

London, September 9th, 2021

NextPower III ESG Acquisition Update

50MW acquisition in Spain – Agenor

NextPower III ESG (“NPIII ESG”), the international institutional solar fund of NextEnergy Capital (“NEC”), is pleased to announce the acquisition of Agenor, NPIII ESG’s first solar PV asset in Spain.

Agenor is a 50MWp solar plant located in Cádiz, Spain, which is currently under construction by Q CELLS, one of the world’s largest technology suppliers and specialist developers in the solar sector. Construction is expected to be completed by Q2 2022 and the plant will benefit from an attractive Power Purchase Agreement with a multinational investment grade corporate off-taker.

This latest successful acquisition further demonstrates NEC’s ability to identify and acquire, particularly in the current market environment, the most attractive investment opportunities across the carefully selected geographies for NPIII ESG’s strategy. Agenor will add a further 50MW generation capacity when fully operational and increases NPIII ESG’s portfolio to 20 projects and 1 portfolio for an installed capacity of 489MW.

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

“The Agenor transaction is a fantastic and strategic addition to the NextPower III portfolio, securing our first acquisition in Spain alongside an attractive corporate PPA. We are excited to work with Q CELLS as the EPC and O&M contractor for this asset, utilising their skillset, technologies and expertise in the Iberian market”

Aldo Beolchini, Chief Investment Officer of NextEnergy Capital, commented:

“Expanding the NextPower III portfolio into Spain is a key milestone for the fund, especially in the continued backdrop of Covid-19. Converting our exciting pipeline, having evaluated over 35GW of solar projects, is a real testament to the team and I look forward to seeing the continued expansion into the Iberian Peninsula and other identified key markets”.

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 ktCO_{2e} each year, which on a conservative basis is the equivalent to providing energy for more than circa 1.3 million homes per year.

Once operational, Agenor will produce enough clean electricity per year to power the equivalent of circa 42,160 homes.

NEC's ESG screening and due diligence process ensures that the Project and Counterparties involved comply with the environmental, social and governance local legislation and international standards that are applicable, such as the IFC Performance Standards and Equator Principles, to which NEC's Sustainable Investment Policy references.

The screening process determined that the Agenor project did not impact the "Excluded Activities" in NEC's SI Policy, i.e. there was no impact on areas with high biodiversity value such as UNESCO World Heritage Site and no impact on Indigenous People prior to conducting a Free Prior and Informed Consent.

Following the initial screening, NEC carried out an ESG review of the site pre-acquisition as part of the ESG due diligence process. An Environmental and Social Impact Assessment (ESIA) was prepared in accordance with the national environmental regulation and approved by the Unified Environmental Authorisation (AAU). Additional studies and works have also been carried out to adhere to NEC's high standards of which it upholds.

About NP III

NP III 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, India, Spain, Chile, and Italy.

NP III has a significant portfolio of further acquisition targets; there are currently two portfolios under exclusivity for an installed capacity of 315MW and a further 1.3GW in the immediate pipeline. The investment team continues to focus its efforts on expanding the portfolio, having to date reviewed over 35GW of solar projects in the selected geographies.

During the third and fourth quarter of 2021 acquisitions are expected to bring the Fund's total installed capacity to nearly 1GW.

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

NP III ESG is a closed-ended 10-year fund that has already raised US\$530million. The target of the fund is \$750million, with a hard cap target of US\$1billion. The fundraising period closes at the end

of 2021. The Fund 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.

Further Information:

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 105 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 893MW spread among 99 individual assets in the UK and Italy, comprising a gross asset value of £1,058m. As at 8 September 2021, NESF’s market capitalisation was c.£577m. NESF is one of the largest listed solar energy investment companies 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 Group’s development platform 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 www.nextenergycapital.com, www.wise-energy.com and www.nextenergysolarfund.com.

Q CELLS

Q CELLS is one of the world’s largest and most recognized photovoltaic manufacturers for its high-performance, high-quality solar cells and modules. It is headquartered in Seoul, South Korea (Global

Executive HQ) and Thalheim, Germany (Technology & Innovation HQ) with its diverse international manufacturing facilities in the U.S., Malaysia, China, and South Korea. Q CELLS offers the full spectrum of photovoltaic products, applications and solutions, from cells and modules to kits to systems to large-scale solar power plants. Through its growing global business network spanning Europe, North America, Asia, South America, Africa and the Middle East, Q CELLS provides excellent services and long-term partnerships to its customers in the utility, commercial, governmental and residential markets. For more information, visit: <http://www.q-cells.com>.

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