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This document comprises a prospectus (the “Prospectus”) relating to NextEnergy Renewables Limited (the “Company”) and has been approved by the Financial Conduct Authority (“FCA”). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. This document will be made available to the public in accordance with the UK Prospectus Regulation by being made available at www.nextenergyrenewables.com.

The Directors of the Company, whose names appear on page 34 of this document, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

Prospective investors should read the entire document and, in particular, the section headed “Risk Factors” on pages 11 to 22 of this Prospectus when considering an investment in the Company.

NEXTENERGY RENEWABLES LIMITED

*(incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended,
as a non-cellular company limited by shares with registered number 68339)*

Initial Placing, Offer for Subscription, Intermediaries Offer and Placing Programme of up to 500 million Ordinary Shares

and

Admission to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange’s Main Market

Global Coordinator and Joint Bookrunner

J.P. Morgan Cazenove

Joint Bookrunner

Kempen & Co

Sponsored by

Dickson Minto W.S.

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Issues to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective, and dealings in the Shares issued pursuant to the Initial Issue will commence, at 8.00 a.m. on 10 March 2021. It is expected that any Admissions will become effective, and dealings in any Shares issued pursuant to any Subsequent Placings will commence, as soon as practicable following the allotment of such Shares but no later than 11 February 2022.

Dickson Minto W.S. are the Sponsor to the Company and J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) and Van Lanschot Kempen Wealth Management N.V. (which operates in the UK as Kempen & Co) are acting as joint bookrunners to the Company. Dickson Minto W.S. is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is authorised in the United Kingdom by the Prudential Regulatory Authority (“PRA”) and regulated by the FCA and the PRA. Kempen & Co is authorised and regulated in the Netherlands by the Dutch Authority for Financial Markets and the Dutch Central Bank. Neither Dickson Minto W.S., J.P. Morgan Cazenove nor Kempen & Co will be responsible to anyone other than the Company for providing protections afforded to clients of Dickson Minto W.S., J.P. Morgan Cazenove and Kempen & Co or for affording advice in relation to the contents of this Prospectus or any matters referred to herein or any other statement made or purported to be made by them or any of them or on their behalf in connection with the Company, the Shares, the Issues or any Admission. Accordingly, each of Dickson Minto W.S., J.P. Morgan Cazenove and Kempen & Co, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for any statutory liability including any responsibilities or liabilities which may arise under FSMA or any regulatory regime established thereunder) whether arising in tort, contract or otherwise which they or either of them might otherwise have in respect of this Prospectus or any other statement.

Guernsey Financial Services Commission

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “**POI Law**”) and the Registered Collective Investment Scheme Rules 2018 (the “**RCIS Rules**”), issued by the Guernsey Financial Services Commission (“**GFSC**”). The GFSC, in granting registration, has not reviewed this Prospectus but has relied upon specific declarations provided by Aztec Financial Services (Guernsey) Limited, the Company’s designated administrator. Neither the GFSC nor the States of Guernsey take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser or financial adviser.

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the Directors accept responsibility accordingly.

Intermediaries Offer

The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the United Kingdom on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus; and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 12 February 2021 and closes at 11.00 a.m. on 4 March 2022, unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service). The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to any purchaser of Shares pursuant to the Intermediaries Offer.

Any Intermediary that uses this Prospectus must state on its website that it is using this Prospectus in accordance with the Company’s consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of any subsequent resale or final placement of securities to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary at the time of the offer by the Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.

Overseas Shareholders

The distribution of this Prospectus in certain jurisdictions may be restricted by law. No action has been taken by the Company or Dickson Minto W.S. that would permit an offer of the Shares or possession or distribution of this Prospectus or any other offering or publicity material in any jurisdiction where action for that purpose is required, other than in the United Kingdom, Belgium, Finland, Guernsey, Jersey, Luxembourg, the Netherlands, Sweden and Switzerland. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Prospective investors should carefully consider all of the information in this Prospectus, in particular the sections headed ‘Risk Factors’ (on pages 11 to 22) and ‘Forward looking statements’ (on page 31) before making any application for Ordinary Shares.

12 February 2021

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SUMMARY

INTRODUCTION AND WARNING

Name and ISIN of securities

This Prospectus relates to the issue of ordinary shares of no par value (the “**Ordinary Shares**” or “**Shares**”) in the capital of NextEnergy Renewables Limited (the “**Company**”).

Ticker for the Shares: NREN
ISIN of the Shares: GG00BMT6488
SEDOL of the Shares: BMT6488

Identity and contact details of the issuer

Name: NextEnergy Renewables Limited
LEI: 213800DDXYC7S5AVXC55
Registered office: East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP

Identity and contact details of the competent authority

Name: Financial Conduct Authority (the “**FCA**”)
Head office: 12 Endeavour Square, London E20 1JN
Telephone: 020 3837 6270

Further contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

Date of approval of the prospectus

12 February 2021

Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.

It should be remembered that the price of the Shares, and the income from such Shares (if any), may go down as well as up. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who understand the potential risk of capital loss (which may be equal to the whole amount invested).

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Details of the Company

Date of incorporation: 4 November 2020
Place of incorporation: Guernsey
Company type: Non-cellular company limited by shares
Registered number: 68339
LEI: 213800DDXYC7S5AVXC55
Principal legislation: Companies (Guernsey) Law, 2008, as amended
Regulatory status: The Company is an investment company registered with the GFSC under the RCIS Rules and the POI Law. The Company is not authorised or regulated by the FCA.

Principal activities

The principal activity of the Company is to make investments in the NextEnergy Funds, Third Party Vehicles and Direct Investments. The investment objective of the Company is to provide investors with regular income and capital appreciation through a diversified portfolio of private investment vehicles which predominantly invest in renewable energy and/or energy transition assets, projects and technologies and direct investments

(mostly by way of Co-investments alongside the NextEnergy Group, Third Party Managers, or Portfolio Vehicles) in renewable energy and/or energy transition assets. The Company expects to qualify for the LSE's Green Economy Mark at Initial Admission and intends to be designated as a Guernsey Green Fund by the GFSC.

Major Shareholders

As at the date of this Prospectus, there are no persons known to the Company who, directly or indirectly, will be interested in five per cent. or more of the Company's issued share capital or voting rights on Initial Admission. Pending the allotment of Shares pursuant to the Initial Issue, the Company is controlled by Aztec Nominees (Guernsey) Limited, who directly holds the Company's only issued Ordinary Share and therefore 100 per cent. of the voting rights in the Company.

Directors, AIFM and Investment Adviser

The Company is an Alternative Investment Fund for the purposes of the EU AIFM Directive and the UK AIFMD Laws. The Company has appointed NextEnergy Capital IM Limited (the "**AIFM**") as its alternative investment fund manager to provide overall portfolio and risk management services to the Company. The Company and the AIFM have appointed NextEnergy Capital Limited (the "**Investment Adviser**") to provide certain services in relation to the Company and the portfolio.

The Directors of the Company are as follows:

- Anne Wade, *Chair*;
- Fiona Le Poidevin; and
- Michael Bane.

All of the Directors are non-executive and are independent of the NextEnergy Group.

Statutory auditors

The Company is in the process of appointing its statutory auditor and expects to appoint its preferred firm, KPMG Channel Islands Limited, which is a member of the Institute of Chartered Accountants in England and Wales, shortly following Initial Admission.

What is the key financial information regarding the issuer?

The Company has not commenced operations since its incorporation on 4 November 2020 and no financial statements of the Company have been made up as at the date of this Prospectus.

What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company.

- The Company is a newly formed company with no operating results, financial statements or current investments. It will not commence operations until it has obtained funding through the Initial Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return (if any). The Company's target return is a target only and is based on estimates and assumptions concerning the performance of the Company which will be subject to a variety of factors including, without limitation, the performance of the Portfolio Vehicles and Direct Investments.
- The Company is reliant upon the provision of services by third party service providers in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance. In particular, the Company depends on the diligence, skill, judgement and business contacts of the NextEnergy Group's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with, or consultants of, the NextEnergy Group, and the NextEnergy Group's ability to recruit and retain personnel.
- The Ordinary Shares will be quoted in Sterling, the proceeds of the Initial Issue will be denominated in Sterling and the Company will use Sterling as its functional currency. However, the Company intends to make a significant portion of its investments in other currencies including Euro and US dollars and the portfolios' of the Portfolio Vehicles will include companies that use other currencies as their functional currencies. As a consequence, changes in foreign exchange rates may have an adverse effect on the Net Asset Value and revenues of the Company's investments.

- Although the Company does not intend to utilise structural long-term leverage, many of the investment vehicles in which the Company invests, either directly or indirectly through its investments in the Portfolio Vehicles, may have highly leveraged capital structures including leverage resulting from the structuring of the investment by the Company or the Portfolio Vehicles. The highly leveraged capital structures of such investment vehicles will increase their exposure to adverse economic factors such as rising interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the investment vehicle or its industry.
- The Direct Investments, investments in the Portfolio Vehicles, and the investments made by the Portfolio Vehicles, may at any given time include securities, other financial instruments or other obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable constitutional documents or laws. These investments may be extremely difficult to value accurately. Third party pricing information may not be available for certain positions held by the Company or the Portfolio Vehicles in which it invests or may not be available in a timely manner, in which case the Net Asset Value per Share will be published based on estimated values and on the basis of the information available to the Investment Adviser at the time which is likely to require reliance on the underlying Third Party Managers. There is a level of uncertainty involved in the valuations of the underlying Portfolio Vehicles which may be unaudited and may not be subject to independent verification. As such there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may adversely affect the financial performance of the Company in a material manner and the returns available to investors.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Ordinary Shares

The Ordinary Shares have no par value and are denominated in Sterling. The ISIN for the Shares is GG00BMT64883 and the SEDOL is BMT6488. The ticker code for the Ordinary Shares is NREN.

The Ordinary Shares are being offered under the Initial Issue at the price of £1.00 per Share (the “**Initial Issue Price**”). The Placing Programme Price of any Shares issued pursuant to a Subsequent Placing will be calculated by reference to the last published cum income Net Asset Value per Share together with a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions but excluding any costs of investment).

Issued share capital

As at the date of this Prospectus the Company had one Ordinary Share in issue.

Rights attaching to the Ordinary Shares

Rights as regards dividends: The holders of the Shares shall be entitled to receive, and to participate in, any dividends declared in relation to the Shares that they hold.

Rights as regards capital: Shareholders are entitled to participate in the net assets of the Company attributable to their Shares on a winding up of the Company or other return of capital.

Rights as regards voting: Shareholders have the right to receive notice of, attend and vote at general meetings of the Company. Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders have one vote for every Share held.

Restrictions on the free transferability of the Shares

There are no restrictions on the transferability of the Shares, subject to compliance with applicable securities laws and the Articles.

Distribution policy

The Board is targeting a total dividend for the first full financial year to 31 December 2022 of 5.5 pence per Ordinary Share, with a target total dividend of 3.0 pence per Ordinary Share in relation to the period from Initial Admission to 31 December 2021 (the “**Target Dividend**”). The Board will aim to increase the dividend progressively in subsequent financial years.

Distributions are expected to be paid quarterly and, generally, in equal instalments, in respect of the periods ending 31 March, 30 June, 30 September and 31 December each year. The Company intends to pay its first dividend in respect of the period to 30 June 2021 and the dividends in relation to the period from Initial Admission to 31 December 2021 are not expected to be paid in equal instalments.

It is expected that distributions will be made by way of dividends, however to the extent that the Board consider it to be appropriate, the Company may also make distributions by way of a capital distribution in accordance with the Articles and the Companies Law.

Dividends may only be paid to holders of Ordinary Shares if and when the financial position of the Company, in the opinion of the Directors, justifies such payment. Any such payments will be subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend. The payment of dividends will also be subject to external factors such as the performance of the Portfolio Vehicles and Direct Investments that will make up the Company's portfolio, market conditions and the investment outlook.

The Target Dividend is a target only and is not a profit forecast. There can be no guarantee that this target will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not the Target Dividend is reasonable or achievable in deciding whether to invest in the Company.

Where will the securities be traded?

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Issues to be admitted to the premium segment of the Official List and to trading on the Main Market. No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other stock exchange.

What are the key risks that are specific to the securities?

The following is a brief description of what the Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Shares.

Risks relating to the Portfolio Vehicles

- Before an investment is made the Investment Adviser will conduct due diligence it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The lack of information available, or any failure by the Investment Adviser to identify relevant facts and circumstances through the due diligence process, may lead to unsuccessful investment decisions, which could have a material adverse effect on the Company's business, financial condition, results of operations, Net Asset Value and/or the market price of the Ordinary Shares.
- The Investment Adviser intends to diversify risk by composing a portfolio that is spread across different geographic regions, renewable energy and energy transition assets, projects and technologies, investment stages, asset maturity, counterparties, power markets, currency exposure and underlying investment managers. However, immediately following Initial Admission the Company will hold a concentrated portfolio and depending on the circumstances a relatively concentrated portfolio may be held in the future. It is possible, particularly in the Initial Investment Period, that a significant portion of the Company's investment portfolio will be concentrated within a small number of sectors and/or geographies. There is a risk that the Company could be subject to significant losses if any investment vehicle in which the Company has an investment (directly or indirectly through investments in the Portfolio Vehicles) were to default or suffer some other material adverse change, or if any sector or geography in which the Company has substantial investments were to experience difficulties.
- The Company's investments will therefore be affected by the investment policies and decisions of the underlying investment managers and/or general partners of the Portfolio Vehicles in which it invests. The value of the investments and, as a result, the Net Asset Value per Share, will fluctuate in response to, among other things, various market and economic factors related to the markets, asset classes and investments in which the relevant Portfolio Vehicles invest. Although the Investment Adviser will monitor the performance of the Company's investments, it and the Company will have little or no control over the activities of the underlying investment managers and/or general partners of the Portfolio Vehicles in which the Company invests.
- The cash that the Company invests in any Portfolio Vehicle over a period of time is unlikely to be drawn down as a lump sum and is more likely to be drawn down in smaller amounts. In the normal course of business, the Company will typically have outstanding commitments in respect of investments in Portfolio Vehicles which are substantial relative to the Company's assets. The Company may also commit more than its available uninvested assets to investments in Portfolio Vehicles, to the extent that the Company has a debt facility in place to satisfy such over commitment. The Company's ability to meet these commitments is dependent upon future cash flows of the Company, the availability of any borrowings that the Company puts in place and the

success of future capital raisings. If the Company fails to comply with any drawdown notice, it will be subject to various default remedies, including potentially the loss of future distributions from the relevant Portfolio Vehicle in which it invests, forced transfer of its interests in such vehicle at less than fair market value, and/or forfeiture of all or a portion of its interests in such investment vehicles.

Risks relating to investments in renewable energy assets

- The Company intends to make investments in Portfolio Vehicles which are unlikely to invest in the UK and Direct Investments which may not be situated in the UK. Laws and regulations of overseas jurisdictions may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. Furthermore, policies and regulation in relation to renewable energy assets in countries outside the UK may adversely affect investments made, or opportunities for potential investments to be made, by the Company in such countries.
- While many jurisdictions have, in recent years, adopted policies and support mechanisms actively supporting renewable energy, it is possible that this approach could be modified or changed in the future, including as a result of a change in government or a change in government policy. It is possible that these changes could, in certain circumstances, materially affect the Company's future growth.
- Broad regulatory changes to the electricity market (such as changes to transmission allocation and changes to energy trading, balancing and transmission charging) in countries where the Company invests could have a material adverse effect on the Company's ability to achieve its investment objective and have a material adverse effect on the Net Asset Value per Share.
- It is not possible to guarantee the accuracy of the forecast wind or solar irradiation conditions at any wind farm or any Solar PV Plant although such forecasts are used to try to predict financial performance of investments in such projects. Forecasting can be inaccurate due to meteorological measurement errors, the reliability of the forecasting model or errors in the assumptions applied to the forecasting model. This could result in the generation of lower electricity volumes and lower revenues than anticipated, which may have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.
- Although the Company has no intention to invest in renewable energy and/or energy transition assets which have not completed the construction phase immediately following Initial Admission, the Portfolio Vehicles may include construction risk within their portfolio and the Company may in the future acquire such assets. During the construction period of a project, there are risks that either the works are not completed within the agreed timeframe or construction costs overrun. Projects are sometimes required to carry out variations which involve construction works. Such variations may affect anticipated returns, even though they are often structured to ring fence construction risks. Any adverse effect on the anticipated returns of the assets as a result of construction risks could have a material adverse effect on the Net Asset Value per Share and the Company's ability to make returns to investors.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

The Initial Issue

The Company is targeting Initial Gross Proceeds of £300 million through the issue of Ordinary Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Initial Placing, Offer for Subscription and the Intermediaries Offer (together, referred to as the "**Initial Issue**"). The Company will, however, have the flexibility to raise up to £500 million under the Initial Issue. The total number of Shares allotted under the Initial Issue will be determined by the Company, the Sponsor, the Joint Bookrunners and the AIFM after taking into account demand for the Shares and prevailing economic and market conditions.

The Joint Bookrunners have agreed to use their respective reasonable endeavours to procure Placeses under the Initial Placing. The Initial Placing will remain open until 5.00 p.m. on 4 March 2021 (or such later time and/or date, not being later than 31 March 2021, as the Company, the Sponsor, the Joint Bookrunners and the AIFM may agree) and the Intermediaries Offer will remain open until 11.00 a.m. on 4 March 2021 (or such later date as the Company, the Sponsor, the Joint Bookrunners and the AIFM may agree). If the Initial Issue is extended, the revised timetable will be notified by way of an announcement through a Regulatory Information Service.

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Issues to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective and dealings in the Shares will commence at 8.00 a.m. on 10 March 2021.

The Initial Issue is conditional, *inter alia*, on:

- (i) Minimum Gross Proceeds of £100 million (or such lesser amount as the Company, the Joint Bookrunners and the AIFM may agree and that is disclosed in a supplementary prospectus) being raised pursuant to the Initial Issue;
- (ii) the Admission Condition in respect of the Initial Issue being satisfied prior to 8.00 a.m. on 10 March 2021 (or such later time and/or date, not being later than 8.00 a.m. on 31 March 2021 as the Company, the Joint Bookrunners and the AIFM may agree); and
- (iii) the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission.

If the conditions to the Initial Issue are not satisfied, the Issues will not proceed and any applications made in respect of the Issues will be rejected. In such circumstances, application monies will be returned (at the applicants' sole risk) without payment of interest, as soon as practicable thereafter.

Investors may subscribe for Shares at the Initial Issue Price pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom are eligible to participate in the Intermediaries Offer. Investors may apply to any one of the Intermediaries which is appropriately licensed in the client's jurisdiction to be accepted as their client. The minimum application amount in the Intermediaries Offer is £1,000. There is no maximum application amount under the Intermediaries Offer. The actual number of Shares to be allocated to the Intermediaries will be determined by the Company (in consultation with the Joint Bookrunners, the Sponsor and the AIFM). Each Intermediary has agreed, or will on appointment agree, to be bound by the Intermediaries Terms and Conditions which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary.

Any expenses incurred by any Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries are able to charge any of their respective clients acquiring Shares pursuant to the Intermediaries Offer.

No dilution will result from the Initial Issue. The Company has one Ordinary Share in issue, which was allotted for the purposes of incorporating the Company.

Placing Programme

Following the Initial Issue, the Directors may undertake Subsequent Placings pursuant to the Placing Programme. The Directors are authorised to issue up to 500 million Ordinary Shares, less any Ordinary Shares issued pursuant to the Initial Issue, pursuant to the Placing Programme.

The Placing Programme will enable the Company to raise additional capital in the period from 5 March 2021 to 11 February 2022 if it is deemed to be in the best interests of the Company.

The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The issue of Shares pursuant to the Placing Programme is at the discretion of the Directors. The last date on which Shares may be admitted to trading under the Placing Programme is 9 February 2022.

To become effective, each Subsequent Placing will require the following events to occur:

- (i) appropriate Shareholder authority remaining in place;
- (ii) the Admission Condition being satisfied in respect of each such Subsequent Placing;
- (iii) a valid supplementary prospectus being published by the Company if such is required by the UK Prospectus Regulation; and
- (iv) the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to the relevant Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

In circumstances where these conditions are not fully met, the relevant issue of Ordinary Shares pursuant to the Subsequent Placing will not take place. For the avoidance of doubt, if the Initial Issue is not successful the launch of the Company will not occur and no Subsequent Placings will take place.

Shareholders are not obliged, and, depending on the nature of the Subsequent Placing, may not receive the opportunity, to participate in any Subsequent Placing. If the Company undertakes any Subsequent Placing and a Shareholder does not acquire any of those Shares (or otherwise acquire Shares), then the Shareholder will suffer dilution to the percentage of the issued share capital of the Company that their existing holding represents, based on the number of Shares issued at the relevant time.

The Placing Programme Price of any Shares issued pursuant to a Subsequent Placing will be calculated by reference to the last published cum income Net Asset Value per Share together with a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions).

Subsequent resale of securities or final placement securities through financial intermediaries

The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in the UK. The offer period within which any subsequent resale or final placement of securities by the Intermediaries can be made and for which consent to use this Prospectus is given, commences on 12 February 2021 and closes at 11.00 a.m. on 4 March 2021 unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service). Prospective investors interested in participating in the Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures. The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Prospectus.

Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer at the time of such offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.

Why is this prospectus being produced?

Reasons for the Issues

The Initial Issue is intended to raise money for investment in accordance with the Company's investment objective and investment policy. The Directors intend to use the Initial Net Proceeds, after providing for the Company's operational expenses, to purchase investments in line with the Company's investment objective and investment policy. Following the Initial Issue, the Company may wish to issue further Shares to raise additional capital. The Directors intend to use the net proceeds of any Subsequent Placing to make investments in accordance with the Company's investment objective and investment policy.

Estimated net proceeds

The Company is targeting an issue of up to 300 million Shares pursuant to the Initial Issue.

There are no expenses charged to the investor by the Company. The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue which are to be met by the Company will not exceed an amount equal to two per cent. of the Initial Gross Proceeds.

Therefore, assuming that the target Initial Gross Proceeds of £300 million are raised, the Initial Net Proceeds are expected to be approximately £294 million. On the basis that the Minimum Gross Proceeds are raised pursuant to the Initial Issue, the Initial Net Proceeds are expected to be approximately £98 million. The Issues are not underwritten.

Conflicts of interest

The AIFM, the Investment Adviser and their officers, employees and consultants may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Adviser may provide investment management services, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company. The AIFM and the Investment Adviser will have regard to their respective obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their respective obligations to other clients or funds, should potential conflicts of interest arise.

RISK FACTORS

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment. Prospective investors should consider carefully all of the information set out in this Prospectus, including the risks described below, as well as their own personal circumstances, before deciding to invest in the Company.

The risk factors referred to below are the risks which are considered by the Company and the Directors to be material as at the date of this Prospectus but are not the only risks relating to the Company or the Shares. Additional risks and uncertainties relating to the Company or the Shares that are not currently known to the Company or the Directors or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors should review this Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser before acquiring any Shares.

Prospective investors should note that the risks relating to the Company, its industry and the Shares summarised in the section of this Prospectus headed “Summary” are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of the document headed “Summary” but also, among other things, the risks and uncertainties described below.

RISKS SPECIFIC TO THE ISSUER

The Company’s lack of operating history

The Company is a newly formed company with no operating results, financial statements or current investments. It will not commence operations until it has obtained funding through the Initial Issue. As the Company lacks an operating history, investors have no basis on which to evaluate the Company’s ability to achieve its investment objective or implement its investment strategy and provide a satisfactory return. An investment in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company will not achieve its investment objective and that the value of an investment in the Company could decline substantially as a consequence.

The Company’s reliance on the NextEnergy Group and other third party service providers

The Company is reliant upon the provision of services by third party service providers in order to carry on its business, and a failure by one or more service providers could materially disrupt the business of the Company or impact detrimentally on its investment performance.

The Company has no employees and the Directors have all been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third party service providers for the performance of certain functions. In particular, the AIFM, the Investment Adviser, the Administrator and the Registrar will each be performing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, with the applicable duty of care and skill, or at all, or any termination of any such appointment, could have a materially detrimental impact on the operation of the Company and on the Company’s Net Asset Value, revenues and returns to Shareholders and therefore could affect the ability of the Company to meet its investment objective.

In the event that it is necessary for the Company or the AIFM to replace any third party service provider, it may be that the transition process takes time, increases costs and may adversely affect the Company’s operations and/or the Company’s investments, performance and returns to Shareholders.

Foreign exchange rates

The Company does not currently intend to enter into any hedging arrangements to mitigate its exposure to fluctuations in exchange rates. The Ordinary Shares will be quoted in Sterling, the proceeds of the Initial Issue will be denominated in Sterling and the Company will use Sterling as its functional currency. However, the Company intends to make a significant portion of its investments, in other currencies including Euro and US dollars and the portfolios of the Portfolio Vehicles will include companies that use other currencies as their functional currencies. As a consequence, changes in foreign exchange rates may have an adverse effect on the Net Asset Value and revenues of the Company's investments.

While the Investment Adviser is identifying suitable investment opportunities, the Company may hold a significant amount of cash and cash equivalents in a combination of one or more of Sterling, Euros, US dollars and/or other currencies, and any decrease in the value of those currencies relative to one another and other currencies during this time may adversely impact the value of the investments that the Company is able to make with the net proceeds of the Issues. Conversely, after the Company has substantially invested the net proceeds of the Issues, should most or all of these investments be made in Euro, US dollars or other non-Sterling currencies, a decrease in the value of such currencies relative to Sterling may materially adversely affect the value of the Company's investments when measured in Sterling, and may therefore materially adversely affect the price of the Net Asset Value per Share.

Leverage

Many of the investment vehicles in which the Company invests, either directly or indirectly through its investments in the Portfolio Vehicles, may have highly leveraged capital structures. For example, indebtedness may constitute a significant portion of an investment vehicle's total debt and equity capitalisation, including debt that may be incurred indirectly in connection with the investment. In addition, investment vehicles that are not or do not become highly leveraged at the time an investment is made by the Company may increase their leverage after the time of investment. The highly leveraged capital structures of such vehicles will increase the exposure of these vehicles to adverse economic factors such as rising interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the vehicle or the sector in which it operates. In addition, the incurrence of a significant amount of indebtedness by an investment vehicle may, because of an obligation to make mandatory prepayments or otherwise, among other things:

- limit the investment vehicle's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;
- limit the investment vehicle's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes; and
- cause a greater percentage of the investment vehicle's assets to be subject to superior claims by lenders in the event of bankruptcy or liquidation.

Investments in highly leveraged investment vehicles are inherently more sensitive to declines in revenues, increases in expenses and interest rates, adverse economic, market and industry developments. A leveraged vehicle's equity value, net income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged investment vehicle is generally greater than for entities with less leveraged capital structures.

Although the Company does not intend to utilise structural long-term leverage, which the Company defines as leverage used for the purpose of enhancing investment returns, the Company intends to enter into a short-term revolving credit facility, shortly after Initial Admission, that can be drawn to finance the Company's general expenses, distributions and meet investment commitments. Any use of leverage will increase the exposure of the Company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Company's investments.

Furthermore, the revolving credit facility will contain covenants, including loan-to-value ratios that the Company must meet prior to being able to draw on the facility. The failure by the Company to repay its borrowings, or a breach by the Company of covenants contained in its borrowings, could result in an event of default under the terms of the revolving credit facility or the enforcement by lenders of security interests which would have a material impact on the financial performance and position of the Company.

