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NextEnergy Capital Announces First Close of its Flagship US\$750m NextPower III International Solar Fund

NextEnergy Capital Group ("NEC"), the leading international solar investment and asset manager with solar AUM of US\$1.4bn, announces the first close of NextPower III, its flagship private equity fund focused on funding the construction and long-term ownership of new-build solar power plants across international markets. NextPower III has secured initial commitments of c.US\$160m, and has a fundraising target of US\$750m.

NextPower III is the first fund focused exclusively on the high-growth international solar energy infrastructure sector. Its investment strategy is to invest in the construction phase of solar projects and own them over the long term. NP III's principal target markets include OECD and OECD Key Partner countries, while it also has flexibility to invest in other high-growth markets should attractive opportunities emerge.

This Fund underscores NEC's position as a leading international investor in the solar sector, building on its unique track record of investment success and financial and operating outperformance across its previous investment vehicles. To date, NEC has led the investment in over 150 individual operating solar projects for an installed capacity of c.800MW, in addition to c.172MW of subsidy-free development projects in the UK.

NextPower III's initial commitments have been secured by a pool of institutional investors including a Swedish life insurance company, KLP, the Norwegian pension fund, and a further international investor in private equity, infrastructure and real assets.

"We are very pleased to have secured such high-quality support for the establishment of our first international solar fund. The environmental, social and governance ("ESG") benefits of rapidly building out new solar plants on an international basis are particularly important and are further boosted by solar energy's competitive advantage over more polluting forms of electricity generation without requiring subsidies. The clear necessity to address climate change will further drive incremental solar deployment." said Michael Bonte-Friedheim, Founding Partner and Group CEO of NextEnergy Capital. "NextPower III is our third successful fund focused exclusively on the solar sector. Since NEC's founding in 2007, we have developed a demonstrable differentiated approach to investment and asset management in the solar sector, which is the bedrock of our success to date."

NEC forecasts that NextPower III will achieve a portfolio of between 2.5 and 3.0GW in operating solar projects across its target markets upon full capital deployment.

Harald Koch-Hagen, Director Strategic Asset Allocation at KLP underlined *"This investment is a part of our effort to find attractive investment opportunities that are characterised by stability and predictability for KLPs customers. It also represents a contribution to our portfolio of sustainable investments that we are convinced will provide attractive and stable returns in the years to come."*

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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 AUM of US\$1.4bn, across three investment vehicles.

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

NextPower II is a private equity 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 52 solar plants in Italy comprising c.92MWp, and is among the ten largest solar asset owners in Italy.

NextPower III is a private equity 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 and OECD Key Partner countries. It has initial commitments of c.US\$160m, secured at its first close in November 2018, and a target size of US\$750m.

NextEnergy Solar Fund is a listed investment company that invests in operating solar power plants mainly in the UK. It currently owns 691MWp spread among 87 individual assets in the UK and Italy, comprising a gross asset value of c.£985m. 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 the largest listed solar energy fund on the London Stock Exchange (ticker: NESF.L) and in all of Europe.

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 2,000MWp. WiseEnergy's clients comprise leading debt and equity financiers to the solar sector.

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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