

d.light Raises US\$41 Million to Finance Its Rapidly Growing Solar and Appliance Business

The new equity funding, energy expertise and strong network of the Consortium, led by Inspired Evolution, will enable d.light to expand and accelerate its already impressive growth rate as well as provide energy access to millions of people in Africa.

December 14 2018, Nairobi, Kenya; New Delhi, India; Shenzhen, China; San Francisco, USA – Today, leading distributed solar provider d.light announced that it had raised US\$41 million in equity financing, from a Consortium led by Inspired Evolution, an Africa-focused investment advisory firm that specializes in the energy sector. Consortium partners include the Dutch Development Bank FMO, as well as government-sponsored investment funds Swedfund and Norfund. This latest funding, which enables expansion of the company’s solar and Pay-Go consumer finance business in Africa, brings the total amount of equity and debt that d.light has raised in the past two years to over US\$100 million. The funding round also enabled some of the company’s earliest investors to achieve an exit.

“We are thrilled to have Inspired Evolution as the newest funding partner in the d.light family,” said d.light co-founder and CEO Ned Tozun. “Their energy expertise and strong network add significant value to the work of d.light, allowing us to expand our product line, launch in new markets, and reach more customers.”

With a commanding market share in emerging markets in both Africa and Asia, the company’s revenue and profitability continue to accelerate at an impressive growth rate. This investment combined with solid debt financing and receivables funding solutions will enable to put the company on an even steeper growth trajectory.

Wayne Keast, Managing Partner, at Inspired Evolution said, “We are excited to partner with d.light, the market leader in the portable solar product and off-grid solar home system market, to support the expansion of their Pay-Go solar business throughout Africa which will help address the needs of more than 600 million people that do not have access to electricity”.

Since its founding in 2007, d.light has provided solar energy to more than 88 million people in 62 countries. Their extensive product line ranges from extremely affordable portable solar lanterns to solar home systems that can power multiple lights, mobile phones, and small appliances, including a flat-screen television. d.light’s solar solutions have won multiple international awards for their innovation and design and are sold through more than 30,000 outlets around the world—the largest existing distribution network for these types of products.

With a strong emphasis on product quality and customer service since its earliest days, d.light has built up a loyal customer base in emerging markets. d.light continues to sell profitably hundreds of thousands of units per month, while maintaining excellent quality at

scale. Its pay-go financing system has among the lowest delinquency rates in the industry. The company is led by a strong team of deeply experienced, internationally recognized leaders and highly committed, talented local staff.

Mr. Tozun and Mr. Goldman established an ambitious goal for d.light at its founding: to impact 100 million people by 2020. The company expects to achieve this audacious goal ahead of schedule, and this latest equity funding from Inspired Evolution and other partners will undoubtedly accelerate those efforts.

About Inspired Evolution

Inspired Evolution was established in 2007 as a specialized African investment advisory business dedicated to two investment themes: clean energy infrastructure-type development and project finance investments; and energy and resource efficiency growth equity investments, and the value chains that support them. Inspired Evolution, with offices in Cape Town, London, Nairobi and Mauritius advises two investment funds, Evolution One and Evolution II. Its investment territory covers the sub-Saharan African region. Inspired Evolution has been involved in more than 1000 MW of renewable energy infrastructure generation projects over the past decade, and is pursuing a pipeline of new clean energy projects and resource efficiency opportunities across sub-Saharan Africa. For more information, visit www.inspiredevolution.co.za

About the other Consortium partners

FMO is the Dutch development bank. As a leading impact investor, FMO supports sustainable private sector growth in developing countries and emerging markets by investing in ambitious projects and entrepreneurs. FMO is pleased to support d.light alongside EVII, a trusted local partner. This investment perfectly fits FMO's inclusive and green business strategy and the investment is additional to FMO's equity off-grid exposure in terms of product offering and geographies. FMO believes that d.light is one of the players offering the highest quality and most affordable products, and is able to leverage its lessons learned as one of the first-movers in the sector. Through its widespread distribution model, d.light is able to reach many customers, thereby impacting millions of families with green and affordable access to energy. For more information on FMO: please visit www.fmo.nl

Swedfund is the Swedish Development Finance Institution, providing risk capital, expertise and financial support for investments in local companies in developing markets.

Swedfund's mission is poverty reduction through sustainable business, contributing to economic and environmental development as well as a positive impact to society.

Swedfund's investment strategy rests on three main pillars: impact on society, sustainability and financial viability. Since 1979 Swedfund has been engaged as an active, responsible and long-term investor in more than 260 companies worldwide.

Norfund is the Norwegian Development Finance Institution. Norfund's objective is to contribute to sustainable commercial businesses in developing countries through providing equity, other risk capital, and loans to companies in selected countries in Southern, Eastern and Western Africa, South-East Asia and Central America. With a portfolio of USD 2.4bn,

Norfund invests in three main sectors: clean energy, financial institutions, and agribusiness.
www.norfund.no

About d.light

Founded in 2007 as a for-profit social enterprise, d.light manufactures and distributes award-winning solar lighting and power products designed to serve the more than 2 billion people globally without access to reliable electricity. Through five distribution hubs in East Africa, West Africa, India, Southeast Asia, and the United States, d.light has impacted over 88 million lives with its products. d.light is dedicated to providing the most reliable, affordable, and accessible solar lighting and power systems for the developing world, with the goal of reaching 100 million people by 2020. For more information, visit www.dlight.com

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