Valuations

The Company's Direct Investments, its investments in the Portfolio Vehicles, and the investments made by the Portfolio Vehicles, may at any given time include securities, other financial instruments or other obligations which are very thinly traded, for which no market exists or which are restricted as to their transferability under applicable laws. These investments may be extremely difficult to value accurately. As a result of the overall size or concentration in particular markets of positions held by the Company or the Portfolio Vehicles in which it invests, the value of their investments which can be liquidated may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain positions held by the Company or the Portfolio Vehicles in which it invests or may not be available in a timely manner, in which case the Net Asset Value per Share will be published based on estimated values and on the basis of the information available to the Investment Adviser at the time which is likely to require reliance on the underlying Third Party Managers and the NextEnergy Group. The Company may base the valuations that it uses in calculating its Net Asset Value upon pricing information and valuations furnished to the Company by third parties, including pricing information and valuations furnished by the Third Party Managers as well as the NextEnergy Group which are based on future cashflow forecasts, macro assumptions and asset specific assumptions. Absent bad faith or manifest error, valuations determined in accordance with the Company's valuation policy will be conclusive and binding. Further, such valuations cannot by their nature be exact and are liable to change. Such valuation estimates may be unaudited and may not be subject to independent verification or other due diligence. Moreover, valuations of the Company's investments may not reflect the price at which such investments can be realised. The aggregate value of the Company's investments in Portfolio Vehicles and its Direct Investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may adversely affect the financial performance of the Company in a material manner and the returns available to investors.

Target returns are based on estimates and assumptions

The Company's target return contained in this Prospectus is a target only and is based on estimates and assumptions concerning the performance of the Company and its portfolio of investments which will be subject to a variety of factors including, without limitation, the availability of investment opportunities, asset mix, value, volatility, holding periods, performance of the Portfolio Vehicles and Direct Investments in which the Company invests, investment liquidity, borrower default, changes in current market conditions, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the control of the Company and the NextEnergy Group, which may adversely affect the Company's ability to achieve its target return. The Company's target return is based on market conditions and the economic environment at the time of assessing the proposed target and the assumption that the Company will be able to implement its investment policy and strategy successfully, and is therefore subject to change. There is no guarantee or assurance that the target return can be achieved at or near the level set forth in this Prospectus. Accordingly, the actual rate of return achieved may be materially lower than the targets or may result in a loss. A failure to achieve the target return set forth in this Prospectus may materially adversely affect the market price of the Ordinary Shares.

Share price and discount

The price of shares in an investment company is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The market prices of shares in investment companies fluctuate independently of their net asset value and can be at a discount or premium to the net asset value at different times, depending on supply and demand, market conditions, general investor sentiment, dividend yields, prevailing interest rates and other factors. Accordingly, the market price of a Share may not fully reflect the Net Asset Value per Share and the Company's investment portfolio. Prospective investors should note that the price of the Shares may go down as well as up and that the share price can fall when the Net Asset Value per Share rises, or vice versa.

It may be difficult for Shareholders to realise their investment and a liquid market in the Shares may fail to develop

The Company is a closed-ended company and, as such, Shareholders will not have the right for their Shares to be redeemed or repurchased by the Company at any time.

While the Directors intend to retain the right to effect repurchases of Shares in the manner described in this Prospectus, they are under no obligation to use such powers or to do so at any time and Shareholders should not place any reliance on the willingness of the Directors to so act. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market.

The market value of the Shares and the existence of a liquid market in the Shares is dependent on investors continuing to favour renewable energy investments. The desire from investors to invest in a particular sector may shift due to a variety of factors that are difficult to predict and over which the Company has no control. Any such shift could have a material adverse effect on the market value and liquidity of the Shares.

There is currently no market in the Shares. Although the Shares will be listed on the premium segment of the Official List and traded on the Main Market, there can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to the underlying Net Asset Value per Share. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value per Share or at all.

Interest rates

Changes in interest rates may adversely affect the value of the Company's investments, including its indirect investments through its investments in the Portfolio Vehicles. Changes in the general level of interest rates can affect the Company's profitability by affecting the spread between, amongst other things, income it receives on its investments in debt, the value of its interest-earning investments, its ability to realise gains from the sale of investments and its interest expense on its interest bearing liabilities. Changes in interest rates may also affect the valuation of the Company's investments by impacting the valuation discount rate. Interest rates are sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the Company's control. As the Company does not currently intend to engage in interest rate hedging, it expects to be exposed to fluctuations in interest rates. Even if the Company were to enter into interest rate hedging arrangements, there can be no assurance that such arrangements will be sufficient to cover the Company's risk.

Continuation votes

The Company does not have a fixed life. However, at certain points the Board is obliged under the Articles to propose an ordinary resolution that the Company continues its business as a closed-ended investment company. If any such continuation vote is not passed at any general meeting at which it is proposed, the Directors shall, within six months of such vote, convene a general meeting of the Company to consider a special resolution to approve the reconstruction, reorganisation or winding up of the Company. In the event of such a special resolution being passed, the timing of any liquidating payments and the total value that Shareholders receive upon winding up is subject to many variables and risks, many of which will not be known at the time of the Shareholders' vote. In particular, the Company may have limited ability to exit investments in a timely manner and at attractive prices, particularly in the case of the Company's investments in Portfolio Vehicles, for which there may not be liquid secondary markets. The amount and timing of distributions will be at the discretion of the Board. The amounts distributed to Shareholders will depend upon various factors and risks, including the proceeds received from the exit of investments, the timing of receipt of those proceeds and the amount of the Company's actual and potential liabilities. Any of the above factors may materially adversely affect the amount that Shareholders will realise in the event of dissolution.

Derivative instruments

The Company may make use of derivative instruments, such as options and warrants, for the purposes of efficient portfolio management. Derivative instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of the underlying securities may result in a profit or loss which is high in proportion to the amount of funds actually placed as initial margin and may result in further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position

limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Where the Company enters into derivative transactions, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract.

Risks relating to regulation and taxation

Changes in laws, government policy or regulations

In the light of its intended global investment approach, the Company will be subject to laws and regulations enacted in the United Kingdom, the European Union, the USA and elsewhere. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies. Any change in the laws and regulations affecting the Company, the NextEnergy Group or the Company's investments may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment objective and policy and on the value of the Company and the Shares. In such event, the investment returns of the Company may be materially adversely affected.

Changes in taxation legislation, or the rate of taxation

Any change in the tax status of the Company or in taxation legislation or practice in the UK or Guernsey could affect the value of the investments held by the Company or the Company's ability to achieve its investment objective or alter the post-tax returns to Shareholders. Statements in this Prospectus, including those relating to the taxation of Shareholders and/or the Company, are based upon current UK law and published practice as at the date of this Prospectus, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to meet its investment objective and/or which could adversely affect the taxation of Shareholders and/or the Company and after tax returns to Shareholders.

Potential investors who are in doubt as to their tax position are urged to consult their tax advisers with respect to their particular tax situations and the tax effect of an investment in the Company.

Risks relating to the NextEnergy Group

Reliance on the NextEnergy Group

The Company depends on the diligence, skill, judgement and business contacts of the NextEnergy Group's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with, or consultants or assignees of, the NextEnergy Group, and the NextEnergy Group's ability to recruit and retain personnel. A failure of the NextEnergy Group to retain or recruit appropriately qualified personnel may have a material adverse effect on the Company's profitability, the Net Asset Value per Share and the price of the Shares.

In addition, under the terms of the Management Agreement, the agreement may be terminated by the AIFM by giving not less than 12 months' notice to the Company following an initial term of five years. The Directors would, in these circumstances, have to find a replacement AIFM and/or investment adviser for the Company and there can be no assurance that a replacement with the necessary skills and experience would be available and/or could be appointed on terms acceptable to the Company. In this event, the Board may have to formulate and put forward to Shareholders proposals for the future of the Company which may include its merger with another investment company, reconstruction or winding up. While the Directors would seek to mitigate the effects of such a course of action, it may not be possible to avoid this having a material adverse effect on the Company's business, its financial position and results, its future prospects, and therefore its ability to sustain its Net Asset Value per Share, and/or the market value of the Shares.

Moreover, a significant element of the Company's investment policy is the ability to invest and participate in funds managed by the NextEnergy Group. If the Management Agreement is terminated, the opportunity to invest in future funds and participate in existing funds managed by the NextEnergy Group may cease.

The NextEnergy Group's past performance

Although the investment professional team at the Investment Adviser have a wide range of experience investing in renewable energy the NextEnergy Group's core business is advising the NextEnergy Funds

in relation to investments in solar energy assets. There is no guarantee that the NextEnergy Group will be able to translate its previous success in advising the NextEnergy Funds when selecting funds or investing in other Portfolio Vehicles and Direct Investments which invest in renewable energy assets, projects and technologies other than solar for investment by the Company, which could materially and adversely affect the performance of the Company and, by extension, the Company's business, financial condition, results of operations, Net Asset Value per Share and/or the market price of the Ordinary Shares.

Conflicts of interest

The AIFM, the Investment Adviser and their respective officers, employees and consultants are involved in other activities which may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM, the Investment Adviser and their respective officers, employees and consultants may from time to time act for other clients or manage or advise other funds, which may have similar investment objectives and policies to that of the Company. In accordance with the Management Agreement, in the event of a conflict between the Company and the Investment Adviser or the AIFM, the Investment Adviser and AIFM (as applicable) is obliged to take reasonable steps to ensure that the conflict is resolved fairly, in accordance (so far as applicable in the circumstances) with applicable FCA rules. If these conflicts of interest are managed to the detriment of the Company by the Investment Adviser or AIFM, they could have a material adverse effect on the Company's Net Asset Value per Share and the market value of the Shares.

RISKS SPECIFIC TO THE SECURITIES

Risks relating to the Portfolio Vehicles

Sufficiency of due diligence

Before an investment is made the Investment Adviser will conduct due diligence it deems reasonable and appropriate based on the facts and circumstances applicable to each investment.

In the case of investments made by the Portfolio Vehicles, when conducting due diligence, the NextEnergy Group or the respective Third Party Manager will typically evaluate multiple business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, legal advisers and accountants may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the relevant investment manager will be required to rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective, especially with respect to companies for which only limited information is available. Accordingly, there can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts and circumstances that may be necessary or helpful in evaluating such investment opportunity.

The lack of information available, or any failure by the Investment Adviser to identify relevant facts and circumstances through the due diligence process may lead to unsuccessful investment decisions, which could have a material adverse effect on the Company's business, financial condition, results of operations, Net Asset Value per Share and/or the market value of the Shares.

Concentrated portfolio

The Investment Adviser intends to diversify risk by composing a portfolio that is spread across different geographic regions, renewable energy and energy transition assets, projects and technologies, investment stages, asset maturity, counterparties, power markets, currency exposure and underlying investment managers. However, immediately following the Initial Admission the Company will hold a concentrated portfolio and depending on the circumstances a relatively concentrated portfolio may be held in the future. It is possible, particularly in the Initial Investment Period, that a significant portion of the Company's investment portfolio will be concentrated within a small number of sectors and/or geographies. There is a risk that the Company could be subject to significant losses if any investment vehicle in which the Company has an investment (directly or indirectly through investments in the Portfolio Vehicles) were to default or suffer some other material adverse change, or if any sector or geography in which the Company has substantial investments were to experience difficulties.

Investment policies, decisions and other activities of the Portfolio Vehicles

The Company expects that once fully invested, the portfolio will be balanced equally between investments in NextEnergy Funds, Third Party Vehicles and Direct Investments, although the mix between investments in these three categories may fluctuate from time to time due to market conditions and other factors, including the calling of investment commitments and the timing of making and realising investments. The Company's investments will therefore be affected by the investment policies and decisions of the underlying investment managers and/or general partners of the Portfolio Vehicles in which it invests. The value of the investments and, as a result, the Net Asset Value per Share, will fluctuate in response to, among other things, various market and economic factors related to the markets, asset classes and investments in which the relevant Portfolio Vehicles invest. Although the Investment Adviser will monitor the performance of the Company's investments, it and the Company will have little or no control over the activities of the underlying investment managers and/or general partners of the Portfolio Vehicles in which the Company invests.

Inability to meet its current or future investment commitment in the Portfolio Vehicles

The cash that the Company invests in any Portfolio Vehicle is unlikely to be drawn down as a lump sum and is more likely to be drawn down in smaller amounts over a period of time. In the normal course of business, the Company will typically have outstanding commitments in respect of investments in Portfolio Vehicles which are substantial relative to the Company's assets. The Company may also commit more than its available uninvested assets to investments in Portfolio Vehicles, to the extent that the Company has a debt facility in place to satisfy such over commitment. The Company's ability to meet these commitments is dependent upon future cash flows of the Company, the availability of any borrowings that the Company puts in place and the success of future capital raisings. Draw down requests may also be made by the Portfolio Vehicles at times when, as a result of general market conditions, the income from the Company's portfolio is reduced, debt on favourable terms is not available and there is no secondary market for the Company's interests in the Portfolio Vehicles, under these circumstances it may be difficult for the Company to meet such a drawdown request. If the Company fails to comply with any drawdown notice, it will be subject to various default remedies, including potentially the loss of future distributions from the relevant Portfolio Vehicle in which it invests, forced transfer of its interests in such vehicle at less than fair market value, and/or forfeiture of all or a portion of its interests in such vehicle. The documents establishing the Portfolio Vehicles are likely to provide for significant adverse consequences in the event the Company defaults on its obligation to contribute amounts to the Portfolio Vehicles pursuant to its commitment, or any other payment obligations set forth in such documentation. Any of the foregoing could materially adversely affect the value of the Company's investments in the Portfolio Vehicles and the market price of the Ordinary Shares.

Investment interests in the Portfolio Vehicles

Investment interests in the Portfolio Vehicles are not traded on any stock exchange nor are they redeemable. There is no guarantee that there will be liquidity for off-market sales of interests in the Portfolio Vehicles, and therefore there is no guarantee that the Company will be able to sell its investments in the Portfolio Vehicles in a timely manner or at all, should it wish to do so. In the event of a material adverse event occurring in relation to Portfolio Vehicles or the markets generally, the Company's ability to realise its investments in the Portfolio Vehicles and prevent the possibility of further losses could be limited by its restricted ability to sell its interests. This delay could materially affect the value of the Company's investments in the Portfolio Vehicles and the timing of when the Company is able to realise its investments, which may materially adversely affect the Company's business, financial condition, results of operations, Net Asset Value per Share and/or the market value of the Shares.

Long term nature of investment in the Portfolio Vehicles

There may be a significant amount of time before a Portfolio Vehicle invests all of its committed capital. Once the investment period of a Portfolio Vehicle is over, it may take a number of years for the investments to reach a stage of maturity at which distributions can be made. It is therefore possible that the Company may not receive a return on some of the Portfolio Vehicles for a number of years. This delay may impact the ability of the Company to make distributions to Shareholders.

Competition risk

The execution of the Company's investment strategy, and the investment strategies of the Portfolio Vehicles in which the Company invests, depends primarily on the ability of the Investment Adviser to identify opportunities for the Company to make investments in Portfolio Vehicles and Direct Investment and on the ability of the Portfolio Vehicles to identify suitable investment opportunities. A number of entities will compete with the Company and the Portfolio Vehicles for investors and investment opportunities, including public and private investment funds, commercial and investment banks, commercial finance companies, business development companies and operating companies acting as strategic buyers. The Board believes that competition for investors is based primarily on investment performance, business reputation, duration of relationships with investors, quality of services provided to investors, pricing and relative attractiveness of the types of investments that have been or are to be made. The Board believes that competition for investment opportunities is based primarily on pricing, terms and structure of a proposed investment and certainty of execution. Some of the Company's and the Portfolio Vehicles' competitors may have access to funding sources that are not available to the Company or the Portfolio Vehicles. In addition, some of the Company's and the Portfolio Vehicles' competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than the Company and the Portfolio Vehicles. The competitive pressures faced by the Company and the Portfolio Vehicles may prevent them from identifying investments that are consistent with their investment objectives or that generate attractive returns for shareholders. The Company and the Portfolio Vehicles may lose investment opportunities in the future if they do not match investment prices, structures and terms offered by competitors. Alternatively, the Company and the Portfolio Vehicles may experience decreased rates of return and increased risks of loss if they match investment prices, structures and terms offered by competitors. The Company can offer no assurance that competitive pressures will not have a material adverse effect on its business, financial condition, results of operations, Net Asset Value per Share and/or the market value of the Shares.

Investments made by the Portfolio Vehicles

The Company will not have an opportunity to review any new investments made by the Portfolio Vehicles and the terms of these investments, nor to evaluate the relevant economic, financial and other information that will be used by the managers and investment advisers of the Portfolio Vehicles when selecting, structuring, monitoring and disposing of investments, and any failure by the Portfolio Vehicles to invest in profitable companies could have a material adverse impact on the Portfolio Vehicles, on the value of the Company's investments in such Portfolio Vehicles and in turn on the Net Asset Value.

Change of investment adviser to the Portfolio Vehicles

It is expected that investors in the Portfolio Vehicles will have limited rights, pursuant to which they may remove the incumbent investment manager as the adviser to the relevant Portfolio Vehicle. If this was to happen it may significantly impair the ability of the Portfolio Vehicle to meet its target returns which could restrict the Company's ability to achieve its investment objective and have a material adverse effect on the Net Asset Value per Share.

Non-controlling investments and investments with third parties

The Company will, and the Portfolio Vehicles in which it invests may, hold non-controlling interests in their investments, and, therefore, may have a limited ability to protect their position in such investments. The Company will be a non-controlling investor with relatively little ability to influence the operation of the Portfolio Vehicles and the underlying companies in which the Portfolio Vehicles invests. Moreover, the Company and the Portfolio Vehicles in which it invests may co-invest with third parties through joint ventures or other feeder entities in which they will be a minority or passive investor or limited partner, including in the Company's case any co-investment that it may make with NextEnergy Funds. Whilst in such scenarios the Company may benefit from the control or influence exercisable by the NextEnergy Group through other co-investment vehicles they control or advise, such investments may involve risks in connection with such third-party involvement. These risks include the possibility that a NextEnergy Group controlled or advised co-investor or other third-party co-venturer may have financial, legal or regulatory difficulties resulting in a negative impact on such investment, may have economic or business interests or goals that are inconsistent with those of the Company or Portfolio Vehicles in which it invests, or may be in a position to take (or block) action in a manner contrary to the Company's or the Portfolio

Vehicles' investment objective. In addition, where such non-controlling investments involve a third party management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements, which create different or conflicting incentives from those of the Company or the Portfolio Vehicles. These factors may affect the net asset value of the Portfolio Vehicles and could materially adversely affect the Company's business, financial condition, results of operations, Net Asset Value per Share and/or the market value of the Shares.

Risks relating to investments in renewable energy assets

Investments outside the UK

The Company will predominately make investments in Portfolio Vehicles which are unlikely to invest in the UK and Direct Investments which are not situated in the UK. Laws and regulations of foreign countries may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. Furthermore, policies and regulation in relation to renewable energy assets in countries outside the UK may adversely affect investments made, or opportunities for potential investments to be made, by the Company in such countries.

In addition, foreign governments may from time to time impose restrictions intended to prevent the removal of capital, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute amounts realised from such investments at all or may force the Company to distribute such amounts other than in Sterling and therefore a portion of the distribution may be made in foreign securities or non-Sterling currency. It also may be difficult to obtain and enforce a judgment in a court outside the UK.

The Company, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be provided that a given political or economic climate, or particular legal or regulatory risks, might not have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.

Separately, foreign governments may introduce new tax laws (for example transaction or industry-specific taxes) which may change the tax profile of the relevant entity following investment by the Company.

Decline in the price of electricity and revenues

The wholesale market price of electricity is volatile and is affected by a variety of factors, including market demand for electricity, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst the majority of the renewable energy projects that the Company invests in, either directly or indirectly, are expected to benefit from fixed price arrangements for a period of time, others will have revenue which is in part based on the prevailing wholesale electricity price at the time.

A decrease and/or prolonged deterioration in economic activity, for any reason, could result in a decrease in demand for electricity in the market. Short term and seasonal fluctuations in electricity demand will also impact the price at which the underlying investments can sell electricity.

The supply of electricity also impacts wholesale electricity prices. Supply of electricity can be affected by new entrants to the wholesale power market, new interconnectors, the generation mix of power plants, government support for various generation technologies, as well as the market price for fuel commodities. New market entrants (including power plants not currently being operated) may increase the supply of electricity into the wholesale market, which might lower the wholesale market price for electricity.

The generation mix of power plants also impacts the market price at which the projects invested in by the Company can sell electricity. A potential change in the generation mix towards lower marginal cost electricity could negatively impact the wholesale power price.

A decrease in the price of natural gas, oil, coal, or emissions allowances, could potentially lead to a decrease in the marginal cost of generating electricity for coal or gas fired power plants, potentially reducing the wholesale electricity price.

Should the market price for electricity decline, this could materially adversely affect the price achieved for electricity generated by the underlying investments, and thus the Company's business, financial condition, Net Asset Value per Share and/or the market value of the Shares.

Regulation of renewable energy policy and support schemes

The development of renewable energy sources, relies, in large part, on the national and international regulatory and financial support of such development. While many jurisdictions have, in recent years, adopted policies and support mechanisms actively supporting renewable energy, it is possible that this approach could be modified or changed in future, including as a result of a change in government or a change in government policy. These changes could in some circumstances materially affect the Company's future growth, as support mechanisms are necessary in order to provide the Company's business both with expected returns and with future investments.

Electricity transmission and distribution networks

Broad regulatory changes to the electricity market (such as changes to transmission allocation and changes to energy trading, balancing and transmission charging) in countries where the Company invests could have a material adverse effect on the Company's ability to achieve its investment objective and have a material adverse effect on the Net Asset Value per Share.

Connection of renewable energy assets to the electricity transmission and distribution network

In order to export electricity, generating facilities must be, and remain, connected to the electricity network. At the least, a facility must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point. If the relevant connection point is disconnected or de-energised, the facility in question will not be able to export electricity to the grid. Additionally, non-compliance with, or disconnection or de-energisation under the relevant connection agreements in some instances can also lead to a breach of the relevant power purchase agreement ("PPA") (if one is in place), giving the PPA off-taker the right to terminate.

In addition, in the event that electricity transmission or distribution facilities break down without fault of the distribution or transmission grid operator, the affected facilities may be unable to sell their electricity. The circumstances in which compensation, if any, would be payable are limited and the amounts payable are unlikely to be sufficient to cover any losses of revenue.

Facilities may incur increased costs or losses as a result of changes in law or regulation including changes in grid (distribution or transmission) codes or rules. Such costs or losses could adversely affect the financial performance and prospects of the Company and in particular new laws or regulation may require new equipment to be purchased at generating facilities, or result in changes to or a cessation of the operations of generating facilities.

Changes in the electricity transmission and distribution regime

Charges relating to the connection to and use of electricity transmission and distribution networks and relating to the balancing of the electricity supply and demand form (whether directly or indirectly through PPAs) part of the operating costs of an electricity generator.

The calculation of charges relating to the connection to and use of electricity transmission and distribution networks can be complex and comprise several different elements, and varies depending on the system in place in the country in question. Errors in calculating the expected charges or changes in how the charges are calculated could materially effect the valuations of the relevant investments which could impact the Net Asset Value per Share.

Grid outage and constraints on the capacity of a generating facility

Constraints or conditions may be imposed on a generating facility's connection to the grid and the export of electricity to the grid at a certain time. A risk inherent to the connection to any electricity network is the limited recourse a generator has to the network operator if the generating facility is constrained or

disconnected due to a system event on the local distribution or wider transmission system. In certain specified circumstances, the system operator can require generators (or the electricity suppliers registered as being responsible for their metering systems, or distribution system operators) to curtail their output or disconnect altogether. Such an event would have a material impact on the revenue from the relevant renewable energy asset, which may impact on the Net Asset Value per Share and the Company's ability to make distributions to Shareholders.

Grid congestion

As the focus on renewable energy policy has increased, there has been a notable increase in renewable energy projects, inevitably leading to higher demand for grid capacity. This has led to concerns of "grid congestion" where offers of capacity carry significant cost and delay associated with major grid reinforcement. A lack of access to the grid or increased connection charges as a result of a higher demand for access could have a material adverse effect on the revenues received from the renewable energy assets which may impact on the Net Asset Value per Share and the Company's ability to make distributions to Shareholders.

Volume risk

The Company intends to achieve its investment objective by making Direct Investments and indirect investments through the Portfolio Vehicles in renewable energy assets. The revenues derived from renewable energy assets are reliant, in part, on the volume of energy generated and thus have some exposure to volume risk.

In particular, the revenue from a wind farm or a solar photovoltaic ("PV") plant ("**Solar PV Plant**") is dependent on the meteorological conditions at the particular site. Accordingly, revenues will be dependent upon the meteorological conditions at the wind farms and Solar PV Plant invested in by the Company and the Portfolio Vehicles. Meteorological conditions at any site can vary across seasons and time. Variations in meteorological conditions occur as a result of fluctuations in the levels of wind and sunlight on a daily, monthly and seasonal basis, and over the long term as a result of more general changes or trends in climate. Unforeseen changes in meteorological conditions could have a material adverse effect on the revenues received by the Company directly or through the Portfolio Vehicles and therefore may impact on the Net Asset Value per Share and the Company's ability to make returns to investors.

Forecasting of meteorological conditions

It is not possible to guarantee the accuracy of the forecast wind or solar irradiation conditions at any wind farm or any Solar PV Plant although such forecasts are used to try to predict financial performance of investments in such projects. Forecasting can be inaccurate due to meteorological measurement errors, the reliability of the forecasting model or errors in the assumptions applied to the forecasting model. In particular, forecasters look at long-term data and there can be short-term fluctuations from such data.

If meteorological conditions are poorer than forecast or the conclusions drawn from production data for the Direct Investments or investments made by the Portfolio Vehicles this could result in the generation of lower electricity volumes and lower revenues than anticipated, which may have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.

Operational elements of the renewable energy assets

The Company's revenues are materially dependent upon the quality and performance of the material and equipment with which the renewable energy assets are constructed and maintained, the comprehensiveness of the operational and management contracts entered into in respect of each project within the portfolio, and the operational performance, efficiency and life-span of the equipment and components used in the renewable energy assets. Problems in the foregoing areas (such as a defect or a mechanical failure in the equipment or a component, or an accident, which causes a decline in the operating performance of a component and the availability of any damaged or defective equipment or component which needs replacing together with civil engineering works) may result in the generation of lower electricity volumes, leading to lower revenues than anticipated, which could have a material adverse effect on the Company's returns to investors.

Lifecycle costs

During the life of a renewable energy asset, components of the assets will need to be replaced or undergo a major refurbishment. Shorter than anticipated asset lifespans or costs or inflation higher than forecast may result in lifecycle costs being higher than anticipated. Conversely, longer lifespans and lower than forecast cost inflation may result in lifecycle costs being less than anticipated. Given that renewable energy assets are a relatively new asset class, there is limited experience of forecasting lifecycle timings and costs in respect of certain components of renewable energy assets. Any cost implication, not otherwise borne by or able to be passed on to subcontractors, will generally be borne by the affected entities operating the renewable energy assets, which could have a material adverse effect on the Net Asset Value per Share and the Company's ability to make returns to investors.

