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**NextEnergy Capital Launches NextPower V ESG**

NextEnergy Capital (“NEC”), a global solar specialist in the renewables sector, is pleased to announce the launch of its follow-on private OECD international solar strategy, **NextPower V ESG (“NPV ESG”)**. NPV ESG follows the success of its predecessor OECD international solar strategy, NextPower III ESG (“NPIII ESG”), launched in 2018 and closed in 2022. NPV ESG is targeting capital commitments of \$1.5 billion with a \$2 billion ceiling.

NEC has established itself as a leader in the international solar sector, with a track record of investments spanning some 350 individual utility-scale solar assets across OECD markets since 2008. NPV ESG is NEC’s fifth investment vehicle focused on the solar sector. The NextEnergy Group is entirely focused on solar and complementary technologies such as battery storage, providing significant synergistic benefits to investors through its expertise across the entire solar value chain, from investment management (NEC), operating asset management (WiseEnergy), and development (Starlight).

NPV ESG offers investors the opportunity to earn attractive risk-adjusted returns from the solar PV infrastructure asset class, targeting mid double-digit returns while contributing to the decarbonisation of the power generation sector, reducing electricity prices and increasing energy security. NEC will implement the value-add strategy developed and deployed across its previous four solar investment funds and extensive investment and portfolio management experience. NPV ESG is a 10-year closed ended vehicle that qualifies as an Article 9 Fund under the EU SFDR.

NPV ESG will primarily invest in OECD solar assets and adjacent technologies, such as energy storage, by focusing on geographies in which NEC has already built an investment track record and operating presence and expertise. NPV ESG will have preferential access to NextEnergy Group’s pipeline of c.13GW, providing investment visibility and sourcing advantage.

NPV ESG is classified as an Article 9 Fund under the EU SFDRs, and at its investment ceiling will produce enough clean energy to power the equivalent of up to 746,124 households per year, and avoid an estimated fossil fuel consumption of up to 145.4 million m<sup>3</sup> of natural gas per year.

NPV ESG builds on NEC’s successful, original OECD solar strategy, NPIII ESG, which reached its final close in January 2022, raising \$896m in total commitments, including an SMA. Since its launch, NPIII ESG has acquired 124 individual assets across 23 solar portfolios and one battery portfolio for

an installed capacity of c.1.7GW across the USA, India, Chile, Portugal, Spain, Poland, and Greece. In securing this portfolio, the investment team has assessed over 35GW of potential investment opportunities.

NextEnergy Capital continues to enjoy strong fundraising momentum with the successful progress on its latest private UK strategy, NextPower UK ESG, having achieved 97% of its target at second close in December, raising a total of £487 million to date, only three months into its two-year fundraising period.

**Michael Bonte-Friedheim, CEO and Founding Partner of NextEnergy Group, said:**

*"We are very excited to announce the launch of our Fifth Solar Fund, NextPower V ESG, targeting \$1.5 billion for solar investments across OECD countries. NPV ESG will continue the investment strategy we successfully conceived and implemented in its predecessor fund NextPower III ESG. At full deployment, we expect the Fund to own an installed capacity of c.3.5GW.*

*NextEnergy is in a very strong position to attract significant investment into NPV ESG, given the success across its predecessor funds and the additional value we provide through our unique expertise across the entire solar value chain. We have already identified a pipeline of c.13GW for NPV ESG, and are preparing to deploy the capital raised rapidly among this opportunity set.*

*There is a continued and clear priority to address climate change through the drive and deployment of international solar and energy storage, reduce power prices and increase energy security and independence, and we intend to continue making a significant contribution to these objectives via NPV ESG. "*

**Shane Swords, NextEnergy Capital Managing Director and Head of Investor Relations, said:**

*"NextPower V ESG provides investors with a highly compelling and attractive OECD market opportunity with a true solar specialist. The strategy follows significant research into investor interest and the market opportunity. There is significant demand and necessity for further solar deployment globally driven by climate change requirements and individual government targets. NPV ESG provides investors with a proven platform and pipeline to capture this opportunity, backed by an experienced manager with a unique track record and incredible momentum.*

*The Fund will be classified as Article 9 under the EU SFDR and will have a strong focus on ESG additionality. We are delighted to launch this strategy today."*

**Further information:**

**NextPower V ESG**

NextPower V ESG is a contracted OECD solar strategy that offers investors the opportunity to earn strong risk-adjusted returns from the solar PV infrastructure asset class with a highly experienced team and a track record of success in OECD-based solar deployment. The strategy will primarily invest in OECD solar assets and adjacent technologies (e.g. battery storage) in the target markets. NPV ESG is targeting \$1.5bn in size with a \$2bn ceiling.

- **Opportunity Set:** Global renewable targets for 2050 demonstrate the necessity for further renewable deployment, most importantly solar as the proven and stable technology.
- **Team:** International solar fund with energy transition technology, led by the market leading solar investment team that headed NextPower III ESG ("NP III ESG").

- **Proprietary Sourcing:** Deal flow from in-house developer and NEC's market access provides significant sourcing advantage.
- **Demonstrable Pipeline:** The team has developed a pipeline of 13GW reducing investment risk and providing a high degree of visibility on deployment.
- **Compelling Returns:** Targeting mid double-digit returns.
- **Long-Term Stable Cash Flows:** Revenue model backed by robust, credit-worthy PPAs leveraging the team's OECD-based PPA expertise.
- **Return Enhancement:** Through NEC's expertise in technical outperformance, efficient leverage, asset optimisation, and storage additionality.
- **ESG Impacts:** Classified as an Article 9 Fund under the EU SFDR providing tangible and measurable impact including biodiversity measures.

### **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/](http://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 ("NP II")** 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. NP II 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 ("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, Spain, Chile, Poland, and Italy. NP III is a fund that provides a positive social and environmental impact to the countries it has and will invest in. NP III 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, NP III 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/](http://www.wise-energy.com/)

#### Starlight

Starlight is NextEnergy Group's development company that is active in the development phase of solar projects. To-date, 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.

#### For further information:

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