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NextEnergy Capital Announces a Significant Increase in Capital Raised for its US\$750m NextPower III International ESG Solar Fund

NextEnergy Capital Group (“NEC”), the leading international solar investment and asset manager with solar assets under management of c.US\$2.8bn announces new investor commitments of US\$232m into NextPower III ESG international solar fund (“NP III” or “the Fund”), taking total funds raised to date to US\$530m (including a separately managed account). The new commitments include a German occupational pension fund, Derigo GmbH&Co.KG (“Derigo”) and a UK institutional investor.

NP III is a private fund exclusively focused on the international solar infrastructure sector, principally targeting projects in carefully selected OECD countries, including the US, Portugal, Spain, Chile and Italy. The fund has to date acquired 14 projects plus 1 portfolio with a total installed capacity of c.400MW. This ten-year closed-ended fund is targeting a gross IRR of 13-15%.

The above commitments were completed amidst the backdrop of the global COVID-19 pandemic, and follow other recent commitments from investors based in the Americas. NP III is now close to three quarters of the way to achieving its fund-raising target of US\$750m. The Fund has a hard cap of US\$1bn.

The Fund continues to enjoy significant fundraising momentum and is due to close at the end of 2021.

NP III has a significant portfolio of further acquisition targets; there are currently five projects under exclusivity for an installed capacity of 453MW and a further 351MW under advanced negotiation. During the third and fourth quarter of 2021 these acquisitions are expected to be completed bringing the Fund’s total installed capacity to c.1,200MW. The Fund also has a significant additional pipeline of investment opportunities it is pursuing.

Investors joining the Fund at this stage benefit from an existing portfolio of high-quality operating assets, alongside an exciting pipeline of in-construction and pre-construction assets internationally, including possible co-investment opportunities. The Fund is looking to start paying sustainable cash distributions to investors from as early as next year.

NEC currently forecasts NextPower III to achieve a portfolio of between 2.5GW and 3.0GW in operating solar projects across its target markets upon full capital deployment.

Shane Swords, Managing Director and Head of Investor Relations, commented:

“We are delighted to welcome the new investors to the Fund. The quality of the institutional support is a real testament to NEC and the Fund with the investment momentum and pipeline supporting new capital.

These latest additions show continued investor appetite for NP III and its global ESG solar strategy, NextEnergy Capital, as a highly experienced specialist solar company, and its exemplary track record since inception.”

Michael Bonte-Friedheim, Group CEO and Founder of NextEnergy Capital Group, commented:

“NextPower III ESG continues to go from strength to strength, with institutional investor interest increasing in parallel as the demand for renewable infrastructure globally continues to grow rapidly. NEC has surpassed significant milestones, including a number of awards received, having now invested into 241 individual solar projects with a total installed capacity in excess of 1,400MWp.

By focusing purely on solar and developing a unique expertise in our sector, NextEnergy Capital Group continues to deliver outperformance, which is demonstrated in NP III’s ability to secure very attractive risk-adjusted target returns in carefully selected projects and global renewable ESG benefits.”

Further NEC Information:

NP III ESG credentials

NP III ESG is a fund that provides a positive social and environmental impact to the countries it has and will invest into. When NP III is fully invested at US\$750m across an installed capacity of c.2.5GW, it can expect to deliver an impact of estimated annual avoided emissions of circa 2,000 ktCO₂e⁽¹⁾ each year, which on a conservative basis is the equivalent to providing energy for more than circa 1.3 million homes per year⁽²⁾.

NextEnergy Capital Group

NEC was founded in 2007 to become the leading investment 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\$2.8bn, across three investment vehicles. To date, NEC has invested in over 240 individual solar plants for an installed capacity in excess of 1.4GW.

NEC manages three investment vehicles: two private funds, NextPower III ESG and NextPower II, and one listed investment company, NextEnergy Solar Fund Limited. Information on NextPower II and the NextEnergy Solar Fund are as follows:

- **NextPower II (“NP 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, and including Pantheon. NP II currently owns 99 solar plants in Italy comprising c.140MW and is among the ten largest solar asset owners in Italy.

- **NextEnergy Solar Fund (“NESF”)** is a solar infrastructure investment company focused on the UK and other OECD countries, that is listed on the premium segment of the London Stock Exchange. It currently owns 814MW spread among 94 individual assets in the UK and Italy, comprising a gross asset value of £1,025m. As at 14 June 2021, NESF’s market capitalisation is £582m. NESF is one of the largest listed solar energy investment company in the world.

WiseEnergy® is NextEnergy Capital Groups active operating asset manager. WiseEnergy® is a 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 2.3GW and value of c.€4 billion. WiseEnergy clients comprise leading banks and equity financiers in the energy and infrastructure sector.

NextPower Development is NextEnergy Capital Groups development company that is active in the development phase of solar projects. It has developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.2.5GW of both Green and brownfield project developments across geographies.

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

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