Construction risk

Although, the Company has no intentions to invest in renewable energy assets which have not completed the construction phase immediately following Initial Admission, the Portfolio Vehicles may include development risk within their portfolio and the Company may in the future acquire such assets. During the construction period of a project, there are risks that either the works are not completed within the agreed timeframe or construction costs overrun. Projects are sometimes required to carry out variations which involve construction works. Such variations may affect anticipated returns, even though they are often structured to ring fence construction risks. Any adverse effect on the anticipated returns of the assets as a result of construction risks could have a material adverse effect on the Net Asset Value per Share and ability to make returns to investors.

Brexit

The process of the UK leaving the European Union was completed on 31 December 2020. This may lead to unpredictable economic circumstances in particular in relation to currency movements. In addition, regulatory changes brought about as a result of Brexit may have an unfavourable impact on the Company, the AIFM and the Investment Adviser, as well as the Portfolio Vehicles. These factors could have an adverse effect on the Net Asset Value per Share, the operations of the Company and the success of future capital raisings by the Company.

COVID-19 Pandemic

The COVID-19 Pandemic and the measures taken to control the outbreak have led to volatility and a substantial decline in stock markets and other financial markets around the world and a downturn in the global economy. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when the global economy and financial markets will recover from the impact of the pandemic and what effect any secondary outbreaks may have on the global economy and financial markets. There can be no guarantee that the pandemic will not have a material adverse impact on the future investment returns of the Company and the market value of the Shares.

Prospective investors should therefore consider carefully whether investment in the Company is suitable for them, in the light of the risk factors outlined above, their personal circumstances and the financial resources available to them.

IMPORTANT INFORMATION

General

This Prospectus should be read in its entirety. Investors should rely only on the information contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission (in the case of the Initial Issue) or the relevant Admission of Shares issued pursuant to a Subsequent Placing. No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Shares other than those contained in this Prospectus and any such supplementary prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the AIFM, Dickson Minto W.S. or the Joint Bookrunners or any of their respective affiliates, officers, directors, employees or agents. Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules, UK MAR and to the extent applicable, EU MAR, neither the delivery of this Prospectus nor any subscription for or purchase of Shares pursuant to the Issues, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of, or subscription for Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Shares.

This Prospectus should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

Apart from the respective responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. or J.P. Morgan Cazenove under FSMA or the regulatory regime established thereunder, none Dickson Minto W.S., J.P. Morgan Cazenove or Kempen & Co make any representation, express or implied, or accepts any responsibility whatsoever for the contents of this Prospectus or for any statement made or purported to be made by any of them or on their behalf in connection with the Company, the AIFM, the Shares or the Issues. Accordingly, each of Dickson Minto W.S., J.P. Morgan Cazenove and Kempen & Co, to the fullest extent permitted by law, respectively disclaims all and any respective responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction: (i) in which such offer or solicitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and to observe such restrictions.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manger, solicitor, accountant, legal or professional adviser or other financial adviser.

Intermediaries

The Company consents to the use of this Prospectus by financial intermediaries in connection with the subsequent resale or final placement of securities by financial intermediaries in the United Kingdom. The Company consents to the use of this Prospectus by the Intermediaries in connection with the Intermediaries Offer in the United Kingdom on the following terms: (i) in respect of Intermediaries who are appointed by the Company on or prior to the date of this Prospectus, from the date of this Prospectus;

and (ii) in respect of Intermediaries who are appointed by the Company after the date of this Prospectus, from the date on which they are appointed to participate in the Intermediaries Offer and agree to adhere to and be bound by the Intermediaries Terms and Conditions, in each case until the closing of the Intermediaries Offer.

The offer period, within which any subsequent resale or final placement of securities by Intermediaries can be made and for which consent to use this Prospectus is given, commences on 12 February 2021 and closes at 11.00 a.m. on 4 March 2021, unless closed prior to that time and/or date (any such earlier closure will be announced through a Regulatory Information Service). Prospective investors interested in participating in the Intermediaries Offer should apply for Shares through the Intermediaries by following their relevant application procedures. The Company and the Directors accept responsibility for the information contained in this Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which was given consent to use this Prospectus.

Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent and the conditions attached thereto. Intermediaries are required to provide the terms and conditions of the Intermediaries Offer at the time of such offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary. Any application made by investors to any Intermediary is also subject to the terms and conditions imposed by such Intermediary.

Selling restrictions

Notice to prospective investors in the United Kingdom

No Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programme to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which has been approved by the FCA, except that offers of Shares to the public may be made at any time with the prior consent of the Joint Bookrunners, under the following exemptions under the UK Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in Regulation 2(e) of the UK Prospectus Regulation (as amended);
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the UK Prospectus Regulation (as amended)) in the United Kingdom; or
- (c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation (as amended) with the prior consent of the Joint Bookrunners,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(l) of the UK Prospectus Regulation (as amended).

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Shares in the United Kingdom means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for Shares.

Notice to prospective investors in the EEA

In relation to each EEA Member State, no Shares have been offered or will be offered pursuant to the Initial Issue or the Placing Programme to the public in that EEA Member State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that offers of Shares to the public may be made at any time with the prior consent of the Joint Bookrunners, under the following exemptions under the EU Prospectus Regulation, if they are effective in that EEA Member State:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation with the prior consent of the Joint Bookrunners,

provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3(l) of the EU Prospectus Regulation in a EEA Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Shares in any EEA Member State means a communication in any form and by any means presenting sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for Shares.

The AIFM has made the notifications or applications and received, where relevant, approvals for the marketing of the Shares to “professional investors” (as defined in the EU AIFM Directive) in Belgium, Finland, Luxembourg, the Netherlands and Switzerland. Notwithstanding any other statement in this Prospectus, this Prospectus should not be made available to any investor domiciled in any EEA Member State other than Belgium, Finland, Luxembourg, the Netherlands and Switzerland. Prospective investors domiciled in the EEA that have received the Prospectus in any EEA Member States other than Belgium, Finland, Luxembourg, the Netherlands and Switzerland should not subscribe for Shares (and the Company reserves the right to reject any application so made, without explanation) unless: (i) the AIFM has confirmed that it has made the relevant notification or applications in that EEA Member State and are lawfully able to market Shares into that EEA Member State; or (ii) such investors have received the Prospectus on the basis of an enquiry made at the investor's own initiative.

For the attention of United States residents

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons. The Shares are being offered and sold solely outside the United States to persons who are not U.S. Persons in “offshore transactions” as defined in and pursuant to Regulation S under the U.S. Securities Act (“**Regulation S**”), or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There will be no public offer of the Shares in the United States. The Company has not been and will not be registered under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act.

The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

For the attention of prospective investors in Canada, Japan, Australia or the Republic of South Africa

The offer and sale of Shares has not been and will not be registered under the applicable securities laws of Canada, Japan, Australia or the Republic of South Africa. Subject to certain exemptions, the Shares may not be offered to or sold within Canada, Japan, Australia or the Republic of South Africa or to any national, resident or citizen of such territories.

Notice to prospective investors in Belgium

The offering of the interests in the Company described in this prospectus and any other offer material relating to the interests in the Company do not constitute a public offering in Belgium within the meaning of the Belgian law of 19 April 2014 on alternative investment funds and their managers (Wet betreffende de alternatieve instellingen voor collectieve belegging en hun beheerders/Loi relative aux organismes de placement collectif alternatifs et a leurs gestionnaires) (the “**Belgian AIFM**”).

The Company has not been and will not be registered with the Belgian Financial Services and Markets Authority (Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers) (the “**Belgian FSMA**”) as a foreign public collective investment institution under article 259 of the Belgian AIFM. The offer of interests in the Company in Belgium has not been and will not be notified to, and this Prospectus has not been and will not be approved by, the Belgian FSMA. Accordingly, the offering, as well as any other materials relating to the offering may not be advertised, the interests may not be offered or sold, and this Prospectus or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any person located and/or resident in Belgium other than a “qualified investor” within the meaning of the EU Prospectus Regulation or (ii) to any person qualifying as a consumer for the purposes of Book VI of the Belgian Code of economic law. This Prospectus has been issued to the intended recipient for personal use only and exclusively for the purpose of the Issues. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium. Any resale of the Company’s interests in Belgium may only be made in accordance with the EU Prospectus Regulation, the Belgian Prospectus Act of 11 July 2018 and other applicable laws.

Notice to prospective investors in Finland

The Company is a “Non-EU AIF” within the meaning of Directive 2011/61/EU of the European Parliament and of the Council on alternative investment fund managers (AIFMD) and the Company intends to market the Shares to prospective professional investors based in Finland in accordance with article 42 of the AIFMD (as implemented into the laws of Finland). Accordingly, in Finland, the Shares may only be offered to investors qualifying as “professional clients” (Fi: *ammattimainen asiakas*) as defined in the Finnish Act on Alternative Investment Fund Managers (Fi: *laki vaihtoehdotrahastojen hoitajista*, 162/2014, as amended). In Finland, the sale of the Shares may not be offered directly or indirectly to the public.

Notice to prospective investors in Guernsey

This Prospectus may not be distributed or circulated, directly or indirectly, to any person in the Bailiwick of Guernsey other than:

- (a) by persons licensed to do so by the GFSC under the POI Law; or
- (b) by a person that is not a Bailiwick of Guernsey body or individual ordinarily resident in the Bailiwick of Guernsey and that person:
 - (i) carries on that activity in or from within the Bailiwick of Guernsey in a manner in which it is permitted to carry it on in or from within, and under the law of, a designated country or territory which, in the opinion of the States of Guernsey Policy and Resources Committee, affords in relation to activities of that description adequate protection to investors (a “**Designated Territory**”);
 - (ii) has its main place of business in that Designated Territory and does not carry on any restricted activity from a permanent place of business in the Bailiwick of Guernsey;
 - (iii) is recognised as a national of that Designated Territory by its law (and has provided evidence of the same); and
 - (iv) has given prior written notice to the GFSC of the date from which it intends to carry on that activity in or from within Guernsey (by completion of a “Form EX” and submission of the requisite documentation) and complied with certain requirements applicable to an applicant for a licence and the GFSC has issued confirmation of the exemption; or
- (c) to those persons regulated by the GFSC as licensees under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002 (as amended) or the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended) and the person carrying on such activity satisfies items (b)(i) to (iii) above and has given written notice to the GFSC of the date from which it intends to carry out the promotional activity.

The offer referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than in accordance with the above paragraphs and must not be relied upon by any person unless made or received in accordance with such paragraphs.

Notice to prospective investors in Jersey

The offer that is the subject of this Prospectus may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which, it is for the time being circulated in the United Kingdom or Guernsey as the case may be. Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this offer and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company. By accepting this offer, each prospective investor in Jersey represents and warrants that he or she is in possession of sufficient information to be able to make a reasonable evaluation of the offer.

Notice to prospective investors in Luxembourg

The Company is a “Non-EU AIF” within the meaning of article 1(41) of the Luxembourg law of 12 July 2013 on alternative investment fund managers, as amended. The Company intends to market its Shares to prospective investors based in Luxembourg in accordance with the requirements of the EU AIFM Directive.

In Luxembourg, the Shares can only be marketed to professional investors (as defined in MiFID II). Neither the Company nor its AIFM have been authorised or registered under the EU AIFM Directive or its implementing measures or are otherwise supervised by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “CSSF”). In Luxembourg, the sale of interests has not been authorised by the CSSF and accordingly, the interests have not been and may not be offered directly or indirectly to the public in or from Luxembourg, and further they may not be offered in Luxembourg outside the scope of the exemptions provided for in the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended.

Notice to prospective investors in the Netherlands

The Shares are and will only be offered in the Netherlands, as part of their initial distribution or at any time thereafter, to persons that are “qualified investors” within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (“DFSA”). Any offering is made under the private placement regime as included in section 1:13b paragraph 1 DFSA. Otherwise, the Shares are not and will not be offered in the Netherlands.

Notice to prospective investors in Switzerland

Under the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 (“CISA”, as amended from time to time) and its implementing ordinance, the offering, distribution or advertising of foreign collective investment schemes to non-qualified investors in or from Switzerland is subject to prior approval by the Swiss Financial Market Supervisory Authority FINMA (“FINMA”). In addition, the offering, distribution or advertising of units in such collective investment schemes to certain qualified investors may be, among else, subject to the appointment of a representative and a paying agent in Switzerland. There are reasonable grounds to believe that the Company would be characterized as a foreign collective investment scheme under Swiss law. The Company has not been registered with FINMA. Neither the Ordinary Shares nor any other participation in the Company may be offered, distributed or advertised to non-regulated qualified investors or to non-qualified investors in or from Switzerland and neither this Prospectus nor any other document or offering material relating to the Company and/or the Ordinary Shares may be made available in connection with any such offering, distribution or advertising to non-regulated qualified investors or to non-qualified investors in or from Switzerland. The offering, distribution and advertising of the Ordinary Shares in the Company in or from Switzerland will be exclusively made to, and directed at, regulated financial intermediaries (such as banks, securities firms, fund management companies and asset managers of collective investment schemes), central banks or regulated insurance institutions (together the “Regulated Qualified Investors”). Accordingly, no Swiss representative or paying agent pursuant to CISA has been or will be appointed by the Company. This Prospectus or any other offering material relating to the Company and/or the Ordinary Shares may only be made available in or from Switzerland to Regulated Qualified Investors in accordance with the requirements set out in the CISA and its implementing ordinance.

Notice to prospective investors in other jurisdictions

The distribution of this Prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**Directive 2014/65/EU**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU, in the case of (a) and (b), to the extent that they form part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of the European Union (Withdrawal Agreement) Act 2020); and (c) other local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that the Shares to be issued pursuant to the Issues are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU or the UK MiFID Laws (as applicable); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issues. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU, or the UK MiFID Laws, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Non-mainstream pooled investments status and UK MiFID Laws

As the Company is a closed-ended investment company, the Ordinary Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Ordinary Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to conduct its affairs so that its Ordinary Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under the UK MiFID Laws. The Directors consider that the Ordinary Shares should be considered “non-complex” for the purposes of the UK MiFID Laws.

Regulatory Environment

The renewable energy sector is subject to a wide range of laws and regulation, which vary between each jurisdiction, and can change quickly. The Company, the Portfolio Vehicles and the Direct Investments must comply with all applicable laws, regulations, and regulatory standards which, amongst others, require them to obtain and/or maintain certain authorisations, licenses and approvals required for the construction and operation of the Asset.

The Company operates in a regulatory environment and failure to comply with the regulations affecting the Company, including maintaining its investment trust status could have a material adverse effect on the financial position of the Company.

UK PRIIPs Law

In accordance with the UK PRIIPs Laws, the AIFM has prepared a key information document in respect of the Shares (the “**KID**”). The UK PRIIPs Laws requires the AIFM to ensure that the KID is made available to “retail investors” prior to them making an investment decision in respect of the Shares and the KID is therefore available to investors at the Company’s website (www.nextenergyrenewables.com). Accordingly, if you are distributing Shares, it is your responsibility to ensure the relevant KID is provided to any relevant clients. The AIFM is the only manufacturer of the Shares for the purposes of the UK PRIIPs Laws and none of the Company, the Sponsor nor the Joint Bookrunners is a manufacturer for these purposes. None of the Company, the Sponsor nor the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the AIFM nor accepts any responsibility to update the contents of the KID in accordance with the UK PRIIPs Laws, to undertake any review processes in relation thereto or to provide such KID to future distributors of Shares. Each of the Company, the Sponsor, the Joint Bookrunners and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the KID or any other key information documents prepared by the AIFM from time to time. Prospective investors should note that the content of the key information document is highly prescriptive, both in terms of the calculations underlying the numbers and the narrative, with limited ability to add further context or explanation. As such, the key information document should be read in conjunction with other material produced by the Company, including this Prospectus and, in future, the annual reports which will be available on the Company’s website. The figures in the KID may not reflect actual returns for the Shares and anticipated performance returns cannot be guaranteed.

EU AIFM Directive and UK AIFMD Laws

This Prospectus contains the information required to be made available to investors in the Company before they invest pursuant to the EU AIFM Directive and the UK AIFMD Laws.

Data Protection

Data protection in respect of investors resident in the UK and Guernsey

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual (“personal data”) will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) in compliance with: (a) applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate (“**DP Legislation**”); and (b) the Company’s privacy notice, a copy of which is available for consultation on the Company’s website at www.nextenergyrenewables.com (“**Privacy Notice**”) (and if applicable any other third party delegate’s privacy notice).

Without limitation to the foregoing, each prospective investor acknowledges that it has been informed that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) in accordance with and for the purposes set out in the Company’s Privacy Notice which include:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering and countering of terrorist financing procedures;
- carrying out the business of the Company and the administering of interests in the Company; and
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere or any third party functionary or agent appointed by the Company.

Where necessary to fulfil the purposes set out above and in the Company’s Privacy Notice, the Company (or any third party, functionary, or agent appointed by the Company, which may include, without limitation, the Registrar) will:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to operate and administer the Company; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors provided that suitable safeguards are in place for the protection of such personal data, details of which shall be set out in the Privacy Notice or otherwise notified from time to time.

The foregoing processing of personal data is required in order to perform the contract with the prospective investor, to comply with the legal and regulatory obligations of the Company or otherwise is necessary for the legitimate interests of the Company.

If the Company (or any third party, functionary or agent appointed by the Company, which may include, without limitation, the Registrar) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will ensure that adequate safeguards are in place for the protection of such personal data, details of which are set out in the Privacy Notice or otherwise notified from time to time.

Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions. Individuals have certain rights in relation to their personal data; such rights and the manner in which they can be exercised are set out in the Company's Privacy Notice.

Data protection in respect of investors resident in the EEA States

Any information relating to an identified or identifiable natural person that an investor or potential investor provides to the Company including but not limited to its representatives, contact persons, directors, employees and beneficial owners (each a "**data subject**") in or further to a subscription agreement or in any other way and by whatever means (which includes by way of telephonic and/or electronic data) ("**personal data**") in relation to an application to become or continue as an investor in the Company will be held and controlled by the Company and the Investment Adviser, each as a Data Controller (and together, "**Joint Controllers**") under the DP Legislation.

The Privacy Notice sets out the purposes for which such personal data may be processed, the circumstances in which such data might be disclosed or transferred, data subjects' rights in respect of such data, as well as other matters.

Investors should review the Privacy Notice carefully as it contains information about the treatment of their personal data and their rights under the DP Legislation.

Presentation of Financial Information

The Company is newly formed and as at the date of this Prospectus has not commenced operations and has no assets or liabilities which will be material in the context of the Issues and, therefore, no financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company will be prepared in accordance with IFRS.

Certain financial and statistical information contained in this Prospectus has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Presentation of Market and Other Data

Market and economic data used throughout this Prospectus is sourced from various independent sources. The Company confirms that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency Presentation

Unless otherwise indicated, all references in this Prospectus to:

- "£", "pence" or "GBP" are to the lawful currency of the UK;
- "US\$" are to the lawful currency of the United States; and
- "Euro" are to the lawful currency of those members of the EU that have adopted the Euro as their currency

Websites

Without limitation, neither the contents of the Company's or the NextEnergy Group's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the NextEnergy Group's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision whether or not to invest in the Shares on the contents of this Prospectus alone.

Tax Reporting, FATCA and Common Reporting Standards ("CRS")

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Governing Law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales.

Forward Looking Statements

To the extent that this Prospectus includes forward looking statements concerning the Company, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as "believes", "estimates", "anticipates", "expects", "intends", "may", "might", "will" or "should" or, in each case, their negative or other variations or similar expressions.

By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Forward looking statements are not guarantees of future performance. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results. These forward looking statements speak only as at the date of this Prospectus. Subject to its legal and regulatory obligations (including under the UK Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the UK Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the UK MAR and, to the extent applicable, EU MAR.

Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 6 of Part 8 of this Prospectus.

Performance Data

The Company has no investment history. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Investment Adviser, which market conditions may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

No representation is being made by the inclusion of the investment examples and strategies presented herein that the Company will achieve performance similar to the investment examples and strategies herein or avoid loss. There can be no assurance that the investment examples and strategies described herein will meet their objectives generally, or avoid losses. Past performance is no guarantee of future results.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. It should be remembered that the price of Shares and the annual income from such Shares (if any) can go down as well as up.

EXPECTED TIMETABLE

<i>Event</i>	<i>Date</i>
Initial Issue	
Initial Placing, Offer for Subscription and Intermediaries Offer opens	12 February 2021
Latest time and date for receipt of application forms from Intermediaries in respect of the Intermediaries Offer	11.00 a.m. on 4 March 2021
Latest time and date for receipt of application forms in respect of the Offer for Subscription	11.00 a.m. on 4 March 2021
Latest time and date for receipt of commitments under the Initial Placing	5.00 p.m. on 4 March 2021
Announcement of the results of the Initial Issue	5 March 2021
Initial Admission of the Shares to the Main Market and dealings commence	8.00 a.m. on 10 March 2021
CREST accounts credited in respect of Shares issued in uncertificated form	10 March 2021
Certificates despatched in respect of Shares issued in certificated form	during the week commencing 15 March 2021
Placing Programme	
Placing Programme opens	5 March 2021
Admission and dealings in Shares commence	8.00 a.m. on 11 March 2021 to 11 February 2022
Publication of Placing Programme Price in respect of any Subsequent Placing	the Business Day prior to the close of the relevant Subsequent Placing
Results of any Subsequent Placing announced	by close of business on the Business Day following the close of the relevant Subsequent Placing
Admission and dealings in Shares commence	as soon as practicable following each Subsequent Placing
Crediting of CREST accounts in respect of the Shares	8.00 a.m. on each day Shares are issued

Notes:

1. The times and dates set out in the expected timetable above and mentioned throughout this Prospectus may be adjusted by the Company, in which event details of the new times and/or dates will be notified, as required, to the FCA and the London Stock Exchange and, where appropriate, to Shareholders and an announcement will be made through a Regulatory Information Service.
2. All references to times in this Prospectus are to London time, unless otherwise stated.
3. Underlying Applicants who apply to an Intermediary to acquire Shares under the Intermediaries Offer will not receive share certificates in respect of any Shares that are allocated to them under the Intermediaries Offer. Underlying Applicants should consult with their Intermediary as to when they will be sent documents in respect of any Shares that are allocated to them and when they may commence dealing in those Shares.

ISSUE STATISTICS

Initial Issue

Initial Issue Price (per Share)	£1.00
Target Gross Proceeds	£300 million
Estimated Initial Net Proceeds	£294 million
Estimated Net Asset Value per Share on Initial Admission	98 pence
Minimum Gross Proceeds	£100 million
Maximum number of Shares available under the Initial Issue	500 million

Placing Programme

Maximum number of Ordinary Shares available under the Placing programme	500 million (less any Shares issued pursuant to the Initial Issue)
Placing Programme Price (per Share)	Not less than the Net Asset Value per Share at the time of the Subsequent Placing plus a premium which is intended to cover the expenses of such Subsequent Placing as determined by the Board at the time of the Subsequent Placing

DEALING CODES

ISIN	GG00BMT64883
SEDOL	BMT6488
Ticker Code	NREN
LEI	213800DDXYC7S5AVXC55

DIRECTORS, AIFM, INVESTMENT ADVISER AND OTHER ADVISERS

Directors	Anne Wade (<i>Chair</i>) Fiona Le Poidevin Michael Bane all non-executive and care of East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP
AIFM	NextEnergy Capital IM Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Investment Adviser	NextEnergy Capital Limited 5th Floor Office North Side 7-10 Chandos Street Cavendish Sq London W1G 9DQ
Global Coordinator and Joint Bookrunner	J.P. Morgan Securities plc 25 Bank Street Canary Wharf London E14 5JP
Joint Bookrunner	Van Lanschot Kempen Wealth Management N.V. Beethovenstraat 300 1077 WZ Amsterdam The Netherlands
Sponsor and legal advisers to the Company (as to English law)	Dickson Minto W.S. Broadgate Tower 20 Primrose Street London EC2A 2EW
Administrator	Aztec Financial Services (Guernsey) Limited PO Box 656 East Wing Trafalgar Court Les Banques St Peter Port Guernsey GY1 3PP
Legal advisers to the Company (as to Guernsey law)	Ogier (Guernsey) LLP Redwood House St Julian's Avenue St Peter Port Guernsey GY1 1WA
Legal advisers to the Joint Bookrunners (as to English law)	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Auditors	KPMG Channel Islands Limited Glategny Court Glategny Esplanade St Peter Port Guernsey GY1 1WR

Receiving Agent

Link Group
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Registrar

Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH

PART 1

NEXTEENERGY RENEWABLES LIMITED

Introduction

NextEnergy Renewables Limited (the “**Company**”) is a newly formed Guernsey closed-ended investment company with an indefinite life. The **Company** is seeking to raise approximately £300 million under the Initial Issue. The investment objective of the **Company** is to provide investors with regular income and capital appreciation. An investment in the **Company** will enable investors to gain exposure to renewable energy and energy transition assets, technologies and projects through investments made by the **Company** in private investment vehicles, which are not widely accessible to public market investors, managed by the NextEnergy Group (“**NextEnergy Funds**”) and Third Party Managers (“**Third Party Vehicles**”) (together the “**Portfolio Vehicles**”). The **Company** will also seek to make direct investments in renewable energy and energy transition assets, projects and technologies, including by way of Co-investments (the “**Direct Investments**”).

The renewable energy and energy transition sectors are rapidly developing and expanding sectors, at the forefront of the de-carbonising of the global economy, which have a significant and sustained capital requirement. It is expected that renewable energy sources will account for the majority of electricity generated globally by 2030 and over 40 per cent. of primary energy sources by 2050, a significant increase from the current level of below 5 per cent. International private investment vehicles are expected to account for the overwhelming majority of the new capital that will be required for the development of the renewable energy sector.

By investing in, and Co-investing alongside, private investment vehicles focused on the renewable energy and energy transition sectors, the **Company** is aiming to capitalise on the continued growth in these sectors and the increasing demand for ESG investment products.

The **Company** will adopt a global investment approach, with a primary focus on renewable energy assets, technologies and projects located in OECD Member Countries. Investment opportunities will be assessed based on individual merits and the **Company** will mitigate risks by investing in a portfolio diversified across geographic regions, renewable energy and energy transition assets, projects and technologies, investment stages, asset maturity, counterparties, power markets, currency exposure and underlying investment managers.

Inherent within the **Company**’s investment proposition is a clear focus on providing positive social and environmental impacts through both direct and indirect investments in the renewable energy and energy transition sectors. No investments will be made in any private investment vehicles which invest in fossil fuels or that make unethical investments (such as, for example, investments in arms manufacturers).

NextEnergy Capital IM Limited, the **Company**’s alternative investment fund manager, is part of the NextEnergy Group, a global specialist investment manager in the renewable energy sector. Since 2007, it has successfully launched four institutional funds, one of which has its shares traded on the Main Market, and is in the process of launching a fifth institutional fund. As at 31 January 2021 the NextEnergy Group had over US\$2.3 billion of assets under management.

