

## **Solfácil Raises \$30 Million Series B to Strengthen its Position as One of the Top Fintechs in Brazil**

*The round was led by QED Investors and was followed by International Finance Corporation (IFC), a member of the World Bank Group. The solar fintech will invest in the improvement and expansion of its solar financing offer and in the creation of solutions to its solar installer partners.*

**SÃO PAULO** – Solfácil, the first solar fintech in Brazil, today announced a \$30 million Series B round led by QED Investors. The round is the largest venture capital injection in the distributed solar sector in Brazil. Existing investor Valor Capital Group, which led Solfácil’s Series A, contributed fresh capital.

With the proceeds, Solfácil will improve and diversify its solar financing offer, accelerate investments in technology, expand its solar installer partner network, launch a buy-now-pay-later solution, and attract C-level talent. Furthermore, the company will launch a suite of solutions aimed at helping its partner installers sell more systems and better manage their business.

“QED is one of the strongest fintech investors in the world. The new shareholder will bring considerable know-how to consolidate Solfácil as the leader in technology and financing for distributed solar in Brazil,” says Solfácil Founder and CEO Fabio Carrara.

Solfácil believes distributed solar will be key to ease the pressure on the power grid due to a decade of droughts. It will also help displace dirty fossil fuels power plants in Brazil. The Brazilian consumer, Carrara says, is at the very heart of the ecological transition by investing their own capital in green energy infrastructure with the financing help of Solfácil. The 20,000 existing solar installers are the key actors to this change toward a green economy recovery through the penetration of rooftop solar across Brazil.

The Series B round is a result of Solfácil’s consistent growth from 2018. In the past 12 months, the company has grown more than 20 times, positioning Solfácil among the three largest credit fintechs in Brazil in terms of loan origination. The investment will accelerate the growth of the company in one of the most promising sectors in Brazil.

The fintech joins a cohort of high-performing QED portfolio companies in Brazil, such as Nubank, Creditas, QuintoAndar and Loft. QED, the boutique venture capital firm started by Capital One co-founder Nigel Morris, has invested in 19 unicorns globally, including six of the 10 fintech unicorns in Latin America.

“QED has been studying solar financing trends for some time and we are happy to announce our partnership with Fabio and the team at Solfácil,” said QED Investors Partner Mike Packer. “The solar market is just beginning to take off globally and Brazil is a particularly attractive market for growth. Solfácil is perfectly positioned to add unique value to both installers and

end users, as evidenced by the terrific recent growth and the company's ability to scale. It is a rare case where a platform can create a win-win-win dynamic: in this case between installers, solar consumers and capital markets. We are very excited to be partners on this journey and help create a juggernaut."

Solfácil plans to originate more than \$500 million by 2022, enabled by its investments in technology and the strong growth of the distributed solar sector in Brazil. "It is an anti-cyclical and underpenetrated sector that, despite the crisis, has grown 170% per year," said Carrara. He added that while 93% of households express interest in having rooftop solar, only a small portion have enough savings to make the required upfront investment.

Solfácil and its financing solutions solve that problem, and there is still lots of room for growth, given that only 0.6% of Brazilian households have rooftop solar today. By contrast, 25% of Australian households utilize rooftop solar. "Solfácil's purpose is to make solar available to all," Carrara said. "The addressable market is gigantic, and we are planning to grow from 215 to 460 employees by the end of 2022."

Solfácil offers the longest tenors in the market, the longest grace periods, and competitive interest rates by Brazilian standards. A rooftop solar system in Brazil generates annual returns greater than 25% thanks to a combination of high electricity tariffs, abundant sun, and cheap installation costs. With Solfácil, consumers from households to SMEs can switch their cost of electricity for a lower loan installment.

In parallel to the Series B round, Solfácil successfully issued in 2021 the first green ABS fund of Brazil that brought \$100 million in fresh capital to fund its loans. The issuance was well received by capital market participants that are increasingly looking for ESG products.

## **ABOUT SOLFÁCIL**

*Solfácil's purpose is to make solar available to all. Solfácil is the first solar investment platform in Brazil. A fintech with innovative loans that allow consumers to switch their monthly cost of electricity into a great investment in a solar system. Founded in 2018 by Fabio Carrara, Solfácil has more than 5,000 partner solar installers in all states of Brazil.*

## **ABOUT QED INVESTORS**

*QED Investors is a global leading boutique venture capital firm based in Alexandria, Virginia. Founded by Nigel Morris and Frank Rotman in 2007, QED Investors is focused on investing in early stage, disruptive financial services companies in the U.S., the U.K., Latin America, and Southeast Asia. QED Investors is dedicated to building great businesses and uses a unique, hands-on approach that leverages its partners' decades of entrepreneurial and operational experience, helping their companies achieve breakthrough growth. Notable investments include*

*Credit Karma, ClearScore, Nubank, SoFi, Avant, Remitly, GreenSky, Klarna, QuintoAndar, Loft, Konfio, Creditas, AvidXchange, Current and Mission Lane.*