

NextEnergy Capital

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NextEnergy Capital Announces First Close of NextPower V ESG

NextEnergy Capital (“NEC”), the leading global solar specialist in the renewables sector, is delighted to announce the first close of its fifth investment vehicle **NextPower V ESG (“NPV ESG”)**, a flagship OECD-focused solar strategy targeting capital commitments of \$1.5 billion with a \$2 billion hard cap.

First close commitments to NPV ESG amounted to \$480m, comprising \$330m in direct commitments and \$150m in co-investment allocations. Investors in NPV ESG include KLP, a German occupational pension fund, and a large Nordic pension fund. Looking forward, NPV ESG expects to welcome additional investors in its second close later this year, with several investors currently active in due diligence.

NPV ESG is a ten-year closed-ended vehicle that offers investors the opportunity to earn attractive risk-adjusted returns from investments in solar PV and energy storage infrastructure assets located in OECD geographies, targeting mid double-digit returns while contributing to the decarbonisation of the power generation sector, reducing electricity prices and increasing energy security. The fund’s projects will be backed by long-term stable cash flows, backed by robust, credit-worthy PPAs leveraging the team’s OECD-based PPA expertise, as well as regulated revenues.

The fund’s primary geographic targets include Europe, North America, and Chile, where NextEnergy Capital currently manages an extensive solar PV infrastructure asset portfolio. NEC has identified a pipeline of investment opportunities for NPV ESG spanning over 14GW in these geographies.

NPV ESG is classified as an Article 9 Fund under the EU SFDR, and at its investment ceiling is forecast to produce enough clean energy to power the equivalent of up to 750,000 households per year and avoid an estimated fossil fuel consumption of up to 150 million m³ of natural gas per year.

The fund follows NEC’s previous OECD solar strategy, NPIII ESG, which reached its final close in January 2022, raising c.\$900m in total commitments, including an SMA. Since its launch, NPIII ESG has acquired 149 individual assets across 23 solar portfolios and one battery portfolio for an installed capacity of c.1.9GW.

NEC has established itself as a leader in the international solar sector, with a track record of investments in nearly 400 utility-scale solar assets across OECD markets since 2007. The NextEnergy Group is exclusively 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).

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

“NPV ESG’s first close represents an important milestone as the fund secures strong investor support from the get-go. Utility-scale solar represents a very large investment opportunity set globally, with total spending in 2023 forecast to reach \$382bn, and we aim to continue our leadership role in the sector.

We leverage our focus, experience and expertise in the solar infrastructure sector to secure and invest in attractive solar projects and portfolios and generate superior investor outcomes.

NPV ESG’s launch follows hot on the heels of our successful UK-focused NextPower UK ESG fund, which within six months of launch in August 2022 had secured commitments 20% above its target size of £500m, has committed most of its capital and is currently heading for further investment and fundraising successes.

NPV ESG will leverage our existing market presence in its target geographies, developed through the large number of investments made by its predecessor fund NextPower III ESG. I expect our dedicated local teams with experience in these markets to deploy capital from the fund rapidly in the identified opportunities from our pipeline.

I am excited to continue our global fundraising efforts and look forward to announcing the second close of NPV ESG and its first investments shortly.”

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

“The NextEnergy Capital platform continues to experience positive momentum with this strong close. I am always elated by the support of existing investors that stick with us from strategy to strategy and new investors that join us. I think that with our exemplary track record, length of experience in solar and the solar opportunity set out there, this fund creates a fantastic opportunity for investors looking for strong and stable renewable energy returns.

This first close sends a strong signal to the market that, despite the current environment, investors continue to seek a specialist investment manager with a successful track record of delivery, deployment and superior return generation.”

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 (“NPIII 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.

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 (Project Development).

NextEnergy Capital

NextEnergy Capital ("NEC") comprises the Group's investment management activities. To date, NEC has invested in over 375 individual solar plants for a capacity in excess of 2.4GW across its institutional funds. www.nextenergycapital.com

- **First Fund:** [NextEnergy Solar Fund \("NESF"\)](#), is a specialist solar+ fund, which is 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 £1,218m. NESF is one of the largest listed solar and energy storage investment companies in the world.
- **Second Fund:** [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. Launched in 2016, NPII was successfully divested in January 2022 at IRRs significantly in excess of its gross target of 10-12%.
- **Third Fund:** [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, Greece, and Italy. NPIII is a fund that provides a positive social and environmental impact to the countries it has and will invest into. NPIII completed its fundraise with a total of \$896m, including an SMA raised. The target of the fund was \$750m.
- **Fourth Fund:** [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 £595m exceeding its target six within six months of first close, with the UK Infrastructure Bank providing cornerstone match-funding of £250m.
- **Fifth Fund:** [NextPower V ESG \("NPV ESG"\)](#), is a private contracted 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 solar deployment

globally. 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.

Further information on the NextEnergy Group is available at: <https://www.nextenergygroup.com/>

WiseEnergy®

WiseEnergy is NextEnergy Group's operating asset manager. WiseEnergy is a leading specialist operating asset manager in the solar sector. Since it was founded, the NextEnergy Group has provided asset operations, monitoring, technical due diligence and other services to over 2,855 solar and energy storage assets, totalling an installed capacity in excess of 4.3GW. Its asset management clients include listed solar funds (in addition to the Company), banks, private equity funds and other specialist investors. Further information on WiseEnergy is available at: 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.10GW of both green and brownfield project developments across global geographies.

For further information:

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