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NextPower UK ESG

Achieves 500MW Capacity Milestone

NextEnergy Capital (“NEC”), a leading global renewables manager specialised on the solar+ infrastructure sector, is pleased to announce that NextPower UK ESG (“NPUK”) has acquired its eleventh utility-scale solar project, Locks Solar Farm, raising its portfolio capacity to 515.5MW.

Locks Solar Farm, located in Hampshire, UK, is an 18.5MW ready-to-build project that successfully obtained a contract under the Contract-for-Difference (“CfD”) sixth allocation round (“AR6”) auction. The CfD covers the full generating capacity of Locks Solar Farm with the solar price successfully secured at a fixed price of c.£50. The project increases NPUK’s diversified portfolio to eleven UK utility-scale solar and BESS assets in the UK.

The CfD mechanism was introduced by the UK Government in 2014 to support low-carbon electricity generation by reducing financial risks faced by developers of renewable assets and providing 100% secure, inflation-linked regular income to drive further investment into cheap renewable energy in the UK.

NPUK remains on track to outperform its return and dividend targets, 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 continues to actively fundraise towards its hard cap having successfully secured total funds committed to date of £683m, c.37% above its target of £500m. NPUK has several investors currently in late-stage due diligence with further capital expected to be closed in the following weeks.

NPUK 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. Once the assets are operational, NPUK monetises its power sales through a fully contracted strategy which takes a hands-on approach to risk mitigation and value creation whilst optimising assets over the fund’s life. Since its launch in August 2022, NPUK has already been able to make three distribution payments to its investor base alongside reporting impressive Net Asset Value growth.

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

“NextPower UK ESG is the UK’s leading specialist private solar fund that is playing a crucial part in the UK’s transition to Net Zero, as well as increasing the UK’s energy security through independence.

Since its launch in August 2022, NextPower UK ESG has successfully grown to eleven assets having already deployed over 63% of the commitments raised to date. NextPower UK ESG continues to demonstrate NextEnergy Capital’s successful track record of portfolio growth and positive fundraising in the UK and key target markets.”

Ross Grier, COO and Head of UK Investments, NextEnergy Capital, commented:

“As the new Labour Government grapples with how to achieve more renewables faster over the coming five years we are proud to be delivering at scale today. This acquisition represents a big milestone for NextPower UK ESG, the portfolio now has eleven assets across various project stages with a total capacity of 515.5MW, this is a great achievement for a Fund which started its life less than two years ago. Locks Solar Farm also benefits from the UK CfD mechanism which provides stability to investors in new solar projects in the UK by providing long-term contracted revenues which match the contracted revenue strategies of NextPower UK ESG.”

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). Further information on the NextEnergy Group is available at: www.nextenergygroup.com/

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 main market 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 fundraising 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 £683m, 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 has to date raised \$745m in commitments (including \$150m in co-investment allocations) and is targeting \$1.5bn in size with a \$2bn ceiling.

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/

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