



London, May 26, 2020

NextEnergy Capital announces innovative debt financing and construction start on a further 115MW as part of its continued subsidy-free solar farm build programme in the UK

NextEnergy Capital Group is pleased to announce a first-of-a-kind innovative debt financing to construct two subsidy-free solar farms. NEC has partnered with Santander, a leading provider of debt financing to the renewable energy sector, which will provide a non-recourse debt financing structure of £100 million to cover the investment into the two projects.

The two solar projects are Llanwern, a 75MW plant based in South Wales, and Strensham, a 40 MW plant in Worcestershire. These landmark projects will be built on a subsidy-free basis, with Llanwern being not only the largest subsidy free plant but also the largest solar farm in the UK to date. Their constructed value will be in excess of £60m, with connection to the grid expected for both in the final quarter of 2020. Both projects will be contracted with Power Purchase Agreements.

NEC has a long-term hold strategy for these projects and it is the intention that these two solar farms will be moved to a new subsidy-free private fund, NextPower UK ESG, which will target a significant number of new-build subsidy-free solar projects focused exclusively on the UK.

CEO and Founding Partner Michael Bonte-Friedheim said: "It's a pleasure to announce this innovative new financing structure and the commencement of construction on further critical energy generating assets to be delivered on a subsidy-free basis. NEC group's mission is *to generate a more sustainable future by leading the transition to clean energy* and these assets underline our wherewithal to pursue and deliver on it. The ability for NEC to work with its partner Santander to implement this transaction considering the extremely challenging backdrop of COVID-19 lockdown shows the strength and depth of the teams involved, coupled with the resilience of solar as an asset class in these times."

Alejandro Ciruelos from Santander Corporate & Investment Banking added: "*We are delighted to support NextEnergy Capital with the financing of the zero-subsidy solar projects. This is a ground-breaking transaction and an important step forward in making subsidy-free renewables viable in the UK.*"

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About NextEnergy Capital (NEC)

NEC was founded in 2007 to become the leading investment and operating asset manager in the solar sector. Since its inception, it has been active in the development, construction and ownership of solar assets. It currently has solar assets under management of c.US\$2.3bn, across three investment vehicles. To date, NEC has invested into over 200 individual solar plants for an installed capacity in excess of 1GW.

NEC manages three investment vehicles: two private funds, NextPower III and NextPower II, and one listed investment company, NextEnergy Solar Fund Limited.

NextPower II is a private fund investing in operating solar power plants, focused on Italy. Its strategy is to consolidate the substantial, highly fragmented Italian solar market, and has commitments of €232 million, secured from Prudential Assurance Company, a subsidiary of M&G Prudential, a leading institutional investor with more than £500 billion of assets under management, and including Pantheon, an experienced investor in infrastructure, private equity and real assets with over US\$42 billion in AUM. NextPower II currently owns 95 solar plants in Italy comprising c.137MW and is among the ten largest solar asset owners in Italy.

NextEnergy Solar Fund is a listed investment company that invests in operating solar power plants mainly in the UK. It currently owns c.754MW spread among 90 individual assets in the UK and Italy, comprising a gross asset value of c.£1,060m. NESF has raised equity proceeds of c.£792m since its initial public offering on the main market of the London Stock Exchange in April 2014. At present, it is listed on the FTSE 250 index and is one of the largest listed solar energy funds in the world.

NextPower III is a private ESG infrastructure fund established to invest in the international solar sector, specifically to fund the construction and long-term ownership of solar power plants. NextPower III's target markets comprise mainly OECD countries. It currently has commitments of c.US\$280m, and a target size of US\$750m. NP III currently owns five solar plants, with a total capacity of 357MW and has circa 1,000MW in exclusivity.

In addition, NEC is active in the operating asset management through WiseEnergy, the 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 1,600MW and value of c.€4 billion. WiseEnergy's clients comprise leading banks and equity financiers in the energy and infrastructure sector.

NextEnergy Capital is also active in the development phase of solar projects. It is progressing a very large pipeline of development projects in the UK totalling in excess of 2GW and is developing a pipeline of 300MW in Italy.

Further information on NEC, WiseEnergy and NESF is available at www.nextenergycapital.com, www.wise-energy.eu and www.nextenergysolarfund.com.

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