



London, January 13, 2020

## **NextEnergy Capital Announces Second Close of its Flagship US\$750m NextPower III International Solar Fund**

NextEnergy Capital Group (“NEC”), the leading international solar investment and asset manager with solar assets under management of c.US\$2.3bn, announces the second close of NextPower III (“NPIII” or “Fund”), its flagship private ESG infrastructure fund focused on funding the construction and long-term ownership of new-build solar power plants across international markets. Following this second close of c.US\$118m, NextPower III has commitments of c.US\$280m.

NextPower III’s second close commitments have been secured from a pool of institutional investors including Elo Mutual Pension Insurance Company (a large Finnish mutual pension insurance company), CCLA (one of the UK’s largest charity fund managers) and a Swedish institutional investor.

NPIII is the first ESG fund focused exclusively on the high-growth international solar energy infrastructure sector. The fund is targeting a gross IRR of 13% - 15% and its investment strategy is to invest in the construction phase of solar projects and own them over the long term or acquire operating solar projects. NPIII’s principal target markets comprise OECD countries, while it also has flexibility to invest in other high-growth markets should attractive opportunities emerge.

Since its first close in November 2018, the Fund has acquired three projects with a total installed capacity of c.150MWp. All three projects are located in the USA. Two of the three projects are under construction, while the third plant was already operating when acquired.

NPIII has a significant portfolio of acquisition targets under exclusivity, totalling seven projects for an installed capacity of 451MWp. During the first quarter of 2020, NEC expects to sign further acquisitions for the Fund in Mexico, India and the USA, bringing the Fund’s total capacity to over 600MWp. NEC expects to acquire further projects in Europe during the course of 2020. The total portfolio of investment opportunities currently being pursued, including transactions under exclusivity, amounts to c.3.9GWp.

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

*“NPIII has made excellent progress since first close. The quality of institutional support for the Fund underlines increasing investor interest and support for our climate change-focused investment strategy. In parallel to significantly growing the portfolio of solar projects owned by NPIII, we are looking forward to securing further investor support during the first half of 2020.”* said Michael Bonte-Friedheim, Founding Partner and Group CEO of NextEnergy Capital. *“NEC surpassed significant milestones in late 2019, including having invested in over 200 individual solar projects with a total installed capacity in excess of 1,000MWp. Our investment vehicles have continued to outperform technically, operationally and financially, generating incremental investor returns and incremental broader environmental benefits.”*

Jan Schulman, Elo Portfolio Manager said: *“Investments in renewable energy generation are a central and profitable part of our investment operations. By investing in the globally active NextPower III fund, which is specialised in solar power, Elo puts its effort into a sector growing strongly on an international level. This considerable investment in the fund is also aligned with our long-term strategy of responsible investing.”*

*“Institutional investors’ notable interest in NextPower III provides further evidence of their trust in NextEnergy Capital’s ability to deliver attractive risk-adjusted returns, in the solar sector which it is a specialist in.”* said Shane Swords, NEC’s Managing Director and Head of Investor Relations.

NEC was advised on the fundraise by Worthwhile Capital Partners, as placement agent, and by MJ Hudson, as legal counsel.

= = 0 = =

### **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 200 individual solar plants for an installed capacity in excess of 1GWp.

NEC manages three investment vehicles: two private funds, NextPower III 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 95 solar plants in Italy comprising c.137MWp, and is among the ten largest solar asset owners in Italy.

NextEnergy Solar Fund is a listed investment company that invests in operating solar power plants mainly in the UK. It currently owns c.754MWp spread among 90 individual assets in the UK and Italy, comprising a gross asset value of c.£1,060m. NESF has raised equity proceeds of c.£792m since its initial public offering on the main market of the London Stock Exchange in April 2014. 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 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. NPIII currently owns three solar plants in the USA, for a total installed capacity of c.150MWp. Its one operating plant has an installed capacity of 102.5MWp.

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 1,300 utility-scale

solar power plants with an installed capacity in excess of 2,000MWp and value of c.€4 billion. WiseEnergy's 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 [www.nextenergycapital.com](http://www.nextenergycapital.com), [www.wise-energy.eu](http://www.wise-energy.eu) and [www.nextenergysolarfund.com](http://www.nextenergysolarfund.com).

For further information:

**NextEnergy Capital Limited** +44 203 746 0700

Michael Bonte-Friedheim  
Aldo Beolchini