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nextenergycapital.comLondon, September 4<sup>th</sup>, 2024

# NextPower V ESG

## Rapid Capital Deployment Delivers Continued Growth

NextEnergy Capital (“NEC”), a leading global renewables manager specialised on the solar+ infrastructure sector, is pleased to highlight the significant momentum underlining its latest international OECD Fund, **NextPower V ESG** (“NPV ESG”), having rapidly deployed capital across three large utility-scale solar portfolios in the past three months. The investment team are due to announce over 100MW of further acquisitions in Europe within the month and further projects are expected to reach investment committee stage in Q4.

NPV ESG’s portfolio has been built out at pace, with four high-quality acquisitions totalling an installed capacity of **464MW** across the US, Spain, and Poland. NPV ESG also has a further **506MW** of assets under advance negotiation across Europe and the US in various project stages and **68MW** under exclusivity in Italy.

NPV ESG’s most recent acquisition was a binding agreement to acquire a **248MW** portfolio of 12 under construction and ready-to-build solar PV projects in North-Eastern Spain, which marked the fourth investment and comes just after the recent closing of a long-term debt financing for an operational portfolio managed by NPV ESG’s predecessor Fund NextPower III ESG in the same region. NPV ESG’s other recent acquisitions include a **100MW** under-construction solar project in the USA, as well as two operational CfD portfolios of **50MW** and **66MW** in Europe.

Asset	Country	No. of Projects	Size (MW)	Technology	Project Stage	Revenue
1	US	1	100	Solar	Under Construction	Contracted
2	Poland	66	66	Solar	Operational	CfD
3	Poland	52	50	Solar	Operational	CfD
4	Spain	12	248	Solar	Under Construction	PPA

The successful rapid deployment of capital is partially due to NEC’s expertly sourced pipeline through its vast network as the leading specialist solar+ investment manager in its key target geographies allowing NPV ESG to leverage NEC’s existing relationships in a derisked approach. Since the launch of NPV ESG, NEC has evaluated over 88GW of pipeline with 18GW of high-quality, attractive investment opportunities identified for more detailed evaluation.

NPV ESG's first operational assets are underpinned by a disciplined contracted revenue model structure with robust, credit-worthy counterparties enabling the Fund to benefit from long-term stable cashflows. NPV ESG leverages NEC's track record of successful investments in the solar+ infrastructure sector since 2007, with over 460 utility-scale projects acquired and previous Funds delivering superior financial returns to investors.

NPV ESG has secured **\$745 million** (including \$150 million for co-investments) in total commitments with investors ranging from a UK LGPS investment pool and a Dutch pension fund, alongside re-ups from existing NextPower III ESG investors, including KLP, a German occupational pension fund, and a large Nordic pension fund. NextEnergy Capital continues to build on its positive fundraising momentum with a number of investors around the globe currently in due diligence and anticipates further strong closes later this year as the team continues to raise towards NPV ESG's target of **\$1.5 billion**.

NPV ESG is classified as an Article 9 Fund under the EU SFDR providing tangible and measurable impact including biodiversity measures. Upon reaching its investment ceiling and delivering c.4-5GW, NPV ESG is forecasted to generate enough clean energy to power the equivalent of up to 1.1 million households per year and avoid an estimated fossil fuel consumption of up to nearly 220 million m<sup>3</sup> of natural gas annually.

NPV ESG's investment strategy targets the solar+ infrastructure sector in carefully selected OECD markets, with the objective of building significant portfolios in each target market, creating value with a hands-on approach, establishing an operational track record and divesting the portfolio before the end of the Fund's life in 2033.

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

*"We are very pleased with the positive progress made across NextPower V ESG. The rapid deployment of capital into high-quality assets in various project stages is a testament to the skill set and experience of the NextPower V ESG investment team, having evaluated over 88GW of pipeline with 18GW of high-quality, attractive investment opportunities identified for more detailed evaluation. Our target geographies are regions we have been present in over a long period, and as a result are extremely familiar with the specific market conditions. NextPower V ESG is our flagship international Fund that continues to showcase NextEnergy Capital's exemplary track record of portfolio growth and positive fundraising momentum."*

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

*"Investors continue to seek a specialist investment manager with a proven track record of successful delivery, deployment, and superior return generation, and we are thrilled that our experience in solar, and vast opportunities in the solar+ sector continue to be recognised as the go-to investment manager in this field. We continue to build on our positive fundraising momentum with NextPower V ESG with several investors around the globe currently in due diligence, we anticipate further strong closes later this year and look forward to welcoming new investors into the Fund."*

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 18GW 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 460 individual solar plants for a capacity in excess of 3GW across its institutional funds. [www.nextenergycapital.com](http://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 \(“NPII”\)](#), 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 now fully invested with 172 assets, totalling 1.8GW. 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 PPAs, 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](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. [www.starlight-energy.com/](http://www.starlight-energy.com/)

#### **For further information:**

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