The **Company** will benefit from guaranteed, preferential access to funds managed by the NextEnergy Group, and will be able to immediately invest up to 30 per cent. of the Initial Gross Proceeds in NextPower III LP (“**NPIII**”), an established private investment vehicle with a portfolio currently consisting of 28 assets situated in the United States, Portugal, Chile and India and further assets in exclusivity (being a period of time where due diligence can be undertaken without competition from other prospective investors) in Spain, Italy, Portugal and the United States, ensuring that Shareholders receive the benefit of immediate deployment into an established fund. The **Company** will also have the opportunity to co-invest, alongside NPIII, in NPIII’s existing portfolio and any of its future assets. In addition, the Investment Adviser will seek to subscribe for commitments in Third Party Vehicles, having already identified a number of Third Party Vehicles which are investing internationally which have attractive investment propositions and return targets in line with the **Company**’s investment policy and objective. The Investment Adviser will focus on Portfolio Vehicles that have already deployed capital in order to reduce deployment risk and cash drag. Further details of NPIII and the Seed Portfolio are set out in Part 4 of this Prospectus.

Key benefits of an investment in the Company

The following have been identified by the Board as the key benefits to investors of an investment in the Company.

1. It will provide public market investors with unique preferential access to existing and future NextEnergy Funds as well as exposure to other global investment Third Party Vehicles and Direct Investments which benefit from higher unlevered returns, specialist renewable knowledge and greater diversification.
2. It will offer investors potential returns in excess of the average returns currently being received by investors in the listed investment companies that make up the AIC's renewable energy infrastructure sector, through stable and growing dividend distributions and NAV appreciation.
3. It will offer a low base management fee, of around 40 basis points, in addition to a performance fee. This is a fee structure with strong performance and incentive alignment with shareholders, that results in lower overall fees relative to existing listed renewable energy funds. For example, a total return performance of 8 per cent. would result in overall fees of around 40 basis points and a total return performance of 11 per cent. would result in overall fees of around 85 basis points.
4. It will provide access to a significantly more diversified portfolio compared to other listed renewable energy infrastructure investment companies, comprising underlying renewable energy and energy transition assets, projects and technologies, across different geographies and focusing on long-term contracted revenue streams.
5. It will provide a positive social and environmental impact through the investments made by the Company.

Target returns

The Company is targeting a long term Shareholder Total Return (net of all fees and expenses, but including the Target Dividend (defined below) and capital appreciation) on the Ordinary Shares of between 9 and 11 per cent. per annum (the "**Target Total Return**").

The Target Total Return is expected to be achieved primarily through deployment of the Company's funds in accordance with its investment policy. The Target Total Return is based on (i) the target returns of the investment vehicles that make up the Seed Portfolio, including initially NPIII, the majority of which have already deployed capital and have established revenue streams and (ii) over the long term, expected returns from any Direct Investments. The Company has received confirmation from the Investment Adviser that it will be able to invest in NPIII shortly after Initial Admission.

The level of returns that the Company generates will be dependent on the future performance of the Portfolio Vehicles and any Direct Investments. In the event that only the Minimum Gross Proceeds are raised the Company will ensure that a certain level of cash is retained in order to ensure that the Target Dividend can be met over the short term.

The Target Total Return is a target only and is not a profit forecast. There can be no guarantee that this target will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not the Target Total Return is reasonable or achievable when deciding whether to invest in the Company.

Distribution policy

General

The Board is targeting a total dividend for the first full financial year to 31 December 2022 of 5.5 pence per Ordinary Share, with a target total dividend of 3.0 pence per Ordinary Share in relation to the period from Initial Admission to 31 December 2021 (the "**Target Dividend**"). The Board will aim to increase the dividend progressively in subsequent financial years.

Distributions are expected to be paid quarterly and, generally, in equal instalments, in respect of the periods ending 31 March, 30 June, 30 September and 31 December each year. The Company intends to pay its first dividend in respect of the period to 30 June 2021 and the dividends in relation to the period from Initial Admission to 31 December 2021 are not expected to be paid in equal instalments.

It is expected that distributions will be made by way of dividends, however to the extent that the Board considers it to be appropriate, the Company may also make capital distributions in accordance with the Articles and the Companies Law.

Dividends may only be paid to holders of Ordinary Shares if and when the financial position of the Company, in the opinion of the Directors, justifies such payment. Any such payments will be subject to the Company being able to satisfy the statutory solvency test, as defined under the Companies Law, immediately after payment of such dividend. The payment of dividends will also be subject to external factors such as the performance of the Portfolio Vehicles and Direct Investments that will make up the Company's portfolio, market conditions and the investment outlook.

The Target Dividend is a target only and is not a profit forecast. There can be no guarantee that this target will be met and it should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not the Target Dividend is reasonable or achievable in deciding whether to invest in the Company.

Scrip dividends

The Articles permit the Directors, in their absolute discretion, provided it is approved by Shareholders by way of an ordinary resolution in accordance with the Articles, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend alternative were to be offered in the future, an electing Shareholder would be issued new, fully paid up Ordinary Shares (or Ordinary Shares sold from treasury) pursuant to the scrip dividend alternative. The scrip dividend alternative would be available only to those Shareholders to whom Ordinary Shares might lawfully be marketed by the Company.

The Board believes that the ability for Shareholders to elect to receive dividends wholly or partly in the form of Ordinary Shares would be beneficial to the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative was ever offered to Shareholders, it would allow Shareholders to increase their Shareholdings without incurring dealing costs or stamp duty reserve tax on any purchase of Shares in the secondary market.

ESG impact

The Board believes that the Company will provide a positive social and environmental impact through investing directly and indirectly in renewable energy and energy transition assets, projects and technologies.

The NextEnergy Group uses the UN Sustainable Development Goals (“**SDGs**”) as a global framework to define the ESG elements of its investment strategy. It has developed a Sustainable Investment Policy based on the SDGs which it applies throughout the acquisition and management phases. This policy will be fully integrated into the Company's investment process and ESG strategy. The Company will measure and report on its performance based on indicators that are aligned to the SDG framework. The Company is expected to qualify for the LSE's Green Economy Mark at Initial Admission, which recognises companies that derive 50 per cent. or more of their total annual revenues from products and services that contribute to the global green economy. The underlying methodology incorporates the Green Revenues data model developed by FTSE Russell, which helps investors understand the global industrial transition to a green and low carbon economy with consistent, transparent data and indexes. The Company also intends to be designated as a Guernsey Green Fund by the GFSC.

The NextEnergy Group is committed to reporting on the CO2 emission reduction associated with the Company's clean energy generation, using a proven and transparent methodology as is done on all NextEnergy Funds. The NextEnergy Group works with Macquarie's Green Investment Group (“**GIG**”) to independently measure and verify this information. Working with Bloomberg NEF, GIG have developed a carbon score tool to standardise climate-related data and assess carbon impact. This tool was awarded the ESG data initiative of the year by Environmental Finance website.

The AIFM and Investment Adviser

The Company has appointed NextEnergy Capital IM Limited (the “**AIFM**”) as its alternative investment fund manager to provide overall portfolio and risk management services to the Company. The Company and the AIFM have appointed NextEnergy Capital Limited (the “**Investment Adviser**”) to provide certain services in relation to the Company and its Portfolio.

The NextEnergy Group, which was founded in 2007, is a leading global specialist investment and asset manager in the renewable energy 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 around US\$2.3 billion, across three active investment vehicles. As at 31 January 2021, the NextEnergy Group has made investments in over 220 individual solar assets worldwide with an installed capacity in excess of 1.2GWp. The NextEnergy Group has offices in Hyderabad (India), London, Milan and New York, employing over 190 professionals with extensive experience of investing in the renewable energy sector. In addition to its extensive experience in solar energy, collectively the team at the NextEnergy Group that will manage the portfolio of investments made by the Company have over 175 years of non-solar renewable energy experience, including investing in hydro, wind and biogas assets.

The Investment Adviser has agreed to invest an amount of £500,000 in the Initial Issue.

The NextEnergy Group has pledged 5 per cent. of its profits annually to the NextEnergy Foundation which acts to provide energy and light from renewable sources to underserved regions as well as benefit the local communities in which it is present and beyond. The NextEnergy Group is a committed signatory of the UN backed Principles for Responsible Investment and is a member of the Institutional Investors Group on Climate Change and a supporter of the Task-Force for the Climate-Related Financial Disclosure.

Further information relating to the AIFM and the Investment Adviser is set out in Part 5 of this Prospectus.

Capital structure and life of the Company

Share capital

Immediately following Initial Admission, the share capital of the Company will consist of one class of ordinary shares. At any general meeting of the Company, each Shareholder will have on a show of hands one vote and on a poll one vote in respect of each Share held. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities. There are no restrictions on the transferability of the Shares, subject to compliance with applicable securities laws and the Articles.

Duration and continuation votes

The Company does not have a fixed life. Under the Articles, the Board is obliged to propose an ordinary resolution that the Company continues its business as a closed-ended investment company at the annual general meeting of the Company to be held in:

- 2025, if the Gross Asset Value of the Company as at 31 December 2024 (being three full financial periods since the launch of the Company) is less than £500 million; and
- 2026 and at every fifth annual general meeting thereafter.

If any such continuation vote is not passed at any general meeting at which it is proposed, the Directors shall, within six months of such vote, convene a general meeting of the Company to consider a special resolution to approve the reconstruction, reorganisation or winding up of the Company which, if passed, will provide Shareholders with an option to elect to realise their investment in the Company in full at close to the Net Asset Value per Share.

Share buybacks and discount control policy

The Company has shareholder authority (subject to all applicable legislation and regulations) to purchase in the market up to 14.99 per cent. of the Shares in issue immediately following Initial Admission. This authority will expire at the conclusion of the first annual general meeting of the Company or, if earlier, 4 August 2022, being eighteen months from the date of the ordinary resolution being passed. The Board intends to seek renewal of this authority from Shareholders at each annual general meeting.

The Board recognises the need to address any sustained and significant imbalance between buyers and sellers of Shares which might lead to the Shares trading at a material discount or premium to the Net Asset Value per Share. The Board will aim to ensure that the Shares do not trade, over the longer term, at a discount of greater than five per cent. to the Net Asset Value per Share in normal market conditions.

The Board will seek to utilise the full range of discount control measures available to achieve this aim, including considering the use of share buybacks, if appropriate.

If the Board decides that the Company should buyback Shares, purchases will only be made through the market for cash at prices below the estimated prevailing Net Asset Value per Share and where the Board believes such purchases will result in an increase in the Net Asset Value per Share. Such purchases will only be made in accordance with the Companies Law and the Listing Rules, which currently provide that the maximum price which may be paid per Share must not be more than the higher of (i) five per cent. above the average of the mid-market values of the Shares for the five Business Days before the purchase is made and (ii) the higher of the last independent trade and the highest current independent bid for the Shares.

Prospective Shareholders should note that the exercise by the Board of the Company's powers to repurchase Shares is entirely discretionary and they should place no expectation or reliance on the Board exercising such discretion on any one or more occasions. Moreover, prospective Shareholders should not expect as a result of the Board exercising such discretion, to be able to realise all or part of their holding of Shares, by whatever means available to them, at a value reflecting the underlying Net Asset Value per Share.

PART 2

BACKGROUND TO THE GLOBAL RENEWABLE ENERGY SECTOR

Anticipated growth in the global renewable energy sector

There is clear scientific evidence to suggest that the dominant cause of climate change is the release of greenhouse gases (“GHGs”). In 2016 the World Resource Institute estimated that globally, the largest source of GHGs was carbon emissions from energy production, accounting for around 65 per cent. of all GHGs.

On a global level, the regulation of GHG emissions is directed by the United Nations Framework Convention on Climate Change (the “UNFCCC”), the Kyoto Protocol and the Paris Agreement. The Kyoto Protocol set binding GHG emission targets for 37 industrialised countries. In order to meet these targets governments have focussed on increasing the use of renewable energy sources and reducing the amount of carbon emissions from energy production.

Renewable energy 2030 targets are now written into official policy by 87 governments around the world. BloombergNEF estimates that 721 GW (being enough electricity to power the entire UK for two years) of new capacity in wind, solar and other non-hydro renewable power technologies will have to be developed over the next decade to achieve these targets.

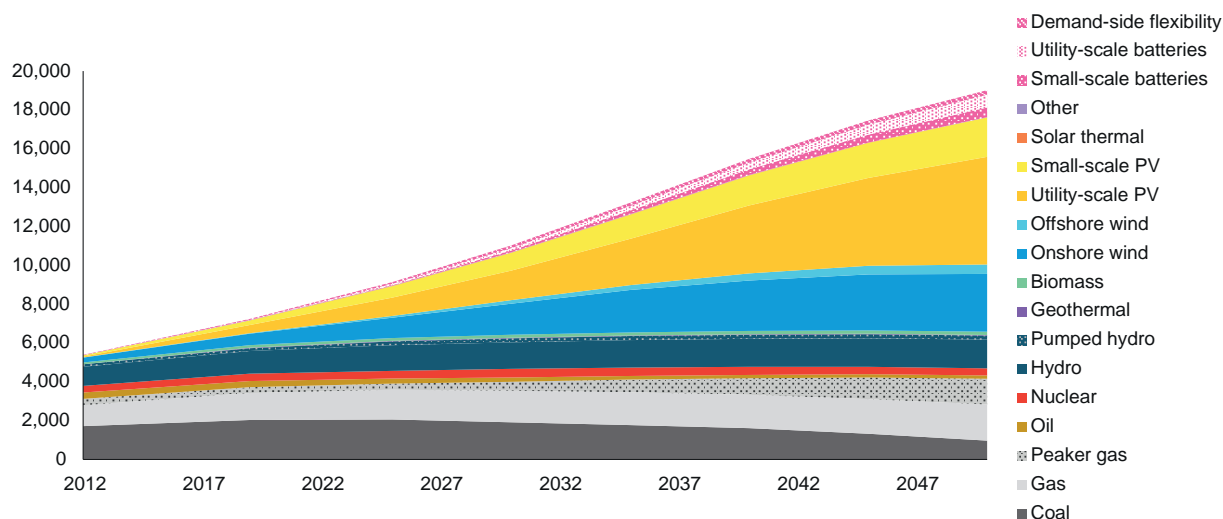
Taken together, the commitments made by governments and private companies around the world would imply the need for 826 GW of new renewable energy capacity over the next ten years (being enough electricity to power the US for a year). BloombergNEF estimates that the development of this additional renewable energy capacity will require investment of around US\$1 trillion globally to meet the 2030 targets alone.

The parties to the UNFCCC and the Kyoto Protocol met in Paris in 2015 to negotiate an international climate change agreement, which resulted in the Paris Agreement coming into force on 4 November 2016. The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change and reduce global carbon dioxide emission sufficiently to limit world temperature increases this century to below 2 degrees Celsius above pre-industrial levels.

The targets set out above, and the implied investment, are only a fraction of what would be required to reduce carbon dioxide emissions sufficiently to limit temperature increases in line with the Paris Agreement. The targets set by governments and private companies are also modest when compared with what was achieved in the decade from 2010 to 2019, when globally 1,213 GW of renewable energy capacity was developed.

While efforts are made to increase renewable energy capacity around the world, the demand for energy continues to grow led by increasing levels of prosperity in emerging economies. As the demand for renewable energy sources increases and as a result greater investment is deployed in the sector, the production of energy is expected to become more efficient leading to a seismic shift in primary energy sources over the next 30 years.

Cumulative Installed Capacity (GW)



Source: Bloomberg New Energy Finance, 2019

Renewable energy infrastructure funds – listed funds versus selected private funds

Due to the levels of investment required, governments around the world are increasingly turning to private investment funds to provide the capital needed to develop and sustain the renewable energy infrastructure. In the last five years, around US\$35 billion has been raised by renewable energy funds. However, this amount does not come close to closing the funding gap required to succeed in the clean energy transition. As at 31 January 2021, it was estimated that private renewable energy investment funds were currently seeking to raise around US\$27 billion of capital.

In addition to offering: (i) a solution to the funding gap required to effect the clean energy transition; and (ii) a positive, ESG investment impact through investments in renewable energy and energy transition assets, projects and technologies, these private renewable investment vehicles have been achieving returns that are consistently higher than the returns generated by the investment companies that make up the AIC's renewable energy infrastructure sector.

The companies that currently make up this sector generally target a rate of return of between 7 and 9 per cent. These companies have averaged an annualised NAV total return of 4.82 per cent. since launch. In contrast NPIII and the other private renewable investment vehicles that the Investment Adviser has identified in the Seed Portfolio (further details of which are set out in Part 4 of this Prospectus) are targeting annualised NAV total returns of between 7.5 per cent. and 15 per cent. The managers of these private investment vehicles are highly incentivised to meet these targets through carried interest schemes, which are typical in private equity vehicles.

The Board believes that the Company's investment policy of investing in a diversified portfolio of private investment vehicles, as well as Direct Investments including co-investments with Portfolio Vehicles, will enable the Company to offer higher returns than the investment companies that make up the AIC's renewable energy infrastructure sector due to private investment vehicles having:

- more flexible and enduring acquisition strategies than the existing UK listed companies which are usually under pressure to mitigate cash drag and deploy funds as quickly as possible;
- increased geographical and sector diversification when compared with the existing UK listed companies which tend to invest in wind and solar power assets located predominantly in the highly competitive UK market;
- more flexible exit strategies which allow for realisation (and distribution) of the private funds' value and yield compression; and
- access to a wider range of experienced managers: who (i) are more able to actively manage their portfolios due to the private investment vehicles' broader investment policies; (ii) are highly incentivised to provide investors with high returns, in addition to stable income; and (iii) have larger teams.

The Company presents an opportunity for Shareholders to gain exposure, through positive impact ESG investing, to these global, private investment vehicles and Direct Investment opportunities through an investment strategy which is targeting attractive returns via stable and growing dividend income and NAV appreciation.

The renewable energy sector’s resilience to the COVID-19 Pandemic

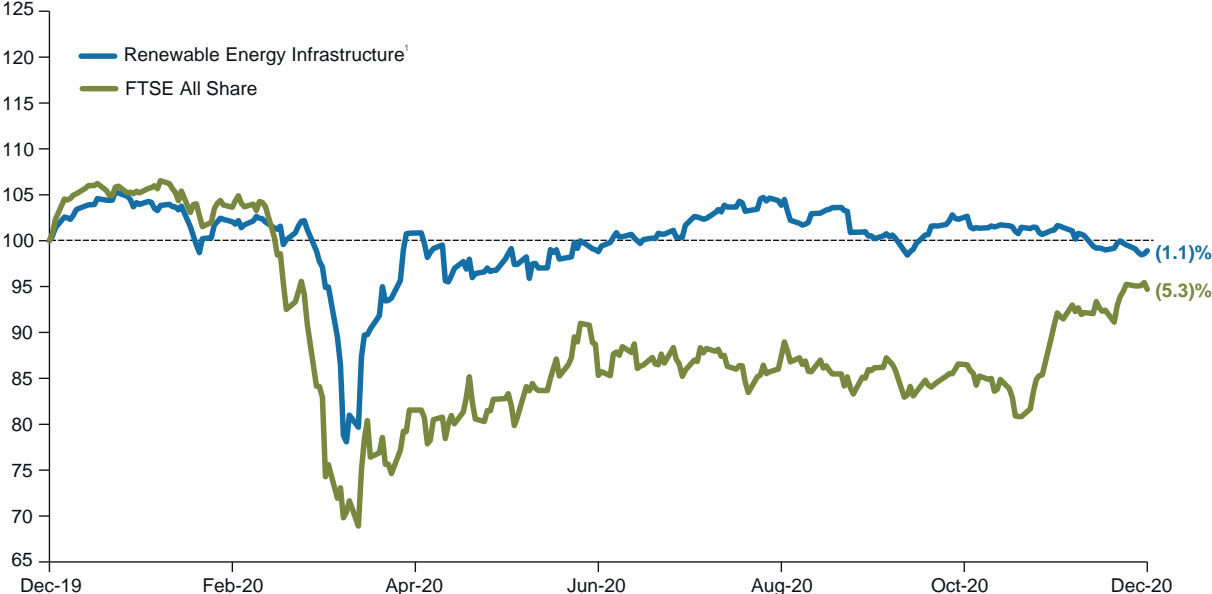
The COVID-19 Pandemic is foremost a humanitarian crisis, but the scale of the economic cost and disruption is likely to have a significant and long lasting impact on the global economy and energy system. In the immediate term behavioural changes such as people choosing to travel less, work from home more frequently and move away from public transport have led to a drop in energy consumption. However, it remains to be seen whether these behavioural changes will dissipate over time as the pandemic is brought under control and restrictions are reduced.

The anticipated drop in energy demand which results from changes in behaviour that persist, for example an increase in working from home, relieves some of the strain on energy consumption and provides a unique opportunity for governments around the world to reduce reliance on fossil fuels, in particular oil, and re-balance the production of energy towards renewable sources.

It is likely that the slow down in the global economy will mean that current low real interest rates in many countries will be maintained. This affords governments and the private sector the opportunity to invest in the right renewable energy infrastructure now to create the pathway towards achieving the goals set out in the Paris Agreement.

The European Commission has also identified that an increased focus in the renewable and clean energy sector should be the key building block of the economic recovery in the aftermath of the COVID-19 Pandemic, creating jobs and investment in areas which have been most adversely affected by the pandemic.

The pandemic has provided an indication of the resilience that the renewable infrastructure sector currently has to market shocks and its uncorrelated nature relative to other sectors.



Source: Datastream as at 11 December 2020

1 Renewable Energy Infrastructure Funds include: Gore Street Energy Fund, Greencoat UK Wind, NextEnergy Solar, Octopus Renewables Infrastructure, Aquila European Renewables Income, Bluefield Solar Income, Foresight Solar, Gresham House Energy Storage, JLEN Environmental Assets, SDCL Energy Efficiency Income, The Renewables Infrastructure Group

PART 3

INVESTMENT OBJECTIVE AND POLICY, INVESTMENT STRATEGY AND INVESTMENT PROCESS

Investment objective

The investment objective of the Company is to provide investors with regular income and capital appreciation through a diversified portfolio of private investment vehicles which predominantly invest in renewable energy and/or energy transition assets, projects and technologies and direct investments (including by way of Co-investments) in renewable energy and/or energy transition assets, projects and technologies.

Investment policy

The Company will pursue its investment objective by investing in three main categories of investment opportunities:

1. making primary and secondary commitments into private investment vehicles managed by NextEnergy;
2. making primary and secondary commitments into private investment vehicles managed by Third Party Managers; and
3. investing in renewable energy and energy transition assets, projects and technologies as the sole investor or alongside other investors (including co-investments with Portfolio Vehicles). The Company may invest in such renewable energy and energy transition assets, projects and technologies either directly, by way of joint venture vehicles or through holding structures acquiring minority, majority and/or all of the interests.

The Company is focussed on providing a positive social and environmental impact with both its indirect and direct investments in renewable energy and energy transition assets, projects and technologies. Consequently, the Company will target private investment vehicles that are predominantly focused on renewable energy and/or energy transition assets, projects and technologies, and that have (or intend to have) the vast majority of their assets located in OECD Member Countries. Direct investments (including co-investments) will only be in relation to renewable energy and/or energy transition assets, projects and technologies. The Company will have a preference for underlying operational assets but will also be able to hold (directly or indirectly) assets that are in development or under construction. As technologies and markets develop and become more established, future investments may differ from those within the initial portfolio.

The Company is committed to reducing portfolio concentration risk by implementing a global investment approach. It will seek to maximise its opportunities and reduce investment risk by holding a balanced spread of investments diversified by geography, renewable energy and energy transition assets, projects and technologies and investment stage, asset maturity, counterparties, power markets, currency exposure and underlying investment managers. Given this global investment approach, the Company does not adopt maximum or minimum exposures to specific geographic regions, technologies, the investment stage of funds, the maturity of the underlying assets, counterparties or power markets. However, the Company will not invest in any private investment vehicles which invest in fossil fuels or that make unethical investments (such as, for example, investments in arms manufacturers).

The Company's principal target markets comprise OECD Member Countries and it will also have the flexibility to invest in vehicles that have minor exposure to other markets should compelling investment opportunities develop.

How the Company holds its investments

The Company may invest in any type of financial instrument, including equity and non-equity shares, trust units, debt securities, shareholder loans, subscription and conversion rights and options in relation to such shares and securities and interests in partnerships and limited partnerships and other forms of collective investment schemes. Investments in funds, companies and other entities may be made either

directly or indirectly, through one or more holding, special purpose or investment vehicles, and in which one or more co-investors, including, for the avoidance of doubt, NPIII, may also have an interest.

Quoted investments

The Company may, from time to time, hold quoted investments as a consequence of such investments being distributed to the Company from its fund investments as the result of an investment in an unquoted company becoming quoted. However, in no circumstances will the Company invest in any listed investment companies.

Over-commitment

The Company is permitted to employ a limited policy of over-commitment in conjunction with, and within the limits of, its gearing policy. This means that the Company may commit more than its available uninvested assets, not exceeding 30 per cent. of Gross Asset Value (in order to ensure the Company remains within its gearing limits), to investments in private equity funds on the basis that such commitments can be met from anticipated future cash flows to the Company and through the use of borrowings and capital raisings where necessary. The Company will only use this over-commitment policy to the extent that leverage is available to it.

Investment restrictions

Single investment limits

No single investment (being, in the case of a subscription to a new fund, the amount committed to the fund or, if an additional stake in an existing investment is acquired, the combined sum of the purchase monies paid by the Company and the outstanding commitment (if any) assumed by the Company in respect of such fund) by the Company will constitute (at the time of investment) more than 30 per cent. of the Gross Asset Value and the aggregate outstanding commitments in respect of the Company's investments.

The aggregate of all the amounts invested by the Company (being the amounts committed by the Company to new funds and the purchase monies paid by the Company and outstanding commitments (if any) assumed by the Company in the case of secondary interests in existing funds) in funds (including any co-investments) managed by a single fund management group (other than NextEnergy) will not represent more than 30 per cent. of the Gross Asset Value and the aggregate outstanding commitments in respect of the Company's investments at the time such investment is made.

Direct investment (including co-investment) limit

No single direct investment (including a co-investment) will constitute (at the time of investment) more than 10 per cent. of Gross Asset Value.

Limit on the number of investments

The Company will also ensure that its investment portfolio comprises a minimum of five renewable energy and energy transition private investment vehicles or direct asset investments at any given time, save that this requirement shall not apply when the Company is in the process of investing the Initial Issue Proceeds and/or being wound up or dissolved.

The above restrictions apply as at the date of the relevant transaction or commitment to invest. Hence, the Company would not be required to effect changes in its investments owing to appreciations or depreciations in value, distributions or calls from existing commitments, redemptions or the receipt of, or subscription for, any rights, bonuses or benefits in the nature of capital or of any acquisition or merger or scheme of arrangement for amalgamation, reconstruction, conversion or exchange or any redemption, but regard shall be had to these restrictions when considering changes or additions to the Company's investments (other than where these investments are due to commitments made by the Company earlier).

Cash balances

Pending investment, reinvestment or distribution of cash receipts or repayments of any outstanding indebtedness, cash received by the Company will be invested in cash, cash equivalents, near-cash

instruments, money market instruments and money market funds and cash funds. The Company may also hold derivative or other financial instruments designed for efficient portfolio management or to hedge interest, inflation, power price or currency rate risks. The Company and any other member of its group may also lend cash which it holds as part of its cash management policy.

Gearing policy

Underlying investments in power generating infrastructure assets may employ financial leverage usually in the form of non-recourse project-level debt in proportion to their level of long-term fixed and regulated revenues and other characteristics of the asset. The Company seeks to manage exposure to assets or funds that employ leverage in consideration of factors including (but not limited to) proportion of fixed revenues, counterparty risks, cashflow profile and in any case no more than its own cash flow and appropriate risk provisions can support, in order to enhance value creation; it is impractical to set a maximum for such gearing across the portfolio as a whole.

