

**For Immediate Release**

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**SOLARNOW AND SUNFUNDER ANNOUNCE \$9M DEBT FINANCING  
WITH OIKOCREDIT AND RESPONSABILITY**

**Kampala-based off-grid solar company SolarNow closes largest-yet receivables financing facility with SunFunder, Oikocredit and responsAbility**

The \$9m facility is SolarNow's third structured asset finance instrument, known as SAFI, arranged by SunFunder. It will enable the company to deploy 17,500 new off-grid solar systems to customers in Uganda, along with a range of appliances.

*SolarNow CEO Willem Nolens commented: "This syndication and the SAFI structure allow us to minimize the fundraising burden and to focus on our business instead. By selecting the right clients and treating them well, our credit portfolio remains healthy and we create a strong foundation for sustainable growth."*

The new investment marks the 5th anniversary of SolarNow's partnership with Nairobi-based SunFunder, and their debt facility together. It is also the second time that Oikocredit and a responsAbility-managed private debt fund have participated with SunFunder to finance the company, after a similar \$6m syndication 14 months ago.

*SunFunder's Director of Investments Surabhi Visser commented: "We have just had our 5-year anniversary working with SolarNow, and this takes us to \$19m in investments that we've arranged or made directly in the company. We are proud to have backed SolarNow's growth delivering top quality solar systems and appliances throughout Uganda."*

The new systems will amount to around 2.5MW of new installed off-grid solar capacity, resulting in over 210,000 tons of greenhouse gas emissions avoided through displaced kerosene for lighting. Among the expected impacts, the company estimates that over 70,000 women will gain improved energy access in Uganda.

*Oikocredit's Renewable Energy Manager David ten Kroode commented: "We're proud to support the continued growth of SolarNow. Their strategy of offering a wide range of solar products and services to energy-poor communities is perfectly aligned with Oikocredit's mission to help alleviate poverty by improving access to energy."*

The SAFI product is a tailored receivables financing structure designed by SunFunder for solar companies deploying systems through pay-as-you-go and solar leasing models. SAFI finances their credit offerings directly, allowing them to reach more customers.

The facility is the third syndication arranged by SunFunder with responsAbility and Oikocredit, showing the ongoing importance of specialist origination and collaborative investments for emerging market solar. The three investors also worked on a multi-currency syndicated debt facility for PEG Africa in Ghana and Cote d'Ivoire.

*responsAbility's Stefan Issler, Head of Direct Investments, Energy Debt Financing, added: "We were excited to see SolarNow's successful growth ever since we teamed up with SunFunder to finance the company a little over a year ago and look forward to supporting SolarNow as a long-term financing partner."*

## **ABOUT SOLARNOW**

SolarNow is a for profit social business which sells, finances and installs modular solar systems (50Wp to 20kW) and solar appliances (LED tubes, TVs, fridges, water pumps, flat irons, etc.) to households and businesses in East Africa. Through a network of 55 branches and 850 staff in Uganda and Kenya, the company provides last mile distribution, up to 2-year financing and 5-year free service to its clients. To date SolarNow has served more than 35,000 clients. Client repayment exceeds 97%, reflecting high client satisfaction and rigorous credit assessments and management.

## **ABOUT SUNFUNDER**

Since 2012, SunFunder has provided over USD \$58m debt financing to more than 40 solar borrowers in Africa and Asia, directly improving energy access for over 4.6 million people and mitigating 412,000 tons of CO2 emissions annually. SunFunder raises capital through private debt offerings, and expects to reach first close on a new USD \$85m fund in the coming weeks. The company exists to solve the financing bottleneck for off-grid and weak-grid solar, providing working capital loans, receivables financing and project financing to manufacturers, distributors, developers, installers and retailers that provide solar energy in countries such as Tanzania, Kenya, Uganda, Rwanda, Ghana and India.

## **ABOUT OIKOCREDIT**

Social impact investor and worldwide cooperative Oikocredit has over 40 years' experience funding organisations active in financial inclusion, agriculture and renewable energy. Oikocredit's loans, equity investments and capacity building aim to enable people on low

incomes in Africa, Asia and Latin America to sustainably improve their living standards. Oikocredit finances close to 700 partners in over 70 countries, with total outstanding capital of € 971 million (at 30 September 2018). For more information: [www.oikocredit.coop](http://www.oikocredit.coop).

## **ABOUT RESPONSABILITY INVESTMENTS AG**

A leading asset manager for impact investments in emerging economies, responsAbility manages USD \$3 bn of assets through a variety of investment vehicles that provide private debt and private equity to some 540 companies with inclusive business models across 90 countries. Founded in 2003, the company is headquartered in Zurich, Switzerland, and has local offices in Bangkok, Geneva, Hong Kong, Lima, Luxembourg, Mumbai, Nairobi, Oslo and Paris.

## **BACKGROUND**

There are 1.2bn people in developing countries with no access to electricity, while another billion only have unreliable access. Solar power now offers an economic solution for people living off-grid in rural areas, providing lighting, mobile phone charging and even highly-efficient televisions and fridges. A new generation of solar companies have emerged to deploy these systems commercially, but many have struggled to access mainstream financing to fuel their growth.

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