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nextenergycapital.comLondon, September 18th, 2024

NextPower UK ESG

Fundraising Target Now Exceeded by 37%

NextEnergy Capital (“NEC”), a leading global renewables manager specialised on the solar+ infrastructure sector, is pleased to announce that it has closed another £30m in NextPower UK ESG (“NPUK ESG”), increasing total funds committed to date to £683m and exceeding its fundraising target of £500m by 37%. The additional capital comes from a Local Government Pension Scheme. NextEnergy Capital continues to build on its positive fundraising momentum with further investors in late-stage due diligence.

Operational and construction assets in the portfolio now stand in excess of 75% of NPUK’s total capacity with the Fund remaining on track to outperform its return, with dividends to date being significantly above the target. Once fully deployed at approximately 2GW capacity, NPUK will provide enough clean energy to power around 500,000 UK households per year, making a significant ESG impact in the UK.

NPUK ESG is a private UK solar fund that focuses on acquiring utility-scale solar and battery storage (“BESS”) assets at the ready-to-build stage, constructing them through energisation in order to build a large operating portfolio of solar and BESS assets. Once the assets are operational, NPUK monetises the power generated through a fully contracted strategy enabling a high degree of predictability and visibility on the Fund’s cash yield. During the holding period, the investment team will take a hands-on approach to risk mitigation and value creation, optimising the assets over the fund’s life before looking to exit the portfolio.

Since its launch in August 2022, NPUK has already been able to make two distribution payments to its investor base, which have been in excess of target, alongside reporting impressive Net Asset Value growth.

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

“NPUK has now exceeded its fundraising target by 37%, raising £683m of committed capital from investors from around the world. This is a testament to NextEnergy Capital’s leadership in the solar energy sector at a critical time. As a private new-build solar strategy that focuses on acquiring utility-scale solar assets at the ready-to-build stage in the UK, NPUK investors benefit from the market

leading expertise we bring alongside our hands-on approach to value creation and asset optimisation.”

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

“NPUK’s strategy is aligned really well with that of institutional investors looking for UK renewables exposure and it’s great to see another LGPS investor backing renewable energy assets here in the UK. NPUK’s success continues to be underpinned by its large pipeline, exemplary performance and swift capital deployment, which commenced just seven weeks after the fund’s first close, with the fund now having nearly 500MW.”

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 post-subsidy solar plants in the UK with contracted revenues.
- The UK Infrastructure Bank provided cornerstone match-funding capital for up to £250m.
- The Fund has since been supported by some of the largest LGPS pools in the UK as well as sophisticated investors ranging from the Middle East to Japan.
- 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 (Project Development).

NextEnergy Capital

NextEnergy Capital (“NEC”) comprises the Group’s investment management activities. To date, NEC has invested in over 460 individual solar plants for a capacity in excess of 3GW across its institutional funds. www.nextenergycapital.com

- **First Fund:** [NextEnergy Solar Fund \(“NESF”\)](#), is a specialist solar energy and energy storage fund, which is listed on the premium segment of the London Stock Exchange. It currently has an installed capacity of 980MW spread among 102 individual operating assets in the UK and Italy, comprising an unaudited gross asset value of £1,124m. NESF is one of the largest listed solar and energy storage investment companies in the world.

- **Second Fund:** 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. Launched in 2016, NP II was successfully divested in January 2022 at IRRs significantly in excess of its gross target of 10-12%.
- **Third Fund:** 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, Greece, and Italy. NP III is now fully invested with 172 assets, totalling 1.8GW. NP III 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 targeting £500m. To date, NPUK has raised total commitments of £653m exceeding its target 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 asset operator. WiseEnergy is a leading specialist asset operator in the solar sector. Currently, WiseEnergy provides development, construction and operating services to over 1,500 solar and battery assets with an installed capacity in excess of 2.5GW. 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. www.starlight-energy.com/

For further information:

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