

AFC and d.light achieve off-grid solar industry milestone with full repayment of senior debt for \$USD110M securitization facility

AFC's groundbreaking USD\$110 million securitization vehicle, BLK1, the first securitization instrument for Pay-As-You-Go solar home systems, has achieved a full exit for its senior lenders months ahead of schedule.

This successful exit is a strong endorsement of the financial viability of providing structured consumer credit to the world's most vulnerable communities commercially and at scale.

London, UK, and Nairobi, Kenya – Tuesday 27 February, 2024 - [African Frontier Capital \(Mauritius\) LLC \(AFC\)](#), a social impact focused asset management company, and [d.light](#), a leading global innovator of solar energy products, are proud to announce that Brighter Life Kenya 1 Limited (**BLK1**) has successfully repaid its senior debt in full - and ahead of schedule - from internally generated cash flows.

This is a groundbreaking achievement in the off-grid solar industry and the Pay-As-You-Go business model as it marks the first time a large senior loan facility has been fully repaid through internally generated cash flows without the need for refinancing.

This successful exit underscores the robustness and sustainability of bringing financial inclusion to the world's most vulnerable communities through structured, off-balance sheet securitizations.

In particular, it demonstrates that, firstly, pools of off-grid solar Pay-As-You-Go receivable assets are predictable and can be structured to a high degree of confidence: and second, that these pools can be sustainably financed at scale on commercial terms.

BLK1 was established in 2020 by AFC as an off-balance sheet financing vehicle. During its 2 year commitment period, the structure acquired over USD\$110 million¹ of Pay-As-You-Go Solar Home System accounts receivables from d.light's Kenyan business. As a social impact venture, BLK1 has directly led to:²

- 1.5 million people living off-grid in Kenya benefiting from improved energy access, financial inclusion and greater resiliency to climate change
- The creation of USD\$67 million of additional income for the Kenyan economy and its consumers
- Over 460,000 tons of CO2 emissions prevented

BLK1's senior lenders were the United States International Development Finance Corporation (**DFC**), who acted as the original cornerstone senior lender, and **Norfund**, the Norwegian Investment Fund for Developing Countries.

AFC sponsored the transaction and provided a subordinated debt tranche (through a subsidiary) while also acting as the master servicer and back-up servicer in the structure.

Commenting on the transaction, d.light founder Nedjip Tozun said, "This achievement marks a significant milestone not only for d.light but also for the entire off-grid solar industry. It demonstrates the sustainability of our mission to provide clean energy solutions to the world's most vulnerable communities. We are proud to have partnered with AFC, Norfund, and DFC to have created a scalable model for financing growth and impact, not just for d.light but for the entire sector."

¹ Face value of receivables acquired in local currency converted at USD spot exchange rate at time of purchase.

² As per standardized GOGLA metrics (<https://www.gogla.org/impact/calculator>)

Mark Davis, Executive Vice President for Renewable Energy at Norfund, said, “Norfund is proud to have been part of the first off-balance sheet receivables financing of scale in the off-grid sector in Africa. Solar home systems companies need increasing volumes of working capital if they are to meet their goals in providing modern energy services to rural households. The structure pioneered by BLK is a model that can be replicated and expanded across the industry,”

Eric De Moudt, founder and CEO of AFC, said, “This milestone shows that data-driven financial innovation can play an important role in bringing financial inclusion to the world’s most vulnerable communities, giving them access to clean and modern energy and all the social and economic benefits that flow forth from that. We are immensely grateful to d.light, DFC and Norfund for their support in turning this vision of securitizing consumer credit to the world’s most vulnerable communities into a reality. Despite material exogenous shocks – including Covid, locusts, and drought - the reality has worked out almost exactly according to the original plan.”

- Ends -

About d.light

Founded in 2007 at Stanford University, d.light is a global leader in making transformative products available and affordable to low-income families. Most of the customers we serve don’t have access to financing or reliable power, and d.light removes those barriers. We enable financing with our "Pay As You Go" technology and we enable reliable power through our solar energy solutions.

d.light has sold over 30 million products including solar lanterns, solar home systems, TVs, radios and smartphones, impacting the lives of over 170 million people. Our vision is to transform the lives of 1 billion people with sustainable products by 2030. For further information about d.light, visit:

<https://www.dlight.com> & follow us on twitter.com/dlightdesign and <https://www.facebook.com/dlightdesigninc>.

You can also get in touch with us on media@dlight.com.

About DFC

The U.S. International Development Finance Corporation (DFC) is the U.S. Government's development finance institution. DFC partners with the private sector to finance solutions to the most critical challenges facing the developing world today. DFC invests across sectors including energy, healthcare, infrastructure, agriculture, and small business and financial services. DFC investments adhere to high standards and respect the environment, human rights, and worker rights.

About Norfund

Norfund is the Norwegian Investment Fund for developing countries. Our mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is owned and funded by the Norwegian Government and is the Government’s most important tool for strengthening the private sector in developing countries, and for reducing poverty. Norfund’s committed portfolio totals USD 3.6 billion in Sub-Saharan Africa, South-East Asia, and Central America. Norfund has four investment areas: Renewable Energy, Financial Inclusion, Scalable Enterprises and Green Infrastructure. For more information, please visit www.norfund.no.

About AFC

African Frontier Capital (Mauritius) LLC and its subsidiary companies are a dedicated impact asset management group focused on bringing financial inclusion to people living at the bottom of the pyramid in a socially and environmentally sustainable way. For more information visit www.africanfrontiercapital.com or you can reach out to us on info@africanfrontiercapital.com.