

London, July 14<sup>th</sup>, 2021

## **NextPower III ESG Acquisition Update**

### *45.3MWp acquisition in Chile – Portfolio Guanaco II*

NextPower III ESG (“NPIII ESG”), NextEnergy Capital’s international institutional solar fund, is pleased to announce the acquisition of Portfolio Guanaco II (“the portfolio”) in Chile, adding a further 45.3MWp generation capacity to NPIII ESG. This is the second portfolio NPIII ESG has acquired in Chile, after the acquisition of the original 42.2MWp Guanaco portfolio in Q4 2020, strengthening NPIII ESG’s position in the Chilean solar market.

The acquisition of Guanaco II brings NPIII ESG’s portfolio to 21 plants for an installed capacity of 485MWp. This latest success further demonstrates the investment manager’s ability and skill to identify and acquire attractive investment opportunities.

The acquisition of Portfolio Guanaco II covers 5 separate projects located in the Central and North regions of Chile. The combined generation capacity of these projects adds up to 45.3MWp, with the portfolio benefiting from 100% regulated revenues, with the energy sold covered by the stabilized price scheme PMGD regime.

The portfolio was developed by a leading Spanish developer which has a global pipeline of more than 6GW in various stages of development in the European market (Spain, Italy, and the United Kingdom) and Latin America (Chile, Peru, Mexico, Argentina, and Colombia).

NPIII ESG 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.

NPIII has a significant portfolio of further acquisition targets; there are currently 3 portfolios under exclusivity for an installed capacity of 358MW and a further 1.7GW under negotiation. The investment team continues to focus its efforts on expanding the portfolio having to date reviewed over 35GW of solar projects in its carefully selected geographies, including the USA, Latin America, and Europe.

During the third and fourth quarter of 2021 acquisitions are expected to bring the Fund’s total installed capacity to c.1,200MW.

NPIII ESG is a closed-ended 10-year fund that has already raised US\$530million, with a hard cap target of US\$1billion by year-end 2021. 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.

The Fund continues to enjoy significant momentum across its planned acquisition pipeline and its fundraising activities,

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

*“This is our second acquisition in Chile taking our total generation capacity in the region to c.90MWp. We have made significant progress on our first portfolio in Chile, progressing and finalising constructions and securing debt financing. Our Chilean portfolio is highly attractive and all our current assets in the region have contracted revenues and capacity payments for the lifetime of the assets which complements the strategy well. I am excited that NextPower III ESG continues to rapidly expand its portfolio in line with our selective pipeline as we continue to increase our global solar asset footprint.”*

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

*“This is a fantastic acquisition for NPIII and takes our Chilean assets to nine in total, across two portfolios. This transaction comes shortly after NPIII announced a significant increase in capital raised, providing the fund with more financial firepower to execute on the highly attractive pipeline of OECD solar assets the investment team has secured or is negotiating. This transaction further showcases the resilience and skill of the whole NPIII team, completing projects in carefully selected geographies and executing them seamlessly. This is an extremely exciting time for NPIII as the fund goes from strength to strength.”*

**Further NEC Information:**

**NPIII ESG credentials**

NPIII ESG is a fund that provides a positive social and environmental impact to the countries it has and will invest into. When NPIII 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 ktCO<sub>2</sub><sup>(1)</sup> each year, which on a conservative basis is the equivalent to providing energy for more than circa 1.3 million homes per year<sup>(2)</sup>.

**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 1GW.

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 (“NPII”)** 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. NPII 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 1,300 utility-scale solar power plants with an installed capacity in excess of 2.2GW. 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 global geographies.

Further information on NEC, WiseEnergy and NESF is available at [nextenergycapital.com](https://nextenergycapital.com), [wise-energy.com](https://wise-energy.com) and [nextenergysolarfund.com](https://nextenergysolarfund.com).

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