

## **d.light, SFC, and Lendahand announce innovative crowdfunded RBF tranche to drive sustainability goals.**

*The new Results-based Financing (RBF) financing structure will allow SFC to target the deployment of this new “crowdfunding” tranche towards specific developmental outcomes such as gender equality and energy access*

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**Kigali, Rwanda, 18 October 2022** - Solar Frontier Capital Limited (**SFC**), a wholly-owned subsidiary of African Frontier Capital (Mauritius) LLC (**AFC**), Hands-on B.V. (**Lendahand** or **LAH**) and d.light design Inc. (**d.light**), a leading global innovator of transformational household products for low-income families, have jointly announced the closing of an agreement between SFC and LAH which will allow SFC to borrow up to USD 3.5 million from investors (the “**Crowd**”) on the Lendahand crowdfunding platform. Proceeds from the Crowd will be structured through an RBF tranche and used by SFC to further co-invest in targeted high-impact receivable assets purchased by Brighter Life Kenya 2 Limited (**BLK2**) from d.light in Kenya.

BLK2 is an off-balance sheet financing vehicle that provides d.light with flexible working capital, enabling the company to make its products universally available and affordable to its customers, most of whom live below the poverty line and lack access to reliable power, by providing them with flexible financing options. The facility finances a range of transformative products that drive quality-of-life improvements, from solar home systems to high-efficiency appliances and smartphones. BLK2 is the largest off-balance-sheet facility in the industry thus far and comes on the heels of d.light celebrating its 125 millionth customer.

The BLK2 structure is expected to directly impact over 2.8 million lives, including over 1.9 million people with improved access to clean and modern energy, and reduce over 600,000 metric tons of CO2 emissions<sup>1</sup>.

### **Crowdfunding**

SFC has now officially launched its initial crowdfunding campaign on the [LAH platform](#), which allows registered investors located across Europe to invest as little as USD 50 in loans made to SFC. This initial campaign seeks to raise a total of USD 120,000 and will close at the end of October 2022. Funds received will be invested by SFC through the RBF Subordinated Tranche into BLK2 at the beginning of November 2022.

SFC expects to launch further separate crowdfunding campaigns on the LAH platform on a regular monthly or quarterly basis, with the total cumulative funding capped at USD 3.5 million.

### **Results Based Financing**

Funding received from the Crowd through monthly funding campaigns will be co-invested by SFC, through a subordinated loan tranche, into portfolios of receivable assets purchased by BLK2 from d.light. The funds will be specifically targeted to provide d.light a higher cash advance rate for each outcome targeted in each monthly campaign. The initial campaign, which LAH launched on 17 October 2022, is gender-focused and is targeted to increase the cash advance rate for each system sold to a woman by an average of USD 40, which represents a 6.4% increase for d.light.

Future monthly campaigns will also be targeted to encourage and incentivize driving energy access into harder-to-reach areas and low-income households where affordability remains an ongoing issue.

### **Commenting on the announcement:**

- **d.light Co-founder Ned Tozun** said, “We are very excited to partner with Lendahand and Solar Frontier Capital to create this new and very innovative crowdfunding tranche of capital in our receivables financing facility. Having this financing structure in place will enable us to

scale up energy access faster to those who need it the most.”

- **Lendahand Co-founder and CEO Koen The** added, "Through this highly innovative and robust financing structure designed by Solar Frontier Capital and d.light, we can now offer our loyal crowd access to financing the leading off-grid solar player in Kenya. This supports our social impact mission by allowing d.light to reach more customers looking for access to clean energy and other products that can help them rise above the poverty line."
- **Eric De Moudt, founder and CEO of AFC**, remarked that *“We are thrilled to partner with LAH to enable the crowd to participate in d.light’s ongoing success in transforming so many millions of lives through this innovative high-impact RBF funding structure!”*

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

## **About BLK2**

BLK 2 has been structured to provide d.light with multi-currency financing (up to the equivalent of USD 238 million in face value of receivables) over a two-year commitment period, giving the company continued access to sustainable and affordable receivable financing for its Kenyan business with a plan to expand to other African countries in the near future.

BLK2 is being partially financed by a \$62 million senior lending facility supported by U. S. International Development Finance Corporation (**DFC**), Norfund, responsAbility's managed Funds and Oikocredit. SFC acts as the subordinated lender as well as the master servicer and back-up servicer under the transaction and, more generally, as sponsor of the structure.

## **About d.light**

Founded in 2006 at Stanford, d.light is a global leader in making transformative products available and affordable to low-income families. Most of our customers 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 25 million products, including solar lanterns, solar home systems, TVs, radios, and smartphones, impacting the lives of over 125 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> and follow us on [twitter.com/dlightdesign](https://twitter.com/dlightdesign) & <https://www.facebook.com/dlightdesigninc>. You can also get in touch with us at [media@dlight.com](mailto:media@dlight.com).

## **About Lendahand**

[Lendahand](#) is a European crowdfunding platform founded in 2013 which has facilitated over EUR 130 million in impact investments from retail investors into companies in over 30 emerging markets across the world. Their social impact focus ranges from job creation and gender equality to agricultural development and sustainable energy.

Together with Ethex, Lendahand is also the joint owner of Energise Africa, a UK-based crowdfunding platform that has provided over EUR 38 million in financing for solar energy businesses in Africa.

The certified B-Corp won the prestigious IEX Golden Bull award for "Crowdfunding Platform of the Year" in the Netherlands in 2018, 2019 & 2021.

## **About AFC**

African Frontier Capital (Mauritius) LLC and its subsidiary companies are a dedicated impact investment group of companies 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](http://www.africanfrontiercapital.com) or you can reach out to us on [info@africanfrontiercapital.com](mailto:info@africanfrontiercapital.com).