

Avendus Capital Advises Norfund on USD 100 mn Infusion in Fourth Partner Energy

June 2021 • Mumbai



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| DEAL VALUE | USD 100 mn |
| SERVICE | Private Equity |
| SECTOR | Infrastructure & Real Assets |

Hyderabad-based Fourth Partner Energy today announced that it has raised USD 125 million in equity funding from Norfund, the Norwegian Investment Fund For Developing Countries and existing shareholder, The RISE Fund. This USD 100 million infusion marks Norfund's maiden investment into India's leading solar energy company; while for TPG, the USD 25 million infusion is its second investment in the company, post its USD 70 million infusion in July 2018, through its impact investment arm, The RISE Fund.

| Avendus Capital acted as the financial advisor to Norfund on this transaction.

After establishing itself as the market leader for distributed solar solutions to corporate India, Fourth Partner Energy is now strengthening its onsite and offsite solar presence in the subcontinent; as well as key markets across South and Southeast Asia. The company is targeting 3 GW of installed solar capacity by 2025 along with expansion of capabilities across new age technologies like energy storage and EV charging infrastructure.

Talking about the new partnership and utilization of funds, **Vivek Subramanian, Co-Founder & Executive Director at Fourth Partner Energy** said, "Norfund is an established, long-term, institutional investor with a strong global clean energy portfolio, committed to driving impact. We are keen on leveraging this round of funding and their expertise to further cement our leadership position. We also believe the C&I solar market in India is ripe for consolidation and are actively pursuing acquisition opportunities on this front. Our transformational relationship with TPG's RISE Fund has enabled us to partner with high quality, ESG-centric financiers like Norfund and we continue to seek to work with the best global institutions going ahead. We are grateful to team TPG for this reaffirmation and welcome Norfund into the Fourth Partner Energy family."

Anders Blom, Vice President at Norfund explained the rationale behind investing in the Indian clean energy space adding, "Across Asia, Africa and Central America, Norfund has invested in and with companies like Globeleq, Scatec, Berkeley Energy Commercial and Industrial Solutions, d.Light and Yoma Micropower – which prioritize profitability while simultaneously addressing climate change, poverty alleviation and employment generation. Fourth Partner Energy is enabling decarbonization of the C&I sector in one of the most pivotal global markets. We are thrilled to partner with a business that is not just the industry leader but has adhered

to high standards of business integrity, ESG and health & safety practices. We look forward to working with their core team and Rise Fund in helping achieve Fourth Partner's 3GW target by 2025."

"As the global community continues to tackle climate change, Fourth Partner is leading India's transition to renewable energy. The Rise Fund's mission is to back businesses that help solve global issues like climate change while delivering attractive returns on investment. Since our initial investment, Fourth Partner has built a world-class team that consistently delivers strong fundamentals while focusing on high quality customers and carbon aversion. We are excited to be investing additional capital into this platform and continuing to build an industry leading distributed solar energy business in India. Norfund is a great addition to this team, as they share our commitment to strong corporate governance, impact and ESG," added **Ankur Thadani, Business Unit Partner at The RISE Fund.**

Prateek Jhavar, Executive Director and Head, Infrastructure and Real Assets, Avendus Capital said, "Platforms focused on C&I are carving a niche for themselves in the rapidly expanding renewable energy market with their customer-centric, well-rounded and solution-oriented approach. With evolving contracting models, changing energy cost curves and increasing push for corporates to go carbon neutral, we expect C&I focused players to swiftly scale-up in the near future. We are proud to assist Norfund on their first large direct investment in India. It has been an exhilarating experience to work with the team and see them replicate their globally successful, decarbonization-aimed investment template in the Indian Power Sector. In Fourth Partner, they have found the best team to deploy growth capital in the C&I space in India and South-East Asian markets. With continued confidence and backing of marquee institutional investors such as TPG's Rise Fund and Norfund, Fourth Partner looks set to further consolidate its market leadership."

In April 2021, Fourth Partner Energy secured a \$33 Mn line of mezzanine funding from the CDC Group; prior to which in 2020 the company announced a \$15 Mn round of funding from Swiss climate action fund ResponsAbility and a \$16 Mn investment from a consortium of European lenders, led by Symbiotics.

To date, Fourth Partner Energy manages a portfolio of 550 MW across its distributed and open access solar portfolios. The company has commenced operations across Sri Lanka, Bangladesh and Vietnam. In Indonesia, 4PEL has tied up with integrated energy major Indika Energy to offer solar solutions to corporates there.

| About Avendus

Avendus Group is a leading financial services firm with a presence in the areas of Investment Banking, Institutional Equities, Wealth Management, Credit Solutions and Asset Management. Established in 1999 in Mumbai, India, Avendus is today present in 10 cities across India, US and Singapore. Avendus partners with the Indian entrepreneur ecosystem to provide differentiated solutions that enable clients to meet their strategic aspirations.

Avendus Capital, the investment banking arm, is consistently ranked among the top investment banks in the country on the back of its in-depth domain understanding and a best in the class track record of domestic and cross-border transactions. Avendus' wide range of clients is testimony to its ability to serve its corporates throughout their life cycle – from growth stage funding to large-sized transactions, M&A advisory and access to public markets.

Avendus Capital Inc located in New York is an Avendus Group entity offering M&A and Private Equity syndication services to clients in the US.

For more information, please visit www.avendus.com

Deal Release

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