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NextPower III ESG Continues Strong Investment Momentum

- First strategic acquisitions in Greece totalling 532MW
- 1.2GW of acquisitions in 2022
- Total portfolio now at 1.7GW capacity

NextPower III ESG (“NPIII ESG”), the international OECD private solar fund managed by NextEnergy Capital (“NEC”), is delighted to announce its first strategic solar and battery storage acquisitions in Greece. The acquisitions include six utility-scale solar PV projects totalling 132MWp, and a majority in six standalone battery storage projects totalling 400MW.

These acquisitions mark NPIII ESG’s first transactions in both Greece and battery storage, capitalising on the investment manager’s acquisition track record and experience across both Europe and energy storage. NEC’s parent company, NextEnergy Group, has been active in Greece since 2021 and has undertaken its first investments in energy storage in 2018. The solar projects will target long-term Power Purchase Agreements for the entirety of their generation, whilst the storage projects are expected to participate in the 2023 CfD auction process.

NEC is also delighted to announce that NPIII ESG’s portfolio capacity currently amounts to over 1.7GW with assets across the USA, Chile, Spain, Portugal, Poland, India, and Greece, demonstrating NextEnergy Capital’s strong capabilities internationally in identifying and acquiring attractive investment opportunities within the fund’s targeted geographies.

NPIII ESG has acquired 23 solar portfolios and one energy storage portfolio since its inception in 2018. 2022 has been a very successful year with strong acquisition momentum and a record number of acquisitions being closed totalling c.1.2GW: 123MW in Chile; 210MW in Portugal; 200MW in the USA; 137MW in Spain; 14MW in Poland and, most recently, 532MW in Greece. NPIII ESG continues to pursue a large pipeline of solar assets currently under exclusivity to fully deploy NPIII ESG’s total raised capital by the second half of 2023, 5 months ahead of the end of the investment period.

NPIII ESG completed its fundraising period in January 2022, with a final close of \$896 million, including an SMA, significantly surpassing its target of \$750 million. The fund’s investor base comprises leading institutional investors in Europe, the Americas, and the UK.

NPIII ESG is a fund that provides a positive social and environmental impact in the countries and local communities it has and will invest in. When NPIII ESG is fully invested across an installed capacity of circa 2GW, it can expect to deliver an impact of estimated annual avoided emissions of circa 2 million tCO₂e each year, which on a conservative basis is the equivalent to providing energy for more than circa 1.3 million homes per year.

Aldo Beolchini, Managing Partner and Chief Investment Officer, NextEnergy Group, commented:

“I am delighted with the very strong investment momentum that NextPower III ESG currently has. Additionally, entering the Greek solar market is the next logical step in NextPower III ESG’s international expansion, Greece is the second largest market in terms of total electricity demand in South-Eastern Europe and offers high levels of solar irradiation, ideal for utility-scale solar deployment. I am also excited to see NextPower III ESG make its strategic step into battery storage, as we have done with our other funds, a highly complementary technology to solar with an attractive return profile. NextPower III ESG will benefit from NextEnergy Capital’s experience in this asset class, having owned battery assets since 2018.”

Filinto Martins, Managing Director and Head of NextPower III ESG, said:

“Following this acquisition, NextPower III ESG has reached a capacity in excess of 1.7GW, a huge milestone achieved in such a short period. We are continuing to pursue attractive opportunities in the international market to deploy the remaining capital, with a particular focus on solar across Europe, where the opportunities present a logical, attractive investment.”

About NextPower III ESG (“NPIII ESG”)

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, Poland, Italy, and Greece. NPIII ESG is a fund that provides a positive social and environmental impact to the countries it has and will invest in. NPIII ESG completed its fundraising with a total of \$896m, including an SMA raised. The target of the fund was \$750m.

NPIII ESG continues to focus its efforts on fully deploying its total raised capital, having to date reviewed over 35GW of solar projects in the selected geographies. The fund continues to enjoy significant momentum across its planned acquisition pipeline having acquired over 1.7GW of capacity.

About NextEnergy Group

NextPower III ESG is managed by NextEnergy Capital, part of the NextEnergy Group. NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector. Since its inception, it has been active in the development, construction, and ownership of solar assets across multiple jurisdictions. NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management), and Starlight (Asset Development).

NextEnergy Capital

NextEnergy Capital comprises the Group's investment management activities. To date, NEC has invested in over 350 individual solar plants for a capacity in excess of 2.4GW across its institutional funds.

www.nextenergycapital.com/

- **NextEnergy Solar Fund (“NESF”)** a specialist solar and energy storage climate impact fund, listed on the premium segment of the London Stock Exchange. It currently has an installed capacity of 865MW spread among 99 individual operating assets in the UK and Italy, comprising an unaudited gross asset value of £1,258m. NESF is one of the largest listed solar and energy storage investment companies in the world.
- **NextPower II (“NPII”)** a private fund made up of 105 individual operating solar power plants and an installed capacity of 149MW, focused on consolidating the substantial, highly fragmented Italian solar market. NPII was successfully divested in January 2022, a 2016 vintage vehicle that generated net IRRs significantly in excess of its gross target of 10-12%, with NEC achieving the highest €/MW values obtained in the Italian market for operating solar projects.
- **NextPower III ESG (“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, Poland, and Italy. NPIII is a fund that provides a positive social and environmental impact to the countries it has and will invest in. NPIII completed its fundraising with a total of \$896m, including an SMA raised. The target of the fund was \$750m.
- **NextPower UK ESG (“NPUK ESG”)** is a private unlevered fund investing in greenfield subsidy-free solar projects, with PPA’s, in the UK. NPUK ESG is a 10-year closed-ended private fund launched in December 2021 targeting £500m. To date, NPUK has raised total commitments of £487m, with the UK Infrastructure Bank providing cornerstone match-funding for up to £250m.
- **NextPower’s latest strategy** is expected to launch in January 2023, offering a strategy similar to NextEnergy Capital’s successful OECD solar fund, NPIII ESG. Given the growth trajectory of solar globally, NextPower will look to capitalise on this international opportunity set to deliver attractive, superior risk-adjusted returns to its investors while deploying incremental capital into new-build renewable energy assets.

WiseEnergy

WiseEnergy® is NextEnergy Capital Group’s 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 1,350 utility-scale solar power plants with an installed capacity in excess of 1.8GW. WiseEnergy clients comprise leading banks and equity financiers in the energy and infrastructure sector.

www.wise-energy.com/

Starlight

Starlight is NextEnergy Group’s 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.8.5GW of both green and brownfield project developments across global geographies.

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