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NextPower III Acquisition Update

NextEnergy Capital announces NextPower III ESG's third acquisition in Portugal.

NextPower III ESG ("NPIII ESG"), NextEnergy Capital's international institutional solar fund, is pleased to announce its third acquisition in Portugal, adding 39MWp to the portfolio. NPIII ESG's capacity in operation and under construction currently amounts to 430MWp in carefully selected geographies, including the USA, India, Chile and Portugal. This latest transaction, successfully secured during the COVID-19 pandemic, demonstrates NPIII ESG investment manager's ability to continue to finalise investments in a challenging environment.

NPIII ESG has four further projects under exclusivity with a total capacity of circa 313MWp and an additional pipeline of circa 3.8GWp.

- This latest project has 39MWp of capacity;
- The plant will benefit from a long-term PPA;
- Construction is expected to start in Q2/2021 with commissioning in Q1/2022;
- This project was developed by the experienced team of Frequent Summer Lda, a leading Portuguese Developer for renewable energy projects, with more than 300MWp currently under development.

NPIII ESG is a closed ended 10-year fund that has already raised nearly US\$300 million. It is targeting 13-15% gross levered IRRs and, based on the assets it has acquired and what it has in exclusivity, it is ahead of this target. As a specialist solar manager that has been in existence for over 13 years, NextEnergy Capital has a very strong track record across all of its funds. WiseEnergy, who is one of the global leaders in asset management with c.€4 billion projects under management, provides asset management services to this project. The investment team is currently focusing its efforts on increasing the portfolios in its carefully selected geographies, including the USA, Latin America and Europe where NPIII ESG has ongoing transactions, and expects to announce further acquisitions soon.

Filinto Martins, Managing Director and Head of NPIII ESG, commented:

"This acquisition further increases our expansion in Portugal which we see as a key geography with high growth potential. I am excited to see NextPower III ESG continuing to rapidly increase its presence globally, whilst also showcasing the ability of the investment team to seek new exciting deals and bring them to fruition."

Aldo Beolchini, Managing Partner and NextEnergy Capital's Chief Investment Officer, commented:

"I am very pleased we have added a third Portuguese asset to the NPIII ESG portfolio, which also offers the benefit of a stable long-term PPA in line with our strategy. This is yet another transaction that showcases NPIII ESG's ability to find new projects in carefully selected geographies and execute. It is truly exciting to see this, especially given NPIII ESG's potential pipeline of 3.8GWp"

About NextEnergy Capital (NEC)

NEC was founded in 2007 to become the leading investment and operating asset manager in the solar sector. Since its inception, it has been active in the development, construction and ownership of solar assets. It currently has solar assets under management of c.US\$2.3bn, across three investment vehicles. To date, NEC has invested into over 210 individual solar plants for an installed capacity in excess of 1GWp.

NEC manages three investment vehicles: two private funds, NextPower III ESG and NextPower II, and one listed investment company, NextEnergy Solar Fund Limited.

NextPower II is a private fund investing in operating solar power plants, focused on Italy. Its strategy is to consolidate the substantial, highly fragmented Italian solar market, and has commitments of €232 million, secured from Prudential Assurance Company, a subsidiary of M&G Prudential, a leading institutional investor with more than £500 billion of assets under management, and including Pantheon, an experienced investor in infrastructure, private equity and real assets with over US\$42 billion in AUM. NextPower II currently owns 99 solar plants in Italy comprising c.140MWp and is among the ten largest solar asset owners in Italy.

NextEnergy Solar Fund is a listed solar infrastructure investment company focused on the UK and other OECD countries. It currently owns 763MWp spread among 91 individual assets in the UK and Italy, comprising a gross asset value of £936m. As at 5th February 2021, NextEnergy Solar Fund's market capitalisation is £610m. At present, it is listed on the FTSE 250 index and is one of the largest listed solar energy funds in the world.

NextPower III ESG is a private ESG infrastructure fund established to invest in the international solar sector, specifically to fund the construction and long-term ownership of solar power plants. NextPower III's target markets comprise mainly OECD countries. It currently has commitments of c.US\$280m, and a target size of US\$750m. NP III currently signed/owns 15 solar plants/portfolios, for a total installed capacity of 430MWp and has circa 313MWp in exclusivity.

In addition, NEC is active in the operating asset management through WiseEnergy®, the leading specialist operating asset manager in the solar sector. Since its founding, WiseEnergy® has provided solar asset management, monitoring and technical due diligence services to over 1,500 utility-scale solar power plants with an installed capacity in excess of 2.3GWp and value of c.€4 billion. WiseEnergy® clients comprise leading banks and equity financiers in the energy and infrastructure sector.

NextEnergy Capital is also active in the development phase of solar projects. It is progressing a very large pipeline of development projects in the UK totalling in excess of 2GWp and is developing a pipeline of 300MWp in Italy.

Further information on NEC, WiseEnergy and NESF is available at nextenergycapital.com, wise-energy.com and nextenergysolarfund.com.

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