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NextPower UK ESG Reports Strong First Year Performance

* ***Nine*** *assets acquired totalling a capacity of* ***416MW***
* ***c.£600m*** *in commitments secured from investors, exceeding £500m target*
* ***10%*** *net dividend distributed to investors for the 2022 financial year*

NextEnergy Capital (“NEC”), the global solar specialist in the renewables sector, is delighted to announce that NextPower UK ESG (“NPUK ESG”), its private new-build UK solar strategy, has delivered exceptional progress and financial results in its maiden year. NPUK ESG achieved first close in August 2022 and had further financial closes in the following nine months.

The success of NPUK ESG’s first year is attributable to the swift deployment of capital that generated attractive cashflows starting just seven weeks after the fund’s first close with the acquisition of two operational seed assets, Llanwern, (South Wales, 75MW), and Strensham (Worcestershire, 40MW). Since then, NPUK ESG has gone on to successfully acquire a further seven utility scale solar assets giving NPUK ESG a diversified portfolio of nine assets with a capacity of 416MW.

The Fund’s initial result is owed to the value delivered through its sourcing strategy and strong operational asset performance. The fund distributed a net dividend of 10% twelve months after the Fund’s first close.

NPUK ESG is on track to achieve or exceed its targeted return profile of an unlevered 9-11% gross IRR with cash yields of 4-6%. Once fully deployed having constructed approximately 2GW in new solar generation capacity, NPUK ESG will provide enough clean energy to power around 500,000 UK households or offset nearly 200,000 carbon-emitting cars on the road each year, making a significant ESG impact in the UK.

NPUK ESG currently has c.£600 million in commitments and continues to actively fundraise with several investors currently in due diligence.

Michael Bonte-Friedheim, NextEnergy Group CEO and Founder, said:

*“NextPower UK ESG continues to go from strength to strength having made significant progress since its first close some 12 months ago.  The fund has already allocated c.60% of its £595m committed capital, acquired 416MW across nine UK solar assets, and made its first distribution of c.10% to investors. The NextPower UK ESG team is making good progress on the construction of the portfolio and the fund continues to attract interest from investors around the world, with several in advanced due diligence with the next close scheduled for the end of the year.*

*Our team continues to pursue further acquisition opportunities for NPUK ESG, and we expect to continue our capital deployment progress rapidly. One of our key objectives is to rapidly build out new solar power generation capacity in the UK, and we are on track to achieve that target.*

*NPUK ESG’s success cements our Group’s track record in securing particularly attractive investment opportunities in the solar infrastructure sector and delivering market-leading financial returns to our investors.”*

**Further information:**

**NextPower UK ESG**

NPUK is a 10-year closed-ended private fund managed by NextEnergy Capital. It is a private unlevered Fund investing in new-build solar projects, backed by PPAs, in the UK.

* Launched in December 2021 targeting £500m, to invest into new-build solar plants in the UK with contracted revenues.
* The UK Infrastructure Bank has provided cornerstone match-funding capital for up to £250m.
* Offers investors the opportunity to earn attractive risk-adjusted returns from solar PV infrastructure in the UK.
* Fund returns are then enhanced through NextEnergy Capital’s expertise in technical outperformance, private wire agreements, repowering and storage additionality
* Benefits from access to the Fund’s own secured and proprietary pipeline
* Real, measurable additionality ESG impacts, including biodiversity measures and community engagement

**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 (“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 it institutional funds. [www.nextenergycapital.com](http://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 £1,190m. 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. NPII was successfully divested in January 2022, a 2016 vintage vehicle that generated net IRRs 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, 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 solar fund focused on new-build solar plants in the UK, which, at hard cap, will produce enough clean energy to power the equivalent of nearly 500,000 households or offset nearly 200,000 carbon-emitting cars on the road each year. NPUK has to date raised c.£600m in commitments from investors.
* **Fifth Fund:** NextPower V ESG (“NPV ESG”)**,** is a private 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 has to date raised $330m in commitments and $150m in co-investment allocations and 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 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 1.6GW. WiseEnergy clients comprise leading banks and equity financiers in the energy and infrastructure sector.

Further information on WiseEnergy® is available at: [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. 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.