The Company’s Articles provide that gearing at Company level calculated as a percentage of the Gross Asset Value will not exceed 50 per cent. at the time of drawdown. It is the Board’s current intention that the Company will only use short term leverage up to 30 per cent. of Gross Asset Value at the time of drawdown.

Any material change in the Company’s investment policy will require the approval of the FCA and of Shareholders at a general meeting. In the event of a breach of the Company’s investment policy, the Directors will announce through a Regulatory Information Service the actions which will be taken to rectify the breach.

Investment strategy

The Company intends to invest in renewable energy and energy transition assets, projects and technologies that are well developed and have a proven track record of delivering sustainable revenues. Therefore, it is envisaged that, in the near term, the focus of the Company’s investments will be predominantly on solar and wind, as these technologies are predicted to represent the majority of the new generating capacity to be installed globally in the foreseeable future. These are also the sectors where the Investment Adviser has the greatest experience. The Company intends to invest up to 30 per cent., of the Initial Gross Proceeds in NPIII as soon as possible after Initial Admission. The Company will also have the opportunity to co-invest, alongside NPIII, in its existing portfolio and any of its future assets, in order to gain further exposure to the most attractive assets in NPIII’s underlying portfolio. Further details of NPIII and its portfolio are set out in Part 4 of this Prospectus.

The Company’s investment policy, however, does not restrict the renewable energy nor energy transition sectors that the Company may invest in. This will allow the Company to pursue the most attractive investments and diversify the portfolio risk. The Investment Adviser broadly views the potential target investments as falling within two wide ranging categories.

Renewable energy sectors, such as:

- solar;
- wind;
- hydro;
- tidal;
- geothermal; and
- biomass.

Energy transition sectors, such as:

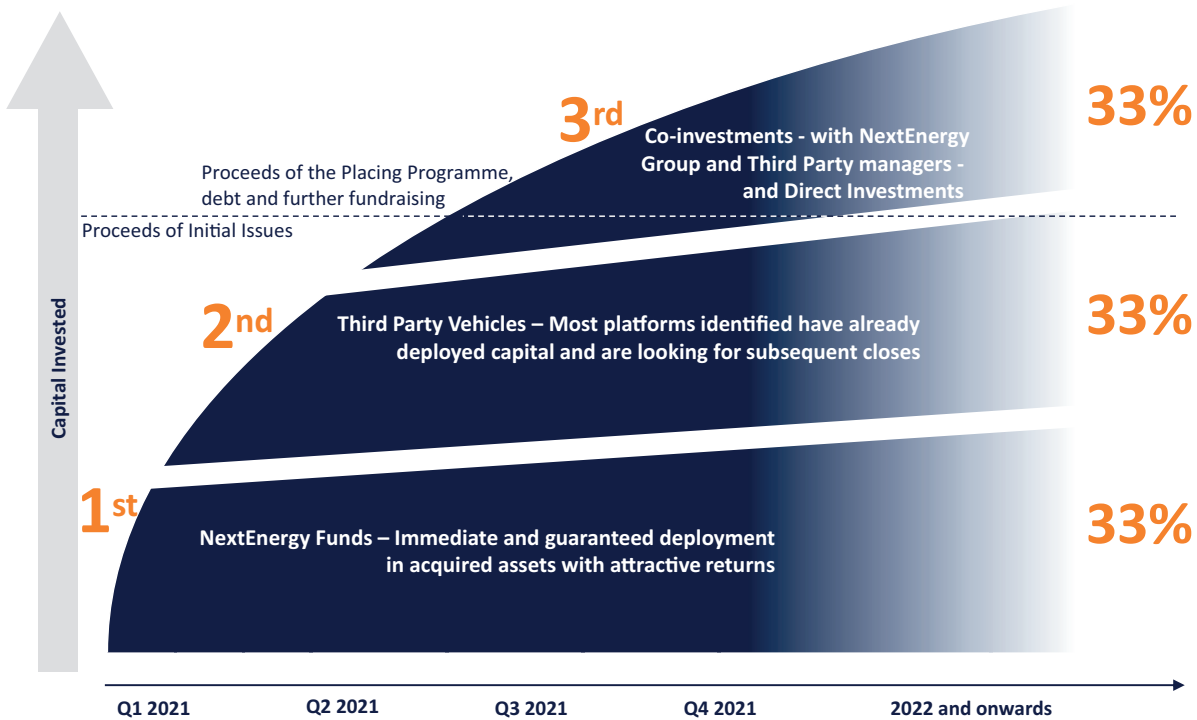
- hydrogen;
- smart electricity transmission;
- clean heating and cooling;
- clean transportation; and
- energy efficiency.

Within these sectors, the Portfolio Vehicles may invest in or the Direct Investments may include a wide range of renewable energy and energy transition assets, projects and technologies that: (i) utilise natural or waste resources (such as a hydroelectric plant or a biomass and waste power plant) and/or support more environmentally-friendly approaches to economic activity; (ii) generate renewable energy (such as ground based Solar PV Plants and wind turbines); (iii) promote energy efficiency (such as a combined heat and power plant); or (iv) involve energy storage (such as a Hydrogen storage facility). It is expected that the majority of these underlying assets will be located in OECD Member Countries.

The lists above are not exhaustive lists of the sectors, assets, projects and/or technologies that the Company may invest in. As sectors and technologies develop and markets become more established, the sectors, assets, projects and/or technologies that the Company invests into in the future may differ from those set out above.

In selecting the Portfolio Vehicles, the Company will give preference to vehicles which have already had a first close and have started to deploy capital. This will enable the Investment Adviser to conduct a more detailed due diligence process on the assets acquired by the Portfolio Vehicle and assess the underlying investment manager’s performance and approach to due diligence.

Over time the Company will target a balanced portfolio equally split across NextEnergy Funds, Third Party Vehicles and Direct Investments. However, initially the Company’s portfolio will have a much greater weighting towards NPIII and its underlying assets and Third Party Vehicles (such as those that have been identified in the Seed Portfolio) in order to prevent cash drag and ensure the efficient deployment of capital.



Once the Company has subscribed for commitments in the Portfolio Vehicles, it will have access to further Co-investment opportunities. A Co-investment will occur when the Company takes a direct stake in a renewable energy or energy transition asset, project or technology alongside a Portfolio Vehicle (which may include NPIII), NextEnergy Group or a Third Party Manager. The Company’s Co-investment strategy should provide it with the ability to optimise portfolio returns and dividend cover, over the longer term, by allowing increased direct exposure to selected attractive assets, projects or technologies.

The Board believes that making Direct Investments will benefit the Company in the following ways:

1. it should increase the Company’s ability to grow in size by deploying further capital directly in individual opportunities;
2. it should provide the opportunity for the Company to establish long-term strategic relationships with the Third Party Managers; and
3. the Company will be able to benefit from the NextEnergy Group’s experience of selecting and managing renewable energy assets, projects and technologies.

The Investment Adviser expects that Direct Investments will be made in a mixture of operational assets and development or construction assets.

Gearing strategy

Leverage at Company level

It is intended that after Initial Admission the Company will enter into a short-term revolving credit facility that can be drawn to finance the Company's general expenses, distributions and meet investment commitments. This will allow the Company to: (i) minimise any risk of cash-drag due to the time mismatch between a commitment to a Portfolio Vehicle or a Direct Investment and funds being raised under a Subsequent Placing; and (ii) ensure timely distribution of quarterly dividends to Shareholders regardless of the timing of distributions made by the Portfolio Vehicles, which the Company has no control over. The Board's intention is that the revolving credit facility will allow the Investment Adviser greater flexibility to make investments, however it is expected that funds drawn-down under the facility will be refinanced through the issue of additional Ordinary Shares within a short period. The Directors also believe that certainty in the deployment of new funds raised under the Placing Programme will make an investment in the Company more attractive to potential new investors.

Leverage at Portfolio Vehicle or Direct Investment level

The Investment Adviser will favour investment vehicles that adopt an efficient but prudent approach to financial leverage. The Investment Adviser will seek to identify investment vehicles that employ leverage in consideration of factors including (but not limited to) the proportion of fixed revenues, counterparty risks and cashflow profile and in any case no more than the investment vehicle's own cash flow and appropriate risk provisions can support, in order to enhance value creation.

Leverage at underlying asset, project and/or technology level

It is intended that the underlying renewable energy and energy transition assets, projects and technologies within the Company's portfolio will predominantly benefit from long-term, predictable cash flows, wholly or partially linked to inflation (directly or indirectly) and supported by long-term contracts and/or benefit from a stable regulatory operating environment.

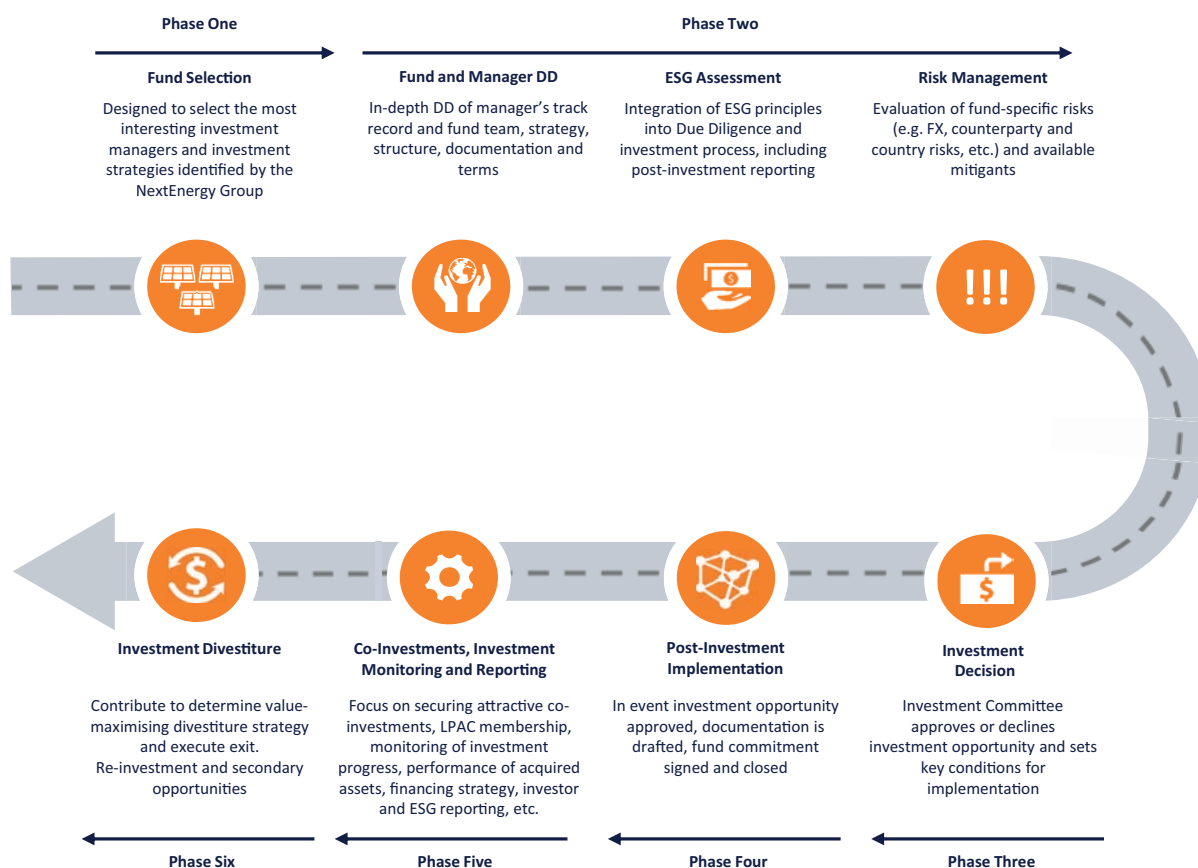
Depending on the level of fixed revenues and stability of expected cash flows, it is expected that those underlying renewable energy and energy transition assets, projects and technologies will also employ financial leverage which is expected to mostly comprise non-recourse long-term amortising project financing, with a level of gearing appropriate to the revenue downside protections in place, as customary in the renewable energy sector. In the experience of the Investment Adviser, this leverage usually averages from 50 per cent. to 70 per cent. of the value of the underlying renewable infrastructure project.

Investment process

Overview

The Investment Adviser has an established investment process which is structured in order to dedicate the Investment Adviser's resource to the most attractive investment opportunities, ensure that key aspects of a potential investment are fully explored and verify that the investment criteria have been fulfilled before any investment decision is made, whilst also being flexible enough to allow the Investment Adviser to react with speed and decisiveness when required. ESG assessment of both risks and positive impacts are fully integrated in the investment process and form an integral part of it.

Investment evaluation and decision-making



Phase One – Investment selection

This phase is designed to select the most attractive investment managers and investment strategies.

There are no restrictions on the structure, jurisdiction or terms of the funds that the Investment Adviser may invest in under the investment policy, but typically the Board expect that the Company will invest in private investment vehicles that have the following key characteristics:

- commitment stage – the Company will predominantly invest in private investment vehicles that have completed an investment round and deployed capital, this will allow the Investment Adviser to assess the investments that have been made in line with the investment strategy of the private investment vehicle and the ability of the investment manager to successfully manage those investments;
- investment manager experience – the Investment Adviser will carefully consider the experience of the investment manager and the ability to apply that experience to the sector in which the private investment vehicle invests in order to add value; and
- equalisation mechanism – the Investment Adviser will identify private investment vehicles that have established revenue streams, that offer the Company exposure to real returns, at an attractive cost.

When identifying suitable private investment vehicles the Investment Adviser will also consider factors such as the structure of the current portfolio, diversifying the Company's exposure to different currencies and the funds exposure to leverage.

Phase Two – Due diligence, ESG assessment and risk management

Due diligence

The Investment Adviser will carry out an in-depth due diligence process on the manager's track record, fund management team, strategy, structure and the terms of investment. As part of this due diligence

process the Investment Adviser will apply its expertise in the management of renewable energy projects to reviewing the fund's existing projects and other projects managed by the investment manager.

The Investment Adviser, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be provided that a given political or economic climate, or particular legal or regulatory risks, might not have a material adverse effect on the Company's financial position, results of operations, business prospects and returns to investors.

ESG assessment

As an investor, operator and supporter of renewable energy, the NextEnergy Group believes that its commercial and financial activities are naturally aligned with the principles of socially responsible investment but it has invested resources to formally implement and monitor an ESG policy. The NextEnergy Group is also a signatory to the UN supported Principles for Responsible Investment ("PRI") and a member of the Institutional Investors Group on Climate Change. In addition, the NextEnergy Group is the principal funder of the international charity, NextEnergy Foundation.

In June 2017 the NextEnergy Group appointed Giulia Guidi Pirro, who is an environmental, social and governance risk expert as the dedicated ESG Senior Advisor. Giulia is an ESG risk expert with more than 18 years' experience in the financial sector. She spent ten years as an Executive Director in Global Risk Management at J.P. Morgan Chase. There she was responsible for the implementation of J.P. Morgan Chase's ESG Policy, along with performing ESG due diligence on more than 1,000 transactions. Prior to J.P. Morgan Chase, Giulia worked at the Export Credit Guarantee Agency, managing environmental and social risk for major project finance transactions in energy and industrial sectors. Giulia brings substantial ESG strategic and risk management expertise, including in green bonds. She has deep and extensive knowledge of key ESG trends and the agenda for the energy sector. Giulia has acted as a member of the Advisory Group of the OECD Responsible Business Conduct Committee and as a member of the Steering Committee of the Cross-Sector Biodiversity Initiative. She holds an MSc degree in Environmental Engineering (Rome, Italy) and an MSc Eng. in Renewable Energy Markets (Cork, Ireland).

The Investment Adviser believes that integrating ESG principles into the investment process is critical to maximise the positive impact of the Company's investment strategy. The NextEnergy Group has developed a comprehensive ESG policy and the Investment Adviser is committed to monitoring its implementation and evolving its processes.

- *Environmental*

The NextEnergy Group is highly supportive of the environment, as it invests in renewable energy assets, projects and technologies that directly address global environmental and climate change and help to meet regulatory and political targets. Prior to investment, the Investment Adviser will undertake extensive due diligence to ensure that all of the assets, projects and technologies that the Company invests in are in line with local environmental regulation and satisfy the requirements of the NextEnergy Group's Sustainable Investment Policy.

- *Social*

Increasingly adverse economic, social and political pressures have, in the NextEnergy Group's experience, pushed landowners and local communities to look for alternative sources of income and land use to support their financial sustainability. Whilst solar farms present this alternative source of income to the farmers and already benefit the local communities by giving them comfort that the land will not be misused, the NextEnergy Group has an ethical commitment to engage with these communities in a way that develops a strong and long-lasting relationship.

- *Governance*

The NextEnergy Group has developed a policy to ensure it and its business partners are transparent and fair in their dealings with all parties associated with the types of assets, projects and technologies that the Company will invest in. The Investment Adviser is committed to ensuring that this policy is adhered to.

Risk management

In considering a new investment for the Company, the Investment Adviser will review the risks specific to the Portfolio Vehicle or Direct Investment and evaluate how these fit within the existing portfolio of the Company. Particular consideration will be given to the operating currency that the Portfolio Vehicle operates in, the countries that the Portfolio Vehicle invests into or the country in which the Direct Investment is situated and the regulatory attitude in those countries towards renewable energy and the local counterparties that will impact the asset, project or technology.

Phase Three – Investment decision

The investment proposal will be presented to the Investment Adviser's investment committee who will consider the investment and its suitability within the Company's investment policy.

Phase Four – Post-acquisition implementation

Should the investment proposal be approved by the Investment Adviser's investment committee, the terms of the investment will be negotiated and finalised by the Investment Adviser on behalf of the Company. If the investment is being made into a NextEnergy Fund, the Board, which is fully independent of the NextEnergy Group, will also need to approve the terms of the investment after receiving independent legal advice. In such circumstances the Board will receive advice from the Company's sponsor in relation to the applicability of the related party transaction rules under the Listing Rules.

Phase Five – Co-investments, investment monitoring and reporting

Once the investment has been finalised the Investment Adviser's attention moves to monitoring the activity of the private investment vehicle to ensure that it is achieving its investment objectives, operating efficiently and keeping costs low. This is also an opportunity for the Investment Adviser to identify attractive Direct Investment opportunities for the Company.

Phase Six – Investment divesture

The Investment Adviser will monitor the investment with a view to determining a value-maximising divestiture strategy and execute an exit efficiently. The key considerations of the Investment Adviser in this phase will be portfolio critical mass, operational track record and the state of the M&A and financing markets.

Key individuals in the Investment Adviser's team

The Company will benefit from access to all of the NextEnergy Group's extensive knowledge, experience and resources. The NextEnergy Group is a leading investor and asset manager in the renewable energy sector, with significant expertise in solar PV globally, having executed more than 220 investments in solar PV since its foundation in 2007. In addition, collectively the team at the NextEnergy Group that will manage the portfolio of investments made by the Company have over 175 years of non-solar renewable energy experience, including investing in hydro, wind and biogas assets.

The investment committee at the Investment Adviser ultimately responsible for investment decisions in relation to the Company will consist of the following individuals.

Michael F.H. Bonte-Friedheim: Michael is Founding Partner and CEO of NextEnergy Capital and member of the Investment Committee of NextEnergy Solar Fund Limited and of the investment committees of NextPower II LP and NP III.

Michael has extensive energy and power experience as well as financial expertise developed over 25 years in investment banking and managing energy companies.

He left Goldman Sachs in 2006 (to found NextEnergy Capital) where he was Managing Director in the European Energy & Power Team in the European Investment Banking Department. He previously held similar roles at Morgan Stanley and Credit Suisse First Boston in London.

Since leaving Goldman Sachs, as well as founding the NextEnergy Group and driving its development, he has also held various roles in AIM-listed companies. He acted as Valiant Petroleum Plc's Acting CEO managing the company and its sale to Ithaca Energy for US\$459 million. Prior to that, he was Valiant Petroleum Plc's Senior Independent Board Member, having been on the board since 2006. He was also Non-Executive Chairman and then CEO of Mediterranean Oil and Gas Plc (an AIM-listed company focused on E&P opportunities in and around the Mediterranean and Italy's fourth-largest gas producer).

Michael holds an MBA degree from INSEAD (1994) and a BA in International Relations from the University of San Diego (1989).

Aldo Beolchini: Aldo is Managing Partner and Chief Investment Officer of NextEnergy Group. In this role, Aldo is responsible for the implementation of the investment strategy of the various listed and private equity funds managed by the NextEnergy Group, ensuring the consistency and diligence of the investment approach across all strategies. Aldo is also a member of the investment committees of NextEnergy Solar Fund Limited, NextPower II LP and NPIII and he will also be a member of the Investment Committee of NPIII.

Aldo contributes extensive experience acquired over more than 20 years in renewable energy and corporate finance. He joined the NextEnergy Group in February 2008 from Morgan Stanley, where he was most recently a Vice President in the London investment banking department. During his eight-year long banking career he held various financing and capital markets-related roles and closed several principal financing transactions, private equity and M&A deals.

Aldo brings extensive experience in designing and executing complex structured finance transactions and his appointment enhances NextEnergy Group's relationship with leading lenders and investors in the European renewable energy sector.

Aldo holds a degree in Business and Economics from the Luiss University of Rome and prior to his banking career was an officer within the Academy of Guardia di Finanza in Italy.

Giulia Guidi: Giulia is an ESG risk expert with over 15 years' experience in the financial sector.

She joined the NextEnergy Group in 2017 as ESG Senior Advisor. Prior to joining, Giulia spent ten years as an Executive Director in Global Risk Management at J.P. Morgan Chase. There she was responsible for the implementation of J.P. Morgan Chase's ESG Risk Policy, along with performing ESG due diligence on more than 1,000 transactions. Prior to J.P. Morgan Chase, Giulia worked at the Export Credit Guarantee Agency, managing environmental and social risk for major project finance transactions in energy and industrial sectors.

Giulia brings substantial ESG risk management expertise, including in green bonds. She has deep and extensive knowledge of key ESG trends and the agenda for the energy sector.

Giulia has acted as a member of the Advisory Group of the OECD Responsible Business Conduct Committee and as a member of the Steering Committee of the Cross-Sector Biodiversity Initiative. She holds an MSc degree in Environmental Engineering (Rome, Italy) and an MSc Eng. in Renewable Energy Markets (Cork, Ireland).

The investment committee will be supported by the non-executive directors of the AIFM including:

Jeremy Thompson: Jeremy has multiple-sector experience with a focus on engineering, energy and finance. He serves as a non-executive director on multiple investment funds in both the listed and private equity area. This includes FTSE listed Riverstone Energy Limited and other energy related private equity funds and within these has a developing role in the transition to sustainable energy investment. He additionally sits on the board of part of the BT Pension Scheme focussing on investment within alternatives.

Jeremy also chairs the States of Guernsey Renewable Energy Team and also sits as an independent member of the Guernsey Tax Tribunal Panel. Between 2005 and 2009 he ran the Guernsey office of a PE group investing in European infrastructure. Prior to that he was CEO of four autonomous businesses within Cable & Wireless PLC and earlier held managing director roles within the Dowty Group. Jeremy has international general management experience within the oilfield services sector gained within what is now National Oilwell Varco.

He holds a BSc Engineering degree from Brunel University, London (1973), an MBA from Cranfield University (1988) and an MSC in Corporate Governance, with distinction, from Bournemouth University in 2017. Jeremy is a Member of the Institute of Directors (2013), a Qualified Chartered Secretary (ACIS) and holds a ACI Arb qualification as an associate of the Chartered Institute of Arbitration in 2016.

Charlotte Denton: Charlotte currently serves as a non-executive director of various entities including private equity general partner companies and a bank. Charlotte has over twenty five years' experience in the global private client wealth management sector, having held senior positions at Northern Trust in Guernsey, before being seconded to London in 2009.

In 2011 she became Managing Director in London of Northern Trust's Global Family and Private Investment Offices Group, a position she held until joining a London based property development start-up company in 2015. After successfully growing that business Charlotte returned to the world of private wealth and was appointed as Managing Director and latterly CEO of a financial services group until April 2019 when she began her non-executive career.

Charlotte holds a degree in Politics from Durham University and is also a Fellow of the Institute of Chartered Accountants. She is also a member of the Society of Trust and Estate Practitioners, a Chartered Director and a fellow of the Institute of Directors.

Support will also be provided by:

Joseph D'Mello: Joseph is Director of Fund Management at the NextEnergy Group. Joseph joined the NextEnergy Group in April 2017. He is an experienced accountant and has worked in a wide range of finance roles within the property, hedge fund and asset management spaces for over 20 years.

His prior finance experience includes roles at Cazenove Asset Management, Coutts, Investec Asset Management, Barclays Global Investors (now Blackrock), Phoenix Group Plc and recent contract roles at Round Hill Capital, Savills Investment Management and Logicor Europe.

Joseph graduated from King's College, London with a Bachelor's degree in Mathematics and Computer Science. He qualified as a Chartered Accountant with KPMG in London.

Tracy Diamond: Tracy joined NextEnergy Capital in 2020 as Global Head of Compliance where she is responsible for the compliance agenda for the group. Tracy is a 20-year qualified lawyer in England and Wales with over 15 years experience as Head of Compliance in the financial services sector.

Most recently, Tracy set up her own compliance consultancy firm where she advised firms on risk management and mitigation, corporate governance and compliance, based in London and Hong Kong. Prior to this Tracy was Head of Compliance EMEA and APAC for Pantheon Ventures and oversaw the introduction of the General Data Protection Regulation, the Senior Managers Regime, Brexit and the licensing obligations for new regions such as Japan and Ireland.

Prior to this, Tracy spent 10 years at Partners Group. She held the position of Global Head of Compliance with 5 years spent in the head office in Zug, Switzerland. She created the compliance programme from scratch to meet relevant financial services regulations and responsible for the delivery of Compliance Training programme and Regulatory Developments.

In 2018, Tracy was shortlisted for Chief Compliance Officer of the Year Award at the Women in Compliance Business Awards. Tracy holds an LLM in European Law from University College London (UCL).

Conflicts of interest

The Company will establish procedures to deal with any potential conflicts of interest that may arise from individuals at the NextEnergy Group advising both the Directors on the "buy-side" (advising the Company) and on the "sell-side" (acting in the interests of the NextEnergy Group) in relation to any investment in a fund managed by the NextEnergy Group or co-investment in or acquisition of an asset owned by a NextEnergy Fund or by any affiliate of the NextEnergy Group. These procedures include:

- where there is an overlap of interests in a single investment between funds managed by the NextEnergy Group, a formulated process will be followed in determining which fund will have preferential rights on the investment; and
- the Board being notified of any identified conflict of interest or potential conflict of interest and how risk will be mitigated.

Where the Company is making an investment in a NextEnergy Fund the Company will appoint lawyers who are independent of the NextEnergy Group, to advise the Board on the terms of the investment.

All decisions on an investment into a fund managed by the NextEnergy Group or an acquisition from the NextEnergy Group will be subject to the approval of the Directors, all of whom are independent of the NextEnergy Group. To the extent that any Director is appointed to the Board in the future who is not independent of the NextEnergy Group, any such Director will not participate in any decision which involves an investment into a fund managed by the NextEnergy Group or the acquisition of an asset from the NextEnergy Group. In proposing investments the Investment Adviser and the Board will be obliged to ensure that the investments fall within the criteria of the Company's investment policy.

