC is delighted to be partnering with them on this high impact receivables financing structure. We are greatly looking forward to supporting d.light with on-going access to affordable and sustainable financing to continue impacting so many lives in Kenya and around the world."*

¹ As per standardized GOGLA metrics (<https://www.gogla.org/impact/calculator>)

About d.light

Founded in 2006 at Stanford, d.light is a global leader in solar energy, dedicated to providing the most reliable, affordable and accessible solar lighting and power systems for people living in the developing world. d.light provides distributed solar energy to households and small businesses in 70 countries, impacting the lives of over 100 million people. Our mission is to transform 1 billion lives with sustainable products. For further information about d.light, visit: <https://www.dlight.com> & follow us on twitter.com/dlightdesign & <https://www.facebook.com/dlightdesigninc>. You can also get in touch with us on media@dlight.com.

About SFC

SFC was established in 2017 by AFC as a dedicated impact investment vehicle to provide working capital financing to PAYGO off-grid SHS distributed energy companies. SFC's approach is centered on acquiring pools of accounts receivable (AR) from PAYGO companies, thereby monetizing future cash flow streams and allowing the operators to grow sustainably. The company was established with support from USAID's Scaling Off-Grid Energy Grand Challenge for Development, a global partnership of USAID, Power Africa, Shell Foundation, UK's Department for International Development (DFID), and the African Development Bank. For further information, visit <https://africanfrontiercapital.com/solar-frontier-capital.html>. You can also email us on info@africanfrontiercapital.com.

About DFC

U.S. International Development Finance Corporation (DFC) is America's development bank. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. We invest across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

Advisors

AFC was advised by:

- Allen & Overy LLP's London Securitisation team as lead counsel on the transaction;
- Allen & Overy LLP's London and New York Securitisation teams as to matters of, respectively, English law and New York law;
- Kaplan & Stratton, Advocates Kenya as to matters of Kenyan law; and
- Walkers (Jersey) LLP as to matters of Jersey law.