As investment in and Co-investments alongside funds managed by the NextEnergy Group (including NPIII) is a key part of the Company's investment policy, the Company will not seek, as a matter of course on every such transaction, Shareholder approval prior to the Company making such an investment. However, if the Company is considering the acquisition of a renewable energy asset from the NextEnergy Group, the related party transaction rules set out in the Listing Rules will have to be considered and if necessary the Company will seek approval from Shareholders before completing the acquisition.

Any arrangements between the NextEnergy Group and the Company will be on terms which are at least as favourable to the Company as those terms would be to an independent party negotiating any comparable arrangement (comparable in terms and size of the commitment) at arm's length with the NextEnergy Group. The typical key terms of investment in private investment vehicles are set out in Part 4 of this Prospectus.

Preferential right of access

The NextEnergy Group has confirmed that the Company will be able to have access to any new private fund it launches with a strategy that fits with the Company's investment policy. In addition, the Company will be offered most favoured nation rights so that it can benefit from the best terms offered to all other investors investing in the same or later close of the fund, that have subscribed to a commitment of the same or lower amount than the one subscribed by the Company.

PART 4

NEXTPOWER III LP AND THE SEED PORTFOLIO

The information in this Part 4 in relation to NPIII and the Seed Portfolio has been reproduced from publicly available sources or sources which have been provided by the NextEnergy Group. The information set out in this Part 4 has been accurately reproduced from these sources and as far as the Company and the Directors are able to ascertain from the information included in these sources, no facts have been omitted from this Part 4 which would render the reproduced information inaccurate or misleading. The Company and the Directors can give no guarantee as to the statements in relation to NPIII's policies or procedures which may change.

PART A – NEXTPOWER III LP

Background

Immediately following Initial Admission it is intended that the Company will invest a significant proportion of the Initial Gross Proceeds in NPIII. Under the investment policy the Company will be able to invest up to 30 per cent. of the Company's Gross Asset Value, at the time of investment, directly in to NPIII. By maximising investment in NPIII the Company will be able to ensure rapid deployment of the Initial Gross Proceeds in a diversified portfolio with attractive returns. The Company will also have the opportunity to co-invest, alongside NPIII, in any preferred existing and/or future assets either, for example, directly by way of co-investment companies, limited partnerships or by way of a separate funds which are wholly owned and/or controlled by the Company.

NPIII was launched in November 2018 with a first close of US\$160 million which included cornerstone investors from the following investment groups, KLP, Skandia and Pantheon Ventures. NPIII held a further close in December 2019, bringing total commitments to over US\$282 million.

The objective of NPIII is to provide attractive, long-term investment returns to investors by creating a diversified international portfolio of Solar PV Plants, primarily by acquiring new-build Solar PV Plants with scope for development and construction although operating assets with a track record are also considered.

When fully invested, it is intended that the NPIII portfolio will comprise between 50 to 150 individual Solar PV Plants. As at 31 January 2021, NPIII had acquired 28 individual Solar PV Plants and has approximately a further 500 MW of Solar PV Plants in exclusivity, spread across five projects. NPIII typically commits between US\$5 million to US\$30 million per Solar PV Plant, although it is also targeting the acquisition of some larger individual Solar PV Plants requiring equity investments in excess of US\$30 million. The largest equity investment NPIII has made as at the date of this Prospectus was an investment of US\$32.5 million in Project Tar Heel, situated in North Carolina in the United States.

NPIII primarily invests in solar plants based in OECD Member Countries. No more than 25 per cent. will be invested in any single OECD Member Country, other than the United States where NPIII can invest up to 30 per cent. of commitments.

NPIII seeks to control its investments, by being the sole or controlling shareholder. In addition, through mandating asset management to WiseEnergy, NPIII looks to exercise significant influence over the assets in which it invests. However, NPIII may elect to acquire minority interests in Solar PV Plants where the Investment Adviser assesses such investment to be of interest to NPIII and is in line with NPIII's investment objective.

NPIII is targeting a fund size of US\$750 million with a hard cap of US\$1 billion in a final close by the end of June 2021. It is expected that the date of the final close will be extended due to the impact of the COVID-19 Pandemic.

Further details of NPIII are set out below and in Part 9 of this Prospectus. The annual report and accounts of NPIII for the financial periods ending 31 December 2019 and 31 December 2018 are set out in the Appendix 2 to this Prospectus.

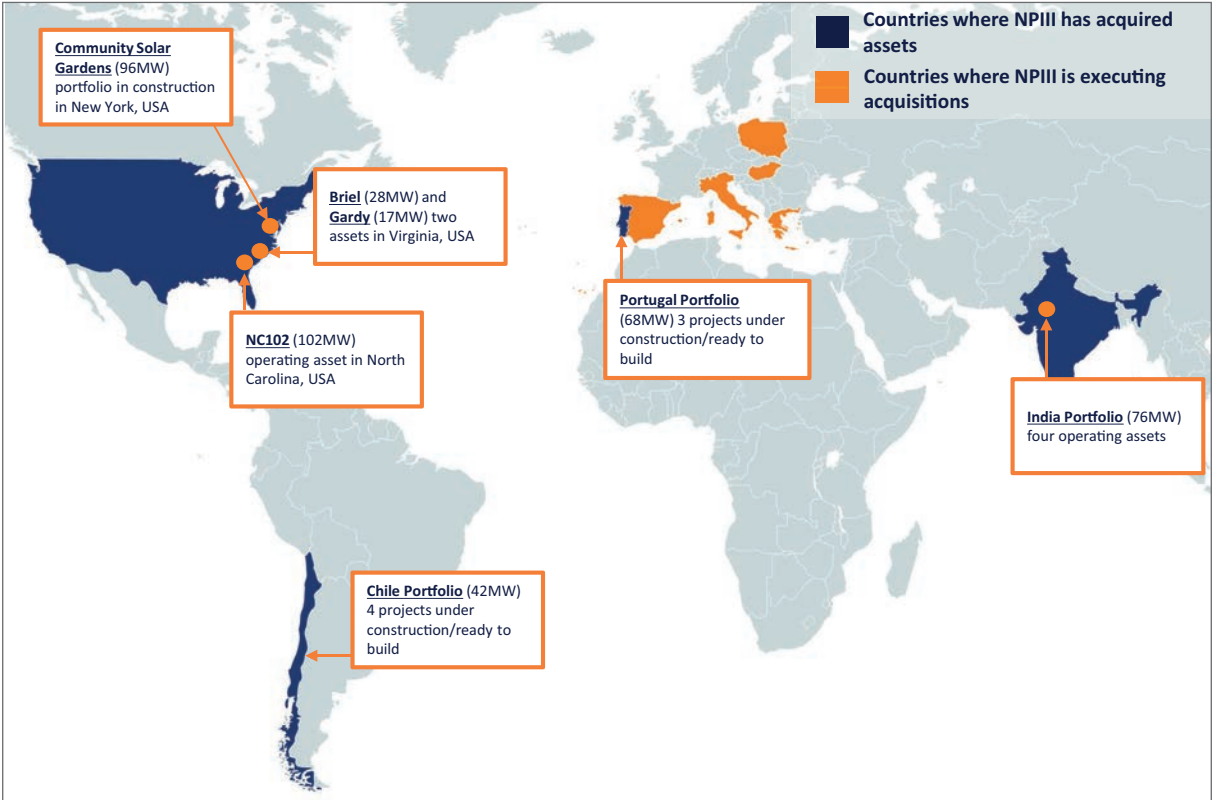
Target returns

On launch NPIII was targeting a return of 13 to 15 per cent. gross IRR and is on track to achieve returns in line or in excess of this target. NPIII has not paid any distributions since launch. However, during the investment stage, NPIII is seeking to make cash distributions to investors which equate to between 4 and 5 per cent. per annum of the amount invested. Once fully invested it is intended that the distributions made by NPIII will increase, based on cashflow, in line with the target returns.

NPIII’s current portfolio

NPIII has a mandate to invest internationally in Solar PV Plants. As at 31 January 2021, NPIII had acquired 430 MWp of assets in the United States, Chile, India and Portugal including a 102 MWp single operating asset in North Carolina in the United States. Details of these assets are set out in the table below. NPIII has approximately a further 500 MW of assets in exclusivity (being a period of time where due diligence can be undertaken without competition from other prospective investors) in Spain, Italy, Portugal and the United States.

<i>Project</i>	<i>Jurisdiction</i>	<i>MW (Capacity)</i>	<i>Number of plants</i>	<i>Status</i>
NC102	USA, OECD	102	1	Operational
Briel and Gardy	USA, OECD	45	2	Operational
CSG-1 (Lenin)	USA, OECD	96	14	Under construction
Odisha	India, OECD Key Partner	27	1	Operational
Belgaum	India, OECD Key Partner	35	1	Operational
Omega	India, OECD Key Partner	11	1	Operational
Samyama	India, OECD Key Partner	3	1	Operational
Guanaco	Chile, OECD	42	4	Under construction
Paderne	Portugal, OECD	17	1	Ready to build
Larinho	Portugal, OECD	12	1	Under construction
Palmela	Portugal, OECD	39	1	Ready to build
Total		430	28	



Investment case studies

Set out below are summaries of two of NPIII’s recent investments as an illustration of how the Investment Adviser’s investment process is applied in relation to NPIII.

Project Tar Heel (NC102)



Summary

- Date of investment:** 13 November 2019
- Type of transaction:** Acquisition of special purpose vehicle
- Location:** Carrabus County, North Carolina, United States
- Total power output:** 102.5 MWp
- Capital invested:** US\$32.5 million
- Fixed revenues:** 10 year fixed price power purchase agreement (“PPA”), from September 2018

Overview

The project consists of a Solar PV Plant located 23 miles east of Charlotte, North Carolina which has been in operation since September 2019 (“NC102”). NPIII acquired 99 per cent. of the issued share capital of the special purpose vehicle (“SPV”) that owns and operates NC102.

Market

In the United States energy policies are determined at state level. Some states operate independently of others in the same region, others have chosen to co-operate to create regional power markets. The relevant market for NC102 is SERC-East which covers large portions of the states of South Carolina and North Carolina. SERC-East is serviced by utility companies, Duke Energy Carolina and Duke Energy Progress. NC102 is located within the area serviced by Duke Energy Carolina.

Duke Energy Carolina is in the process of reducing their dependence on coal to produce energy, with significant coal retirements occurring in 2028 and 2032. The first significant coal retirement planned by Duke Energy Carolina coincides with the expiry of NC102’s PPA. This puts NC102 in a strong position as it will be negotiating the terms of a new PPA at a time when renewable energy capacity is required.

Revenue

NC102 has entered into a PPA with Duke Energy Carolina, with a term of 10 years which began in September 2018. The contracted quantity is for 100 per cent. of the energy produced by NC102.

Financing

NC102 has issued a senior secured fixed rate term note with a principal amount of approximately US\$47.3 million, maturing in 2033. At the time of acquisition of NC102 by NPIII the outstanding principal amount under the term note was US\$44.4 million. An additional US\$8.3m revolving credit facility with a 7 year tenor is also in place. All bridge loans for construction have been fully paid back.

NextEnergy Group's Sustainable Investment Policy

As part of the due diligence process undertaken for the acquisition of NC102, the NextEnergy Group has ensured that NC102 complies with the NextEnergy Group's Sustainable Investment Policy. In particular, the seller and the contractor that operates NC102 do not have a negative track record from an environmental and community relationship perspective.

Project Paderne



Summary

Date of investment:	6 October 2020
Type of transaction:	Acquisition of special purpose vehicle
Location:	Paderne, Albufeira, Portugal
Total power output:	17.4 MWp
Capital invested:	US\$17.2 million
Fixed revenues:	31.5 per cent. of energy produced per annum over the first 10 years (including a five year PPA) will be subject to a fixed price. NPIII are in discussions in relation to a 10 year PPA which would mean that fixed revenues would apply to 71.6 per cent. of energy produced at Paderne.

Overview

The project consists of a Solar PV Plant in the early stages of construction located in Paderne, Albufeira, Portugal (“**Paderne**”). At the time of acquisition Paderne had all necessary construction permits and licenses in place and construction began in October 2020.

Market

Portugal has committed to achieve carbon neutrality by 2050. In order to achieve this goal, Portugal expects 80 per cent. of its electricity to be produced from renewable energy by 2030.

Revenue

The development of Paderne is expected to be completed in October 2021. A PPA will be entered into that will guarantee the revenue in relation to 80 per cent. of the energy generation for the first five years (discussions are ongoing to extend this period to 10 years).

Financing

The Investment Adviser is in the process of finalising the financing of this project, this includes ongoing discussions around putting in place a US\$8.7 million 14 year facility. The exact terms of this facility are yet to be agreed.

NextEnergy Group’s Sustainable Investment Policy

As part of the due diligence process undertaken for the acquisition of Paderne, the NextEnergy Group has ensured that Paderne complies with the NextEnergy Group’s Sustainable Investment Policy. As Paderne is located in an area classified as an Ecological National Reserve, an Environmental Incident Assessment Study had to be undertaken. This study identified a number of areas that needed to be kept under review and reported on yearly.

NPIII Green Impact Report

The NextEnergy Group uses the SDGs as a global framework to define the ESG elements of its business strategy. The NextEnergy Group produces an annual SDG Report which includes data from all funds which it manages. The SDG Report awards each NextEnergy Group Fund a carbon score which is the annual average amount of carbon avoided due to the activities of the fund and a forecast of the amount of carbon production that will be avoided going forward. Separately the NextEnergy Group also produces a Green Impact Report which specifically relates to NPIII.

The NextEnergy Group is committed to reporting on its climate-related positive impact associated with NPIII’s clean energy generation, using a proven and transparent methodology. To this extent, the NextEnergy Group has been working with the Macquarie’s Green Investment Group (“**GIG**”) to independently measure and verify its data. GIG and Bloomberg NEF have developed a carbon score tool to standardise climate-related data and assess carbon impact. This tool was awarded the 2020 ESG data Initiative of the Year.

In January 2021 NPIII published its first annual Green Impact Report. The Green Impact Report quantifies NPIII’s environmental benefits, defined as “Green Impact”, which either have been realised or are anticipated to be realised from its investments from its launch to 31 December 2020. It focuses on greenhouse gas emissions avoided (CO₂e), and it includes air pollutants avoided and equivalent fossil fuel use avoided. The report assesses both forecast and actual performance and includes the GIG carbon score which gives a rating of AAA to E. NPIII’s current carbon score is “AA”. NPIII will report on its Green impact every six months going forward.

The Green Impact Report also shows NPIII’s contribution to the United Nations Sustainable Development Goals, which are set out below.



PART B – DETAILS OF THE SEED PORTFOLIO

Summary

In addition to NP11, the Investment Adviser has identified a selection of around 20 potentially attractive Third Party Managers, including BlackRock, Inc. and Prime Capital AG who manage private investment vehicles with strategies that fit within the Company's investment policy that are currently fundraising.

The Investment Adviser has refined these opportunities down to eight investment vehicles which form the Seed Portfolio. Although the Company has not entered into any legally binding commitments in relation to any of these investment vehicles, the Investment Adviser has carried out high level due diligence on the Third Party Vehicles that make up the Seed Portfolio. Following Initial Admission, the Investment Adviser will carry out a more-detailed desktop due diligence process on the Seed Portfolio. Having considered the findings of the desktop due diligence process and the amount of the Initial Net Proceeds, the Investment Adviser will select which, if any, of the Third Party Vehicles the Company will invest in.

The underlying renewable energy and energy transition assets, projects and technologies

The Investment Adviser will consider Portfolio Vehicles that invest in a wide range of renewable energy and energy transition assets, projects and/or technologies that: (i) utilise natural or waste resources (such as a hydroelectric plant or a biomass and waste power plant) and/or support more environmentally-friendly approaches to economic activity; (ii) generate renewable energy (such as ground based solar power plants and wind turbines); (iii) promote energy efficiency (such as a combined heat and power plant); or (iv) involve energy storage (such as a Hydrogen storage facility). It is expected that the majority of these underlying assets will be located in OECD Member Countries.

The Third Party Vehicles that have been pre-identified by the Investment Adviser, have already invested in portfolios diversified across hundreds of individual assets. These assets are predominantly on-shore and off-shore windfarms and Solar PV Plants, but also include hydro and energy storage assets. If the Company invests in any of the Seed Portfolios, such investments will expose the Company to a portfolio of underlying renewable energy and energy transition assets, projects and technologies that are diversified across *inter alia* investment strategies, geographical locations and Third Party Managers.

Further details of the Seed Portfolio

Fund	1	2	3	4
Target Size (million)	£400	US\$500-700	US\$2,500	€5,500
Investment strategy	UK clean energy	US clean energy focus	Global renewables	Global renewables with infrastructure
Return target	10-12% gross	TBC	12-13% gross	TBC
First close	July 2019 (2nd)	January 2020	December 2019	June 2020
Final close	TBC	TBC	Upcoming	Upcoming
Potential investment by the Company (million)	£40	£50	US\$75	US\$75
Fund	5	6	7	8
Target Size (million)	€500	€500	AU\$750	€1,500
Investment strategy	European renewables	Nordics wind	Australian renewables	Global renewables
Return target	TBC	8-10%	TBC	TBC
First close	July 2020	June 2020	TBC	TBC
Final close	TBC	TBC	Unlisted unit trust	TBC
Potential investment by the Company (million)	€50	€50	US\$50	US\$75

There can be no assurance that any of the Third Party Vehicles identified in the Seed Portfolio will remain open for investment after Initial Admission or, if available, on what terms any investment by the Company will be made. No contractually binding obligations for investment into the Seed Portfolio have been entered into by the Company or the Investment Adviser. Following Initial Admission, the Investment Adviser may or may not pursue an investment in any of the Seed Portfolio.

Investment opportunities not comprised in the Seed Portfolio may also become available. The make up of the Company's portfolio may therefore be substantially different to the Seed Portfolio.

In the near-term the Investment Adviser believes that there is a robust flow of investment opportunities available in Third Party Vehicles.

Typical key terms of investment in private investment vehicles

It is expected that most Portfolio Vehicles will be structured as limited partnerships, established in England, Scotland or Luxembourg. However, the Company is likely to invest in Portfolio Vehicles that are structured differently and established in other jurisdictions, including unit trusts and corporate vehicles.

The terms of the Company's investment will vary between each Portfolio Vehicle. The Company has agreed with the AIFM that investments made into the NextEnergy Funds by the Company, at the first close of the relevant NextEnergy Fund, will be on the same terms as the most favourable terms agreed with any existing investor in the relevant NextEnergy Fund. However, the terms available to the Company in relation to investments in Third Party Vehicles will depend on, amongst other things, the size and the timing of the Company's investment. There is no guarantee that the Investment Adviser will be able to negotiate the most favourable terms for the Company in these Third Party Vehicles.

For illustrative purposes only, set out below are typical key terms that the Company will be expected to agree to:

(i) *Timing and term of investment*

The Company will invest predominantly in Portfolio Vehicles at a subsequent close. This will allow the Investment Adviser to verify, prior to the Company's investment, that the actual IRR of the investments made or in execution by the relevant Portfolio Vehicle are in line with the target IRR. However, the Company may invest in Portfolio Vehicles at first close to take advantage of better terms (which may include, for example, lower fees or carried interest), or if the Investment Adviser otherwise deems the investment opportunity particularly attractive (for example, if there is an attractive seed portfolio or there are co-investment opportunities with the same Third Party Manager). The Company's investments are likely to be long term in nature (around 5 to 10 years on average).

(ii) *Equalisation*

Typically an investor coming into a Portfolio Vehicle after the first close will be drawn down shortly following admission for such aggregate amount as they would have been required to advance to the Portfolio Vehicle had they been admitted as a first close investor. This amount is intended to "equalise" the drawn position of all investors, including the subsequent investor, and will therefore be distributed among existing investors *pro rata*. At the same time, a subsequent investor will be required to pay to the Portfolio Vehicle an additional amount equal to interest on such equalisation amount at a pre-determined rate, running from the date such equalisation amount would have been advanced to the Portfolio Vehicle had the subsequent investor been admitted at first close until the date of such drawdown. That additional amount equal to interest will also be distributed among existing investors *pro rata*, but will not be available to be redrawn. Subject to other factors such as the timing and quantum of investment, an investment by the Company at a subsequent close could lead to an immediate uplift in the Company's NAV, should the actual IRR of the Portfolio Vehicle exceed the rate of equalisation interest.

(iii) *General partner's right to redraw funds*

A general partner may have the right to redraw certain distributions and/or capital proceeds in order to reinvest them for the benefit of the relevant Portfolio Vehicle, or otherwise to meet costs and liabilities, including indemnities in favour of the general partner and warranty claims arising on the disposal of Portfolio Vehicle investments.

(iv) *Withdrawal and redemption rights*

Although some Portfolio Vehicles may offer the Company limited withdrawal or redemption rights, it is unlikely that these rights will be available to the Company except in very limited circumstances.

(v) *Investor clawback*

Furthermore, investors in the Portfolio Vehicles may be required to re-advance distributions (i) that are required in order to satisfy claims under the indemnities set out in the Portfolio Vehicle's indemnities, or (ii) that comprise capital proceeds received by the Portfolio Vehicle on the realisation of any investment in respect of which the Portfolio Vehicle has given warranties or indemnities and where a claim has been made under such warranties or indemnities, subject to certain limits and exemptions.

(vi) *Voting rights*

It is unlikely, particularly in the event that only the Minimum Gross Proceeds are raised, that the Company will hold a majority interest in any Portfolio Vehicle. The Company is not expected to have any control over the investments made by Portfolio Vehicles and may only be entitled to vote in limited circumstances such as a material change to a Portfolio Vehicle's constitutional documents, including its investment policy and the proposed removal of a general partner.

(vii) *Information rights*

The information that the Company will be entitled to receive will vary among Portfolio Vehicles and management houses. However, the Company will expect to receive, at least, annual audited accounts in respect of each Portfolio Vehicle, unaudited quarterly asset valuations and progress reports.

(viii) *Management fees*

The NextEnergy Group and the Third Party Managers will be expected to receive management fees (which may include performance fees) in relation to the Portfolio Vehicles that they manage, which are in line with fee arrangements in relation to private investment vehicles of this nature. During the investment stage managers typically receive an annual fee of around 0.75 to 1.75 per cent. per annum of total investor commitments made to the relevant Portfolio Vehicle, depending on various factors including (but not limited to) target IRR, investment strategy, strength of a management team's track record and upside potential. This fee will typically reduce once the investment stage is complete, by about 0.25 to 0.5 per cent. per annum, and will typically then be determined by reference to invested capital rather than investor commitments. It is also expected that Portfolio Vehicles will operate carried interest schemes to incentivise the relevant management teams. Carried interest would be expected to be structured as a share of profits over and above a certain level of investor return. Typically, a carried interest vehicle would receive between 10 and 20 per cent. of profits (with the balance going to investors) in excess of the aggregate amount distributed to investors in repayment of their commitments and in payment of a preferred return of between 5 and 10 per cent. per annum (on amounts drawn). The levels of carried interest and investor return hurdles would depend on various factors, including the strength of a management team's track record and upside potential.

(ix) *Defaulting investors*

During the investment phase, the Portfolio Vehicles will issue drawdown notices to the Company when it is intended that a new investment is to be made by the relevant Portfolio Vehicle. If the Company fails to make the contribution required by a drawdown notice, it is likely that the Third Party Manager of the relevant Portfolio Vehicle will be able to pursue a range of remedies against the Company, including but not limited to, imposing interest charges on the outstanding amount and a mandatory sale or forfeiture of the Company's interests.

PART 5

DIRECTORS, AIFM, INVESTMENT ADVISER AND ADMINISTRATION OF THE COMPANY

The Directors

The Directors, each of whom is independent and non-executive, are responsible for the determination of the investment policy of the Company and its overall supervision. Whilst certain responsibilities have been delegated to the AIFM and the Investment Adviser, a schedule of matters specifically reserved for the Board's decision has been adopted by the Board. Board members will also engage with the Investment Adviser regarding the Company's investments. The Directors are as follows:

Anne Wade (Chair) – Anne was Senior Vice President and Director of Capital International from 1995 to 2012, where she was responsible for infrastructure-related investments. Anne was previously a non-executive director and member of the Governance and Strategy Committee of Holcim, based in Switzerland. Anne was appointed as an independent non-executive director of the Man Group plc in April 2020. She also held the role of non-executive director and chair of the remuneration committee at John Laing Group plc until 31 January 2021 and continues to be a non-executive director of Summit Materials Inc, a trustee of Big Society Capital Limited and a partner in Leaders' Quest.

Fiona Le Poidevin (Chair of the Audit Committee) – Fiona is a non-executive director with a particular focus on listed investment companies and private equity. A Chartered Director, Fellow of the Institute of Directors and Chartered Accountant (FCA), Fiona has over 22 years' experience working in financial services in both London and the Channel Islands across the accounting and tax professions with experience in strategy, marketing, PR and the regulatory and listed company environments. Until the end of July 2020, Fiona was Chief Executive Officer of The International Stock Exchange Group Limited, a company listed on The International Stock Exchange. In 2018, Fiona led the launch of TISE GREEN, the exchange's green finance market segment for companies, bonds and funds creating a positive environmental impact. Previously Fiona was Chief Executive of Guernsey Finance, the promotional body for Guernsey's finance industry internationally, and prior to this she was an auditor and latterly tax adviser at PwC (London and Channel Islands) and KPMG (Channel Islands) for over 13 years. Fiona is a member of the AIC Channel Islands Committee and the IoD Guernsey Committee and non-executive Chairman of a local Sea Scouts group.

Michael Bane – Mike is a chartered accountant and retired from public practice on 29 June 2018. Mike has more than 35 years of audit and advisory experience in the asset management industry including in relation to infrastructure investment companies. He led EY's services to the asset management industry in the Channel Islands and was a member of EY's EMEIA Wealth and Asset Management Board. Prior to EY, Mike was at PwC, in both London and Guernsey. Mike was President of the Guernsey Society of Chartered and Certified Accountants from 2015 to 2017. He is a non-executive Director of HICL plc, Apax Global Alpha Limited, The Health Improvement Commission for Guernsey and Alderney LBG and The Guernsey Adult Literacy Project LBG.

The NextEnergy Group, the AIFM, the Investment Adviser and the investment management arrangements

The NextEnergy Group, the AIFM and the Investment Adviser

The NextEnergy Group has over US\$2.3 billion of assets under management and has successfully launched five institutional funds which invest globally in Solar PV Plants. The AIFM and the Investment Adviser are part of the NextEnergy Group. They are also the AIFM and investment adviser to NextEnergy Solar Fund Limited, the largest UK listed solar investment company with a market capitalisation of approximately £600 million as at 31 January 2021, having raised and successfully deployed approximately £950 million since its launch in 2014.

The NextEnergy Group also currently manages NextPower II Limited Partnership ("**NP II**"), which was launched in June 2016 and focuses on Italian solar consolidation opportunities. At its final close in 2018 NP II had raised €232 million, secured from the Prudential Assurance Company Limited, the UK subsidiary of Prudential Plc, and members of the Pantheon Ventures group. NP II's portfolio consists of 100 solar

plants all situated in Italy, which in aggregate produce 150MWs of renewable energy. NPII's portfolio is currently forecast to deliver a gross IRR of 17.5 per cent. (in excess of the initial target IRR of 10 to 12 per cent.) and a net asset value uplift of 46 per cent. against capital drawn down from investors. In addition, NPII has delivered strong distributions to its investors since commencement, distributing capital distributions of 28 per cent. in 2017 (its first year of operation), 14 per cent. in 2018 and 14 per cent. in 2019.

The NextEnergy Group's initial fund, NextPower I ("NPI") was an infrastructure platform which invested in solar assets across Italy and the UK. Despite changes to the subsidies that the Italian Government paid in relation to renewable energy which occurred during the life of NPI, investors received an exit IRR of 15.3 per cent.

The NextEnergy Group are in the process of launching NextPower UK ESG LP ("NPUK") which will invest in new build ground mounted utility scale solar projects, to be built without financial debt and on a subsidy-free basis. NPUK is targeting an unlevered IRR of 7 per cent. and cash on cash yields of between 6 and 9 per cent. Upon launch of NPUK, the Company will be able to invest in NPUK through the preferential right of access described on page 54 of this Prospectus.

WiseEnergy

WiseEnergy is the operating asset management division of the NextEnergy Group. Founded in 2009, WiseEnergy has a dedicated team of around 100 professionals based across the UK, Italy and India. It provides technical and operating expertise to the NextEnergy Group and manages and monitors a portfolio of approximately 1,500 Solar PV Plants with a total installed capacity of approximately 2.3 GW and an estimated £4 billion of asset value and delivers improved generation and efficiency through proprietary software and hardware tools.

The knowledge and experience of WiseEnergy have in the past been key to funds managed by the NextEnergy Group achieving their investment objectives and are likely to play an integral part in the value-creating strategy of future funds managed by the NextEnergy Group. The AIFM may appoint WiseEnergy, on an arms-length basis, to conduct selected asset management and monitoring activities in relation to Direct Investments, in this role WiseEnergy will be able to provide the AIFM and Investment Adviser with detailed portfolio monitoring information to enable them to optimise these investments.

The activities of WiseEnergy include assistance with technical asset management, identification of improvements and optimisation, continuous monitoring of asset performance with proprietary data analysis tools, provision of portfolio management IT systems, data storage, preparation of weekly, monthly and quarterly reports for the use of the Investment Adviser and the AIFM, assistance in management of SPV contractual counterparties, assistance in enforcement of EPC Contracts and O&M Contracts by the Investment Adviser and the AIFM and site visits.

Other listed renewable funds have operating asset management and reporting arrangements in place but, typically, these services are provided by external third parties. Given the NextEnergy Group's significant asset management and monitoring experience, the Board believes that the cooperation with WiseEnergy is an advantage of the NextEnergy Funds and as the ability to gain access to WiseEnergy is a potential benefit for the Company, the Board will seek to obtain these services from WiseEnergy when available and as appropriate.

The Company has put in place the WiseEnergy Framework Agreement to govern any future appointment of WiseEnergy to undertake these activities in relation to certain assets and investments (for example in relation to asset management on Direct Investment or supervision and supplement of other asset managers in place on Co-investments) if and when requested by the Company based on the requirements of each investment. Further details of the WiseEnergy Framework Agreement are set out in paragraph 11.7 of Part 8 of this Prospectus.

The investment management arrangements

The Company has appointed NextEnergy Capital IM Limited as its AIFM in accordance with the EU AIFM Directive and the UK AIFMD Laws and has entered into the Management Agreement with the AIFM. Pursuant to the terms of the Management Agreement and for the purposes of the EU AIFM Directive and the UK AIFMD Laws, the AIFM will, *inter alia*, manage the investments and other assets of the Company with the sole responsibility for the portfolio management and risk management of the assets of the

Company in each case in accordance with the Company's investment policy. In particular, the AIFM will implement adequate risk management systems in order to identify, measure, manage and monitor appropriately all risks relevant to the Company's investment policy. It will also undertake a valuation at least once a year of the assets within the Company's portfolio in accordance with the EU AIFM Directive and the UK AIFMD Laws. In accordance with the terms of the Management Agreement (and the EU AIFM Directive and the UK AIFMD Laws) the AIFM will report on the performance of the Company's investments to the Board on a monthly basis or on such other basis as they shall otherwise agree.

Separately, the Company and the AIFM have entered into the Investment Advisory Agreement with the Investment Adviser under which the Investment Adviser has agreed to provide certain services in relation to the Company and the portfolio to the AIFM, including identifying and recommending suitable investments for the Company to the AIFM.

Under the terms of the Management Agreement, the AIFM is entitled to receive an annual management fee which will vary depending on the type of investment made by the Company, as specified below:

1. 0.1 per cent. per annum on the proportion of the Net Asset Value attributable to NextEnergy Funds;
2. 0.5 per cent. per annum on the proportion of the Net Asset Value attributable to investments in Third Party Vehicles and any other residual Net Asset Value; and
3. 0.7 per cent. per annum on the proportion of the Net Asset Value attributable to Direct Investments.

The management fee shall be calculated and accrue daily on the basis of the prevailing Net Asset Value.

In addition, under the terms of the Management Agreement the AIFM is entitled to receive a performance fee (the "**Performance Fee**"). The Performance Fee shall be equal to a 15 per cent. share of the excess Total Shareholder Return over the Preferred Return in each financial year of the Company (the "**Calculation Period**") multiplied by the weighted average shares. The "**Preferred Return**" shall be 8 per cent. per annum. The "**Total Shareholder Return**" means the total dividends per ordinary share paid by the Company to Shareholders during the Calculation Period plus the Share price movement during the Calculation Period, expressed as a percentage of the Share price at the beginning of the calculation period. The Total Shareholder Return is calculated excluding any previous Performance Fee paid.

The Performance Fee shall be paid in two equal tranches, the first tranche will be paid in cash following the date of the calculation of the relevant performance fee and the second tranche will be satisfied by the issue of shares at an issue price equal to the prevailing Net Asset Value at the time of issue. The second tranche will be satisfied on the date falling 12 months after the calculation date of the relevant performance fee, but only if the average Total Shareholder Return during the Calculation Period and the following Calculation Period exceeds the Preferred Return. The Directors can, in their discretion, pay the deferred consideration in cash at any time.

In addition, in the event that the Management Agreement is terminated under the no cause provisions, the AIFM is entitled to receive a termination payment (the "**Termination Payment**"). in respect of any excess return that has been generated on each Unrealised Investment (if any) at the end of each Calculation Period following the termination date. An "**Unrealised Investment**" is an investment within the portfolio of the Company which was made by the AIFM but has not been realised by the date of their termination. The Termination Payment shall be calculated by the Company for as long as Unrealised Investments remain in the portfolio of the Company at the beginning of each Calculation Period. The Termination Payment shall be an amount representing 15 per cent. of the internal rate of return (calculated on a cash-on-cash basis including distributions and the proceeds of any realisation in excess of the Preferred Return (with no catch up) in respect of each individual Unrealised Investment).

The fees payable to the Investment Adviser under the Investment Advisory Agreement shall be payable by the AIFM and shall not be an expense of the Company.

The Company will provide disclosure in its annual report and accounts on the total amount of fees paid by the underlying investments (including the NextEnergy Funds and Third Party Vehicles). The Management Agreement and the Investment Advisory Agreement shall be subject to an initial term of five years. Following the end of this initial term the Management Agreement and the Investment Advisory Agreement may be terminated by any party on not less than 12 months' notice in writing. In addition, the Management Agreement and the Investment Advisory Agreement may be immediately terminated by any party in certain circumstances such as a material breach which is not remedied or on the insolvency

of any party. The Investment Advisory Agreement shall terminate automatically on the termination of the Management Agreement.

Further details of the terms of the Management Agreement and the Investment Advisory Agreement are set out in paragraphs 11.1 and 11.2 of Part 8 of this Prospectus respectively.

Administration arrangements

The Administrator has been appointed under the terms of the Administration Agreement to provide day-to-day administration services to the Company. In this role, the Administrator will provide certain administrative services to the Company which includes calculating the Net Asset Value, bookkeeping and accounts preparation. The Administrator will also be responsible for general company secretarial functions and for assisting the Company in complying with its continuing obligations as a company listed on the premium segment of the Official List.

Under the terms of the Administration Agreement the Administrator is entitled to a fixed fee of £237,500 per annum.

Fees and expenses

Formation and initial expenses

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company, Initial Admission and the Initial Issue. These expenses include fees and commissions payable under the Placing Agreement, admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around Initial Admission out of the Initial Gross Proceeds.

The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue which are to be met by the Company will not exceed an amount equal to two per cent. of the Initial Gross Proceeds. Assuming Initial Gross Proceeds of £300 million, the costs and expenses of, and incidental to, the formation of the Company and the Initial Issue which are to be met by the Company are expected to equal approximately 2 per cent. of such Initial Gross Proceeds. The Company will not charge investors any separate costs or expenses in connection with the Initial Issue.

Therefore, assuming that Initial Gross Proceeds of £300 million are raised, the Initial Net Proceeds are expected to be approximately £294 million. On the basis that the Minimum Gross Proceeds are raised pursuant to the Initial Issue, the Initial Net Proceeds are expected to be approximately £98 million.

Ongoing annual expenses

The principal annual expenses of the Company will be the fees payable to the AIFM, the Administrator, the Directors and other service providers. The Company will also incur regulatory fees, insurance costs, professional fees, audit fees and other expenses. Such ongoing annual expenses (excluding the costs of the Issues which include the costs associated with the publication of this Prospectus and excluding all costs associated with making and realising investments) are currently expected to amount to approximately 0.6 per cent. of Net Asset Value per annum assuming a Net Asset Value on Initial Admission of £300 million.

Accounting policies

The financial statements of the Company will be prepared in accordance with IFRS. The Company's reporting currency will be Sterling.

Further details in relation to the Company's Net Asset Value calculation and valuation policy is set out below.

Corporate governance

As the Company will be listed on the premium segment of the Official List it is required to comply with all of the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018 or to explain any non compliance in its annual reports and accounts.

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with

which it voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has considered the principles and recommendations of the AIC Code. The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, will provide better information to Shareholders. As a recently incorporated company, the Company does not yet comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. However, the Company intends to join the AIC as soon as practicable following Initial Admission, and arrangements have been put in place so that, with effect from Initial Admission, the Company will comply with the AIC Code.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company, and the Company does not therefore intend to comply with them. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Following Initial Admission, the Board intends to appoint a senior independent Director. The Board will also consider the appointment of a fifth non-executive Director as the Company grows.

The Board is supported by the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee, all of which have written terms of reference (which will be reviewed at least annually) that clearly define their responsibilities and duties.

Independence

The Board, of which Anne Wade is Chair, consists solely of non-executive Directors. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chair, has been imposed.

New Directors will receive an induction from the Investment Adviser and the Administrator on joining the Board and all Directors will receive other relevant training as necessary.

Appointment and re-election of Directors

Each Director is subject to the re-election provisions set out in the Articles which provide that the Directors are required to retire at every annual general meeting of the Company and each may, if willing to continue to act, be elected or re-elected at that meeting or may offer himself or herself for re-appointment by the members.

Board of Directors' performance appraisal

The performance of the Board committees and individual Directors will be evaluated through an annual assessment process, led by the Chairman. The performance of the Chair will be evaluated by the other Directors.

Audit Committee

Fiona Le Poidevin is the chair of the Audit Committee, which is currently comprised of each member of the Board. Its duties in discharging its responsibilities will include reviewing the annual and half yearly accounts, the system of internal controls and the terms of appointment and remuneration of the Auditor. It is also the forum through which the Auditor reports to the Board. The Audit Committee is expected to meet at least twice a year. The Audit Committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Auditor, with particular regard to any non-audit fees. The Audit Committee will also review the terms under which the external auditor is appointed to perform non-audit services.

Management Engagement Committee

The Management Engagement Committee will meet at least once per year. It comprises each member of the Board and is chaired by Michael Bane. The Management Engagement Committee is responsible for the regular review of the terms of the Management Agreement, the Administration Agreement and other service providers' agreements and the performance of the AIFM, the Investment Adviser, the Administrator and the Company's other service providers.

Nomination Committee

The Company's Nomination Committee consists of all the Directors and is chaired by Anne Wade. The Nomination Committee will meet at least once a year or more often if required. Its principal duties will be to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee will advise the Board on its balance of relevant skills, experience, gender, race, age and length of service of the Directors serving on the Board. All appointments to the Board will be made in a formal and transparent manner.

Remuneration Committee

The Remuneration Committee will meet at least once per year. It comprises each member of the Board and is chaired by Michael Bane. The Remuneration Committee's responsibilities include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering *ad hoc* payments to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing advisers to provide independent professional remuneration advice, if necessary.

Conflicts of interest

The AIFM, the Investment Adviser and their officers, employees and consultants may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Adviser may provide investment management services, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.

The AIFM and the Investment Adviser will have regard to their respective obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their respective obligations to other clients or funds, should potential conflicts of interest arise.

Both the AIFM and the Investment Adviser have established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their clients. The AIFM will report to the Board on a regular basis with regard to the operation of its internal controls and risk management within its operations in so far as it impacts the Company.

Shareholder meetings, reports and accounts of the Company

The Company will hold an annual general meeting each year with the first annual general meeting following Initial Admission to be held in 2022.

The Company's annual report and accounts will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders before the end of the following April. Shareholders will also receive an unaudited half yearly report covering the six months to 30 June each year, which will be published before the end of the following September. The Company's first annual report and accounts will be for the period from incorporation to 31 December 2021.

Net asset value and valuation policy

The Administrator is responsible for calculating the NAV which is presented to the Directors for their approval and adoption. The calculations are carried out on at least a quarterly basis as at 31 March, 30 June, 30 September and 31 December each year and notified to Shareholders through a Regulatory Information Service.

The NAV calculation is mainly driven by the fair value of the Company's investments in the Portfolio Vehicles and Direct Investments.

Valuation of the Portfolio Vehicles

The Company will use the most recent financial information and valuations it receives from the manager or general partner of each Portfolio Vehicle. These valuations are expected to be prepared using fair value and discounted cash flow methodology in accordance with the valuation policy of each Portfolio Vehicle, taking into account either the European Private Equity and Venture Capital Association guidelines or the International Private Equity and Venture Capital Valuation Guidelines and their applicable accounting standards. It is expected that each of the Portfolio Vehicles will be generally audited on an annual basis.

In particular the valuations of NPIII will be prepared by the Investment Adviser using discounted cash flow methodology in accordance with the European Private Equity and Venture Capital Association guidelines.

Given the Company is reliant on financial information that is issued by the Portfolio Vehicles, there is potential for inconsistencies adopted by such vehicles. Furthermore, although the Investment Adviser will review the documents and other information provided by the Portfolio Vehicles in detail and challenge the Third Party Managers where necessary it does not expect to ordinarily adjust the underlying net asset value of investments in Portfolio Vehicles. Accordingly, whilst the Directors believe that the Company's valuation procedures are reliable, they should be viewed in the context that they are reliant on the valuations and financial information received from the Portfolio Vehicles. Furthermore, the financial information and valuations received by the Company from the managers or general partners of the Portfolio Vehicles may be more than 90 days old at the time that the Company's NAV is being calculated and such information and/or valuations may not take into account certain events or circumstances which occur in respect of the Portfolio Vehicles after such financial information and/or valuations have been reported to the Company.

The NAV will be calculated by the Administrator, using the valuations of the underlying Portfolio Vehicles provided to it by the Investment Adviser and published usually within 90 days of the quarter end. In the light of the reliance on the underlying managers and general partners of the Portfolio Vehicles, the timing of the publication of the NAV could be affected by any delay in the manager or general partner of any Portfolio Vehicle providing their valuations to the Investment Adviser.

Valuation of the Direct Investments

The valuation principles used to calculate the fair value of the Direct Investments are based on a discounted cash flow methodology, and take into account International Private Equity and Venture Capital Valuation Guidelines and applicable accounting standards. For renewable projects not yet operational or where the completion of the acquisition is not imminent at the time of valuation, the acquisition cost is used as a proxy for fair value.

Fair market value for each investment is calculated by the Investment Adviser as derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate. The Investment Adviser exercises its judgement in assessing the expected future cash flows from each investment. The Investment Adviser produces, for each Direct Investment, detailed financial models and the Investment Adviser takes into account, amongst other things, the following matters in its review of such models and makes amendments where appropriate:

- discount rates (i) implied in the price at which comparable transactions have been announced or completed in the market, (ii) publicly disclosed by the Company's peers and (iii) discount rates applicable for other comparable infrastructure asset classes and regulated energy sectors;
- changes in power price forecasts from leading market advisers;
- changes in the economic, legal, taxation or regulatory environment, including changes in RPI expectations;
- technical performance based on evidence derived from project performance to date;

- the terms of any PPAs;
- the terms of any debt financing at project level;
- claims or other disputes or contractual uncertainties; and
- changes to revenue, cost or other key assumptions.

The NAV is calculated by the Administrator using, in part, the valuation information provided by the Investment Adviser. Although the Administrator evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Investment Adviser.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Share when the valuations of any of the Company's investments cannot be promptly or accurately ascertained. Any suspension in the calculation of the Net Asset Value will be notified to Shareholders through a Regulatory Information Service as soon as practicable after such suspension occurs.

UK MAR and the Disclosure Guidance and Transparency Rules

As a company whose shares will be admitted to trading on the Main Market, the Company will comply with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with the UK MAR. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities ("PDMRs").

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.

PART 6

THE ISSUES

Introduction

The Company is targeting Initial Gross Proceeds of £300 million through the issue of Ordinary Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Initial Issue. The Company will, however, have the flexibility to raise up to £500 million under the Initial Issue. The Initial Net Proceeds are expected to be approximately £294 million on the assumption that the target gross proceeds of £300 million are raised through the Initial Issue. The Initial Issue is conditional upon, *inter alia*, Minimum Gross Proceeds of £100 million being raised under the Initial Issue.

The Company will invest the Initial Net Proceeds in NextEnergy Funds and Third Party Vehicles in accordance with the Company's investment policy, in order to achieve the Company's investment objective of providing Shareholders with regular income and capital appreciation.

The results of the Initial Issue (including the number of Shares issued thereunder and the Initial Gross Proceeds) will be announced by the Company through a Regulatory Information Service on 5 March 2021. The Receiving Agent will notify Intermediaries of the number of Shares in respect of which their application under the Intermediaries Offer has been successful. The Joint Bookrunners will notify Placees of the number of Shares in respect of which their application under the Initial Placing has been successful. Dealings in the Shares issued pursuant to the Initial Issue will not be permitted prior to Initial Admission.

Following the Initial Issue, the Directors may undertake Subsequent Placings pursuant to the Placing Programme. The Directors are authorised to issue up to 500 million Shares, less any Shares issued pursuant to the Initial Issue, pursuant to the Placing Programme. The Placing Programme will enable the Company to raise additional capital in the period from 5 March 2021 to 11 February 2022 if it is deemed to be in the best interests of the Company.

The Issues have not been, and will not be, underwritten and, accordingly, the maximum number of Shares available under the Issues should not be taken as an indication of the final number of Shares that will be issued pursuant to the Issues. The net proceeds of any issue of Shares pursuant to the Issues will be invested in accordance with the Company's investment objective and policy.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus, the Company will publish a supplementary prospectus in accordance with applicable law and regulation. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s).

Conditions to the Issues

Initial Issue

The Initial Issue is conditional, *inter alia*, on:

- (i) Minimum Gross Proceeds of £100 million (or such lesser amount as the Company, the Joint Bookrunners and the AIFM may agree and that is disclosed in a supplementary prospectus) being raised pursuant to the Initial Issue;
- (ii) the Admission Condition in respect of the Initial Issue being satisfied prior to 8.00 a.m. on 10 March 2021 (or such later time and/or date, not being later than 8.00 a.m. on 31 March 2021 as the Company, the Joint Bookrunners and the AIFM may agree); and
- (iii) in respect of the Initial Placing only, the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms at any time prior to Initial Admission.

If the conditions to the Initial Issue are not satisfied, the Issues will not proceed and any applications made in respect of the Issues will be rejected. In such circumstances, application monies will be returned (at the applicants' sole risk) without payment of interest, as soon as practicable thereafter.

Placing Programme

To become effective, each Subsequent Placing will require the following events to occur:

- (i) appropriate Shareholder authority remaining in place;
- (ii) the Admission Condition being satisfied in respect of each such Subsequent Placing;
- (iii) a valid supplementary prospectus being published by the Company if such is required by the UK Prospectus Regulation; and
- (iv) the Placing Agreement being wholly unconditional as regards the relevant Subsequent Placing (save as to the relevant Admission) and not having been terminated in accordance with its terms prior to the relevant Admission.

In circumstances where these conditions are not fully met, the relevant issue of Shares pursuant to a Subsequent Placing will not take place.

For the avoidance of doubt, if the Initial Issue is not successful the launch of the Company will not occur and no Subsequent Placings will take place.

The Initial Placing

The total number of Shares allotted under the Initial Placing will be determined by the Company, the Sponsor, the Joint Bookrunners and the Investment Adviser after taking into account demand for the Shares and prevailing economic and market conditions.

The Company, the Directors, the AIFM and the Joint Bookrunners have entered into the Placing Agreement pursuant to which the Joint Bookrunners have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure Placees under the Initial Placing at the Initial Issue Price in return for the payment by the Company of placing commission to the Joint Bookrunners.

Details of the Placing Agreement are set out in paragraph 11.3 of Part 8 of this Prospectus.

The terms and conditions of application which shall apply to any subscription for Shares under the Initial Placing are set out in Part 10 of this Prospectus.

The agreement to subscribe for Shares under the Initial Placing is conditional on Initial Admission and will become an unconditional commitment on Initial Admission. The agreement to subscribe once made may not be withdrawn without the consent of the Directors.

The Initial Placing will remain open until 5.00 p.m. on 4 March 2021 (or such later date, not being later than 31 March 2021, as the Company, the Joint Bookrunners and the AIFM may agree). If the closing date of the Initial Placing is extended, the revised timetable will be notified by an announcement through a Regulatory Information Service.

Subscriber warranties

Each subscriber for Shares in the Initial Placing and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in Part 10 of this Prospectus.

The Company, the AIFM, the Investment Adviser, the Joint Bookrunners and the Sponsor, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company and the Joint Bookrunners.

Initial Placing arrangements

The Placing Agreement contains provisions entitling the Joint Bookrunners to terminate the Initial Placing (and the arrangements associated with it) at any time prior to Initial Admission in certain circumstances.

If this right is exercised, the Initial Placing and these arrangements will lapse and any monies received in respect of the Initial Placing will be returned to applicants without interest at their risk.

The Placing Agreement provides for the Joint Bookrunners to be paid a commission in respect of the Shares to be allotted pursuant to the Initial Placing. Any commissions received by the Joint Bookrunners may be retained, and any Shares subscribed for by the Joint Bookrunners may be retained, or dealt in, by them for their own benefit.

The Joint Bookrunners and/or their affiliates, acting as an investor for its or their own account(s), may subscribe for or purchase Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company or other related investments in connection with the Issues or otherwise. Accordingly, references in this Prospectus to the Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, acquisition of, or subscription or dealing by, the Joint Bookrunners and any of their affiliates acting as an investor for its or their own account(s). Neither the Joint Bookrunners nor any of their affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Placing Programme

Shares may be issued under the Placing Programme during the period commencing at 8.00 a.m. on 5 March 2021 and ending at 5.00 p.m. on 11 February 2022 (or any earlier date on which it is fully subscribed, or otherwise at the discretion of the Directors). The Placing Programme is flexible and may have a number of closing dates in order to provide the Company with the ability to issue Shares over a period of time. The issue of Shares pursuant to the Placing Programme is at the discretion of the Directors. Under the Placing Agreement, the Joint Bookrunners have agreed, subject to certain conditions, to use their respective reasonable endeavours to procure subscribers for the Shares made available in the Placing Programme.

Any issues of Shares under the Placing Programme will be notified by the Company by an announcement through a Regulatory Information Service and the Company's website prior to each Admission.

The Placing Programme Price of any Shares issued pursuant to a Subsequent Placing will be calculated by reference to the last published cum income Net Asset Value per Share together with a premium intended to at least cover the costs and expenses of the relevant Subsequent Placing (including, without limitation, any placing commissions). As such, it is not anticipated that there will be any dilution in the Net Asset Value per Share as a result of any Subsequent Placing.

Any Shares issued under the Placing Programme will rank *pari passu* with the Shares then in issue (save for any dividends or other distributions declared, made or paid on the Shares by reference to a record date prior to the issue of the relevant Shares under the Placing Programme).

The terms and conditions of application which shall apply to any subscription for Shares under the Placing Programme are set out in Part 10 of this Prospectus.

Subscriber warranties

Each subscriber for Shares in the Placing Programme and each subsequent investor in the Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in Part 10 of this Prospectus.

The Company, the AIFM, the Investment Adviser, the Joint Bookrunners and the Sponsor, and their respective directors, officers, members, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company and the Joint Bookrunners.

The Offer for Subscription

The Directors are also proposing to offer Shares under the Offer for Subscription. The Offer for Subscription is being made in the UK only. The public generally (unless they are located or resident outside the UK) may apply for Shares through the Offer for Subscription.

Applicants under the Offer for Subscription must specify a fixed sum in Sterling, being the aggregate subscription price for the Shares for which they wish to apply at the Initial Issue Price (being £1.00 per Share). The aggregate subscription price is payable in full on application. Individual applications must be for a minimum of £1,000 and applications in excess of that amount should be made in multiples of £100, although the Board may accept applications below the minimum amounts stated above in its absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted. Fractions of an Ordinary Share will not be issued.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 11 of this Prospectus and an Application Form for use under the Offer for Subscription is set out at the end of this Prospectus.

Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by no later than 11.00 a.m. on 4 March 2021.

The Offer for Subscription is expected to close at 11.00 a.m. on 4 March 2021 (or such later date, not being later than 31 March 2021 as the Company, the Joint Bookrunners and the AIFM may agree). If the Offer for Subscription is extended, the revised timetable will be notified by an announcement issued through a Regulatory Information Service. Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

In the event that the Company is required to publish a supplementary prospectus prior to Initial Admission, applicants who have applied for Ordinary Shares under the Offer for Subscription shall have at least two clear Business Days following the publication of the relevant supplementary prospectus within which to withdraw their offer to acquire Ordinary Shares in the Offer for Subscription in its entirety. If the application is not withdrawn within the stipulated period, any offer to apply for Ordinary Shares in the Offer for Subscription will remain valid and binding.

Investors under the Offer for Subscription wishing to exercise statutory withdrawal rights after the publication of a supplementary prospectus prior to Initial Admission must do so by lodging written notice of withdrawal to Link Group, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received after expiry of such period will not constitute a valid withdrawal.

The Intermediaries Offer

Investors may subscribe for Shares at the Initial Issue Price (being £1.00 per Share) pursuant to the Intermediaries Offer. Only the Intermediaries' retail investor clients in the United Kingdom are eligible to participate in the Intermediaries Offer. Under the Intermediaries Offer, members of the general public in the United Kingdom may be eligible to apply for Shares through the Intermediaries, by following their relevant application procedures, by no later than 11.00 a.m. on 4 March 2021.

Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase Shares under the Intermediaries Offer. Individuals aged between 16 and 18 may apply to subscribe for Shares under the Intermediaries Offer through an Intermediary only if such Shares are to be held in a Junior ISA. Only one application for Shares may be made for the benefit of any one person under the Intermediaries Offer. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan). Intermediaries may not make multiple applications on behalf of the same person.

There is a minimum application amount of £1,000 per retail investor under the Intermediaries Offer. There is no maximum application amount under the Intermediaries Offer. No Shares allocated under the Intermediaries Offer will be registered in the name of any person whose registered address is outside the

United Kingdom, except in certain limited circumstances and with the consent of the Board, the Sponsor, the Joint Bookrunners and the AIFM. Applications under the Intermediaries Offer must be by reference to the total monetary amount the applicant wishes to invest and not by reference to a number of Shares or the Initial Issue Price.

An application for Shares under the Intermediaries Offer means that the applicant agrees to acquire the relevant Shares at the Initial Issue Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. The relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. Neither the Company, the AIFM, the Registrar, the Joint Bookrunners nor the Sponsor accept any responsibility with respect to the obligation of the Intermediaries to refund monies in such circumstances.

Each Intermediary has agreed, or will on appointment agree, to the Intermediaries Terms and Conditions (further details of which are set out in Part 12 of this Prospectus), which regulate, *inter alia*, the conduct of the Intermediaries Offer on market standard terms, and may provide for the payment of commission to any Intermediary. Under the Intermediary Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United States. Under the Intermediaries Offer, the Shares will be offered outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S.

In addition, the Intermediaries may prepare certain materials for distribution or may otherwise provide information or advice to retail investors in the United Kingdom, subject to the terms of the Intermediaries Terms and Conditions. Any such materials, information or advice are solely the responsibility of the Intermediaries and will not be reviewed or approved by the Company, the AIFM, the Joint Bookrunners or the Sponsor. Any liability relating to such documents will be for the Intermediaries only. Any Intermediary that uses this Prospectus must state on its website that it uses this Prospectus in accordance with the Company's consent. If a retail investor asks an Intermediary for a copy of the Prospectus in printed form, that Intermediary must send (in hard copy or via an email attachment or web link) such Prospectus to that retail investor at the expense of that Intermediary.

Intermediaries are required to provide the terms and conditions of the relevant offer made by the Intermediary to any prospective investor who has expressed an interest in participating in the Intermediaries Offer. Allocations of Shares under the Intermediaries Offer will be at the absolute discretion of the Company (in consultation with the Joint Bookrunners, the AIFM and the Sponsor). The publication of this Prospectus and any actions of the Company, the Joint Bookrunners, the AIFM, the Sponsor, the Intermediaries or other persons in connection with the Issues should not be taken as any representation or assurance as to the basis on which the number of Shares to be offered under the Intermediaries Offer or allocations within any Intermediaries Offer will be determined and all liabilities for any such action or statement are hereby disclaimed by the Company, the Joint Bookrunners, the AIFM and the Sponsor. The Intermediaries will be notified as soon as reasonably practicable after allocations are decided. The relevant Intermediaries notification will be sent by email to each Intermediary separately and shall specify: (i) the aggregate number of Shares allocated to, and to be acquired by, the relevant Intermediary (on behalf of the relevant retail investors); (ii) if applicable, the basis on which the relevant Intermediary should allocate Shares to retail investors on whose behalf the Intermediary submitted applications, and (iii) the total amount payable by the Intermediary in respect of such Shares.

Pursuant to the Intermediaries Terms and Conditions, each Intermediary has undertaken to make payment on their own behalf (and not on behalf of any other person) of the consideration for the Shares allocated to it under the Intermediaries Offer at the Initial Issue Price to the Receiving Agent (acting as settlement agent to the Intermediaries Offer) by means of the CREST system against delivery of the Shares on the date of Initial Admission. Each retail investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be required to agree that it must not rely, and will not rely, on any information or representation other than as contained in the Prospectus or any supplement thereto published by the Company prior to the relevant Admission. Each Intermediary acknowledges that none of the Company, the AIFM and the Sponsor will have any liability to the Intermediary or any retail investor for any such other information or representation not contained in this Prospectus or any such supplement thereto published by the Company prior to the relevant Admission.

Admission and dealings

Initial Admission

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Initial Issue to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that Initial Admission will become effective, and dealings for normal settlement in such Shares will commence on the Main Market, at 8.00 a.m. on 10 March 2021. The Initial Issues cannot be revoked after dealings have commenced on 10 March 2021.

Payment for the Shares, in the case of the Initial Placing, should be made in accordance with settlement instructions to be provided to Placees by the Joint Bookrunners. Payment for the Shares, in the case of the Intermediaries Offer, should be made in accordance with the Intermediaries Terms and Conditions. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Shares will be issued under the Initial Issue in registered form and in respect of the Initial Placing, may be held either in certificated form or in uncertificated form. Shares issued under the Intermediaries Offer will be held in uncertificated form. It is expected that definitive certificates in respect of Shares issued in certificated form will be despatched by post during the week commencing 15 March 2021. Share certificates will be sent to Shareholders at their own risk. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register of members. It is expected that CREST stock accounts will be credited in respect of Shares issued in uncertificated form as soon as possible after 8.00 a.m. on 10 March 2021. The ISIN for the Shares is GG00BMT6488 and the SEDOL is BMT6488.

Dealings in the Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Shares issued pursuant to the Initial Issues will be denominated in Sterling.

Subsequent Admissions

Applications will be made to the FCA and the London Stock Exchange for all of the Shares (issued and to be issued) in connection with the Placing Programme to be admitted to the premium segment of the Official List and to trading on the Main Market. It is expected that such admission and dealings in the Shares issued pursuant to the Placing Programme would commence in the period from 11 March 2021 to 12 February 2022.

Payment for the Shares, in the case of any Subsequent Placing, should be made in accordance with settlement instructions to be provided to Placees by the Joint Bookrunners. To the extent that any application for Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the sole risk of the applicant.

The Shares issued pursuant to the Placing Programme will be issued in registered form and may be held either in certificated form or in uncertificated form. The Shares allocated will be issued through the CREST system unless otherwise stated. The Shares will be eligible for settlement through CREST with effect from the relevant Subsequent Admission. The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the Shares. The names of applicants or their nominees that invest through their CREST accounts would be entered directly on to the share register of the Company.

Dealings in the Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Any Shares issued under the Placing Programme will be denominated in Sterling.

Costs of the Issues

There are no expenses charged to the investor by the Company. The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue which are to be met by the Company will not exceed an amount equal to two per cent. of the Initial Gross Proceeds.

Assuming the target Initial Gross Proceeds of £300 million are raised, the Initial Net Proceeds are expected to be approximately £294 million. On the basis that the Minimum Gross Proceeds are raised pursuant to the Initial Issue, the Initial Net Proceeds are expected to be approximately £98 million.

Any expenses incurred by any Intermediary are for its own account. Prospective investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer. The Intermediaries Terms and Conditions restrict the level of commission that Intermediaries are able to charge any of their respective clients acquiring Shares pursuant to the Intermediaries Offer.

Scaling Back

The Directors have been authorised to issue up to 500 million Shares pursuant to the Issues. In the event that the aggregate applications under the Initial Issue were to exceed 500 million Shares, the Directors reserve the right, at their sole discretion, but after consultation with the AIFM, the Joint Bookrunners and the Sponsor, to scale back applications in such amounts as they consider appropriate. The Directors may also scale back any applications in respect of any Subsequent Placing. The Directors may also, at their sole discretion, give preference to any investor (including any Intermediary under the Intermediaries Offer) in the event applications require to be scaled back and may agree to a minimum amount of Shares being allocated to an investor. The Company reserves the right to decline in whole or in part an application for Shares pursuant to the Issues. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they applied.

Fractions

Fractions of Shares will not be issued under the Issues. If (other than on a scaling back) the amount of subscription monies received by the Company in relation to an application for Shares exceeds the aggregate subscription price, at the Initial Issue Price or the relevant Placing Programme Price, of the Shares issued pursuant to such application, such excess amount (which will never exceed the applicable Issue Price) will be retained for the benefit of the Company.

Commissions

The Joint Bookrunners will be entitled to a commission payable by the Company in connection with the proceeds raised under the Initial Placing and each Subsequent Placing. No commissions will be payable by the Company to Placees under the Initial Placing or the Placing Programme.

Dilution

Initial Issue

No dilution will result from the Initial Issue. One Ordinary Share is held by Aztec Nominees (Guernsey) Limited, for the purposes of incorporating the Company.

Subsequent Placings

Shareholders are not obliged, and, depending on the nature of the Subsequent Placing, may not receive the opportunity, to participate in the Placing Programme. If the Company undertakes any Subsequent Placing and a Shareholder does not acquire any of those Shares (or otherwise acquire Shares), then the Shareholder will suffer dilution to the percentage of the issued share capital of the Company that their existing holding represents, based on the number of Shares issued at the relevant time.

Assuming the Initial Issue has been subscribed as to 300 million Shares, if 200 million Shares are issued pursuant to the Placing Programme, Shareholders who do not acquire any of those Shares (or otherwise acquire Shares) will suffer a dilution of approximately 66.7 per cent. to their percentage holdings in the Company immediately after Initial Admission.

The Shares issued pursuant to the Placing Programme will be issued at a premium to the prevailing Net Asset Value per Share which will be intended to cover the expenses of such issue of Shares under the relevant Subsequent Placing which are to be borne by the Company. As such, it is not anticipated that there will be any dilution in the Net Asset Value per Share as a result of any Subsequent Placing.

Typical investor

The Directors believe that the typical investors for whom an investment in the Company is appropriate are private investors and institutional investors investing for regular income and capital appreciation from renewable energy and energy transition assets. An investment in the Company is only suitable for persons capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from the investment. Potential investors should consider with care whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

CREST

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. The Articles permit the holding of the Shares under the CREST system and the Company has applied for the Shares to be admitted to CREST with effect from Initial Admission. Accordingly, settlement of transactions in the Shares following Initial Admission may take place within the CREST system if any Shareholder so wishes (provided that the Shares are not in certificated form).

CREST is a voluntary system and, upon the specific request of a Shareholder, the Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for share certificates. If a Shareholder or transferee requests Shares to be issued in certificated form, a share certificate will be dispatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Shares.

Overseas investors

The distribution of this Prospectus and the offering of Shares in jurisdictions other than the United Kingdom may be restricted by law or regulation and accordingly persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions. No action has been taken to permit the distribution of this Prospectus and the offering of Shares in any jurisdiction outside the United Kingdom where such action is required to be taken.

Prospective investors in any territory other than the United Kingdom should refer to the section entitled "Selling restrictions" in the "Important Information" section of this Prospectus. Prospective investors who are in any doubt as to their position under their local securities laws or regulations are strongly recommended to consult their own professional advisers as soon as possible.

The Company reserves the right to treat as invalid any application or agreement to subscribe for Shares under the Issues if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities laws or regulations of any jurisdiction.

In particular, investors should note that the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any other state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act. Accordingly, the Shares may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. Person except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

This Prospectus does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, Shares in any jurisdiction in which such offer or solicitation would be unlawful.

Money laundering

Pursuant to anti-money laundering laws and regulation with which the Company must comply in the UK, the Company and its agents, including the Administrator, the Registrar, the AIFM, the Sponsor and the Joint Bookrunners may require evidence in connection with any application for Shares, including further identification of the applicant(s) before any Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the AIFM, the Sponsor and the Joint Bookrunners reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or

prospective beneficial owner of a Shareholder's Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Board, in consultation with any of the Company's agents, including the Administrator, the Registrar, the AIFM, the Sponsor and the Joint Bookrunners, may refuse to accept a subscription for Shares, or may refuse the transfer of Shares held by any such Shareholder.

PART 7

TAXATION

General

The following statements are intended only as a general guide to certain Guernsey and UK tax considerations relevant to prospective investors in the Shares. They do not purport to be a complete analysis of all potential tax consequences of acquiring, holding or disposing of Shares. They relate only to Shareholders who are resident solely in Guernsey or the UK for taxation purposes (and in the case of UK tax resident individuals, Shareholders domiciled in the UK) and who hold Shares as an investment (other than in an individual savings account or pension arrangement) and who are the absolute beneficial owners of both the Shares and any dividends paid on them. Certain Shareholders, such as traders, brokers, dealers in securities, collective investment schemes, insurance companies, banks, financial institutions, investment companies, tax-exempt organisations, persons connected with the Company, persons holding Shares as part of hedging or conversion transactions and persons acquiring (or deemed to be acquiring) their Shares in connection with their (or another person's) employment may be taxed differently and are not considered. The information in this Part 7 is based on current Guernsey and UK taxation law and published practice and is subject to any subsequent changes therein (potentially with retrospective effect). Withholding taxes that may be suffered in other jurisdictions in which the Company may invest are also outside the scope of this Prospectus.

If you are in any doubt about your tax position you should consult your independent professional adviser.

Guernsey

1. The Company

Exempt status

The Company, as a registered closed-ended collective investment scheme, intends to apply to the Director of the Guernsey Revenue Service for exempt status under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended for the current year. An exemption must be applied for annually and will be granted by the Director of the Revenue Service in Guernsey, subject to the payment of an annual fee which is currently fixed at £1,200 provided that the Company continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it qualifies, and continues to qualify, for exempt company status for the purposes of Guernsey taxation.

As an exempt company, the Company would be treated as not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, if it qualifies as an exempt company, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than bank deposit interest.

Capital taxes and stamp duty

Guernsey currently does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a trade or part of a trade), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a grant).

No stamp duty is chargeable in Guernsey on the issue, transfer, disposal or redemption of shares other than a form of Document Duty which can apply in some instances where a company holds Guernsey situated real estate.

Economic substance

In 2018, Guernsey enacted legislation requiring companies that are tax resident in Guernsey, and which have relevant income, to demonstrate that they have an adequate level of economic substance in Guernsey in relation to the relevant income earned. These Regulations do not apply to collective

investment vehicles within the meaning of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, whether or not the company concerned actually applies for exemption under this Ordinance, unless it is a self-managed collective investment vehicle.

As noted above, the Directors intend to conduct the affairs of the Company so as to ensure that it qualifies, and continues to qualify, for exempt company status and so meet the relevant definition of collective investment vehicle. The directors believe that the appointment of the AIFM and Investment Manager mean that the company will not be regarded as a self-managed collective investment vehicle and so the Economic Substance Regulations will not apply to the Company.

2. Shareholders

Shareholders who are not resident in Guernsey for tax purposes can receive distributions without deduction of Guernsey income tax. The Company will also not be required to withhold Guernsey tax on such distributions.

Shareholders who are resident for tax purposes in Guernsey (which includes Alderney and Herm) will incur Guernsey income tax at the applicable rate on a distribution paid to them (subject to their own circumstances). The Company will be required to provide the Director of the Revenue Service in Guernsey such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of the Revenue Service may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Provided the Company obtains and maintains its exempt status, there would currently be no requirement for the Company to withhold tax from the payment of a distribution to a Guernsey resident Shareholder.

*US Foreign Account Tax Compliance Act (“**FATCA**”) – US-Guernsey Intergovernmental Agreement*

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the US (“**US-Guernsey IGA**”) regarding the implementation of FATCA. Under the legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain investors in the Company who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the US unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey’s domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from 1 January 2019) proceeds from the sale of property that could give rise to US source interest or dividends.

Under the US-Guernsey IGA, securities that are “regularly traded” on an established securities market, such as the Main Market, are not considered financial accounts and are not subject to reporting. For these purposes, Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the Shares on an on-going basis. Notwithstanding the foregoing, from 1 January 2016, Shares issued on or after 1 July 2014 will not be considered “regularly traded” and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary and is registered on the books of the Company. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of that Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organization for Economic Co-operation and Development released the “Common Reporting Standard” (“**CRS**”) designed to create a global standard for the automatic exchange

of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement (“**Multilateral Agreement**”) that activates this automatic exchange certain financial information in line with the CRS. More jurisdictions have signed the Multilateral Agreement subsequently and there are currently 106 signatories. Pursuant to the Multilateral Agreement and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain Investors in the Company who are, or are entities that are controlled by one or more natural persons who are, residents of any of the signatory jurisdictions, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will be disclosed will include certain information about Investors, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company.

Under the CRS, there is currently no reporting exemption for securities that are “regularly traded” on an established securities market, although it is expected that whilst a Share is held in uncertificated form through CREST, the holder of the Share will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

Both Guernsey and the UK have signed up to the Multilateral Agreement, but the U.S. has not signed the Multilateral Agreement.

Early adopters who signed the Multilateral Agreement (including Guernsey) committed to implement the first information exchanges by September 2017. Others committed to follow with information exchange starting in 2018.

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners and/or controllers of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

Request for information

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA and the CRS, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the Multilateral Agreement, relating to FATCA, the CRS or the automatic exchange of information with any relevant competent authority.

FATCA, THE CRS AND SIMILAR MEASURES FOR THE AUTOMATIC EXCHANGE OF INFORMATION ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE COMPANY, THE SHARES AND THE SHAREHOLDERS IS SUBJECT TO CHANGE. EACH SHAREHOLDER OF SHARES SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF THESE MEASURES AND TO LEARN HOW THESE MEASURES AFFECT EACH SHAREHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

United Kingdom

3. The Company

It is intended that the Company will be managed and controlled in such a way that it should not be resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment, branch or agency situated there), the Company will not be subject to United Kingdom income tax or corporation tax other than on certain types of United Kingdom sourced income.

Certain interest and certain other types of income received by the Company which have a UK source may be subject to UK withholding taxes.

4. Shareholders

4.1. Taxation of chargeable gains

Any gains on transfers or disposals of Shares (including a disposal on a winding-up of the Company) by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains.

UK resident individual Shareholders

Individual Shareholders resident in the UK for taxation purposes may, depending upon their personal circumstances, be liable to UK capital gains tax on chargeable gains arising from the sale or other disposal (which includes disposal upon a winding up) of their Shares. From 6 April 2020, the rates of capital gains tax applicable for a disposal by individual Shareholders is 10 per cent. or 20 per cent. depending on the level of their taxable income for the year. Basic rate taxpayers are currently subject to tax on their chargeable gains at 10 per cent. up to the threshold for higher rate income tax and 20 per cent. thereafter. Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 20 per cent. An individual may be able to claim certain reliefs (including the annual exempt amount of £12,300 for the year to 5 April 2021) subject to their personal circumstances.

UK resident corporate Shareholders

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains arising on a disposal of Shares, depending on the circumstances and subject to any available exemption or relief. No indexation allowance will be available to reduce any chargeable gain arising on disposal of the Shares. UK corporation tax is charged on chargeable gains at the rate of 19 per cent.

4.2. Taxation of dividends

The Company is not required to withhold tax at source when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

UK resident individual Shareholders

Individual Shareholders resident in the UK for taxation purposes are entitled to an annual tax-free dividend allowance (£2,000 for the year to 5 April 2021). Dividend income in excess of the dividend allowance (taking account of any other dividend income received by the Shareholder in the same tax year) will be taxed at the following rates: 7.5 per cent. (to the extent that it falls below the threshold for higher rate income tax), 32.5 per cent. (to the extent that it falls above the threshold for higher rate income tax and is below the additional rate band) and 38.1 per cent. (to the extent that it is within the additional rate). For the purposes of determining which of the taxable bands dividend income falls into, dividend income is treated as the highest part of a Shareholder's income. In addition, dividends within the dividend allowance which would (if there was no dividend allowance) have fallen within the basic or higher rate bands will use up those bands respectively for the purposes of determining whether the threshold for higher rate or additional rate income tax is exceeded.

UK resident corporate Shareholders

A UK resident corporate shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is anticipated that dividends should fall within one of such exempt classes (subject to anti-avoidance rules and provided all conditions are met).

If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company at 19 per cent.

Shareholders within the charge to UK corporation tax are advised to consult their tax advisers to determine whether dividends received will be subject to UK corporation tax.

4.3. Other UK tax considerations

Offshore fund rules

The legislation in Part 8 of the Taxation (International and Other Provisions) Act 2010 (“**TIOPA**”) contains provision for the UK taxation of investors in offshore funds. Whilst the Company has been advised that it should not be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one.

Transfer of assets abroad

The attention of individuals resident in the UK is drawn to sections 714 to 751 of the Income Tax Act 2007, which contains provisions for preventing avoidance of income tax where there has been a relevant transfer of assets and income becomes payable to a person (including a company) abroad. Where applicable this may render them liable to taxation in respect of any undistributed income and profits of the Company. This is a complex area and Shareholders are advised to consult with their own tax advisers.

Controlled foreign companies rules

United Kingdom resident companies having an interest in the Company, such that broadly 25 per cent. or more of the Company’s profits for an accounting period could be apportioned to them, may be liable to United Kingdom corporation tax in respect of their share of the Company’s profits in accordance with the provisions of Part 9A of the Taxation (International and Other Provisions) Act 2010 relating to controlled foreign companies. These provisions only apply if the Company is controlled by United Kingdom resident persons (corporate and individuals). The relevant legislation provides for certain exceptions. UK resident companies holding alone or together with relevant associated persons a right to 25 per cent. or more of the profits of the Company (directly or indirectly) should take their own specific professional taxation advice. These provisions are not directed towards the taxation of capital gains.

Close company provisions

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of Section 3 of the Taxation of Chargeable Gains Act 1992 (“**Section 3**”). Section 3 applies to a “participator” who is UK resident for UK taxation purposes (which includes a Shareholder) if at any time when a gain accrues to the Company which constitutes a chargeable gain for those purposes, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes.

The provisions of Section 3 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of a chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Company as a “participator”. No liability under Section 3 could be incurred by such a person however, where the amount apportioned to such person and to persons connected with such a person does not exceed one quarter of the gain. It is not anticipated that the Company would be regarded as a close company if it were resident for tax purposes in the United Kingdom although this cannot be guaranteed. Section 3 is complex, and prospective Shareholders should consult their own tax advisers.

*Stamp duty and stamp duty reserve tax (“**SDRT**”)*

In relation to UK stamp duty and SDRT:

- (i) The allocation, allotment and issue of the Shares will not give rise to a liability to stamp duty or SDRT.
- (ii) No UK stamp duty will be payable on a conveyance or transfer of Shares in certificated form, provided that all instruments effecting or evidencing the conveyance or transfer are not executed in the UK, no matters, actions or other things relating to the conveyance or transfer are, or are to be, performed in the UK, and no property situated in the UK relates to the conveyance or transfer.

- (iii) Provided that the Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Shares are not paired with shares issued by a company (or any other body corporate) incorporated in the UK, any agreement to transfer the Shares and any transfer of Shares effected on a paperless basis through CREST should not be subject to SDRT.
- (iv) Special rules apply where Shares are held in the form of UK depositary interests. UK depositary interests are not within the charge to SDRT provided that certain conditions are satisfied in relation to the underlying Shares and the Company as issuer, including that the central management and control of the Company is not exercised in the UK, the Shares are not registered in any register kept in the UK by or on behalf of the Company and the Shares are listed on a 'recognised stock exchange', which includes the main market of the London Stock Exchange.

PART 8

ADDITIONAL INFORMATION ON THE COMPANY

1. Incorporation and general

- 1.1 The Company was incorporated as a non-cellular company limited by shares under the Companies Law with the name NextEnergy Renewables Limited in Guernsey on 4 November 2020.
- 1.2 The Company operates under the Companies Law. Its registered office and principal place of business is East Wing, Trafalgar Court, Le Banques, St Peter Port, Guernsey, GY1 3PP.
- 1.3 The Company is a registered closed-ended investment scheme registered by the GFSC pursuant to the POI Law and the RCIS Rules. The Company does not have a fixed life.
- 1.4 The principal activity of the Company is to provide investors with regular income and capital appreciation through exposure to renewable energy and energy transition assets, projects and technologies by investing in a diversified portfolio of renewable energy and energy transition Portfolio Vehicles and Direct Investments.
- 1.5 The Company has not traded or commenced operations and, as at the date of this Prospectus no accounts of the Company have been made up since its incorporation. There have been no changes to the issued share capital of the Company, nor any significant change in the financial or trading position of the Company, since the incorporation of the Company.
- 1.6 The Company is in the process of appointing its statutory auditor and expects to appoint its preferred firm, KPMG Channel Islands Limited, which is a member of the Institute of Chartered Accountants in England and Wales, shortly following Initial Admission.
- 1.7 The Company does not have any employees, does not own any premises and, as at the date of this Prospectus, has no subsidiaries.
- 1.8 The AIFM is NextEnergy Capital IM Limited, a non-cellular company limited by shares incorporated in Guernsey under the Companies Law with registered number 57740 on 20 December 2013. The AIFM's registered office is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL, and its telephone number is +44 (0) 1481 735 827.
- 1.9 The Investment Adviser is NextEnergy Capital Limited, a company incorporated in England and Wales under the Companies Act 2006 with registered number 05975223. The Investment Adviser's registered office is 5th Floor Office, North Side 7-10 Chandos Street, Cavendish Square, London, W1G 9DQ and its telephone number is +44 (0) 203 746 0700. The Investment Adviser is authorised and regulated by the FCA with firm reference number 471192.
- 1.10 The Administrator is Aztec Financial Services (Guernsey) Limited, a non-cellular company limited by shares incorporated in Guernsey under the Companies Law with registered number 44430. The Administrator's registered office is PO Box 656, East Wing, Trafalgar Court, Le Banques, St Peter Port, Guernsey, GY1 3PP and its telephone number is +44 (0) 1481 749700. The Administrator is regulated by the GFSC pursuant to the POI Law and the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc (Bailiwick of Guernsey) Law, 2000, as amended with GFSC reference number 1031473.

2. Share capital and indebtedness

- 2.1 On incorporation, the issued share capital of the Company consisted of one Ordinary Share, which was subscribed for by Aztec Nominees (Guernsey) Limited.

- 2.2 The issued share capital of the Company as at the date of this Prospectus and immediately following Initial Admission pursuant to the Initial Issue (assuming the maximum number of Shares available under the Initial Issue are issued) will be as follows:

*Number of
Ordinary Shares*

As at the date of this Prospectus

Ordinary Shares 1

Immediately following Initial Admission

Ordinary Shares 500,000,000

- 2.3 As at 4 February 2021 (being the latest practicable date prior to the date of this Prospectus) the Company did not hold any Shares in treasury and no Shares were held by or on behalf of the Company itself or by subsidiaries of the Company.
- 2.4 Save for the subscription of the Share referred to above, since the date of incorporation of the Company no share or loan capital of the Company has been issued or (other than pursuant to the Placing) has been agreed to be issued, is not proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 2.5 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6 The Company does not have in issue any securities not representing share capital. No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.7 No Shares are currently in issue with a fixed date on which entitlement to a dividend arises or within a time limit after which entitlement to a dividend will lapse in accordance with the Articles and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.8 The Shares to be issued under the Initial Issue are expected to be issued pursuant to a resolution of the Board on or around 5 March 2021 conditional only upon the Admission Condition being satisfied.
- 2.9 J.P. Morgan Cazenove have agreed to act as market makers in respect of the Shares.

3. Major Shareholders

- 3.1 The Companies Law imposes no requirement on Shareholders in the Company to disclose holdings of three per cent. (or any greater limit) or more of the share capital of the Company. However, the Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company, following Admission, if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.
- 3.2 Aztec Nominees (Guernsey) Limited holds all voting rights in the Company as at the date of this Prospectus. Until the issue of Shares pursuant to the Initial Issue, the Company will be controlled by Aztec Nominees (Guernsey) Limited. As at the date of this Prospectus, the Company does not know of any Shareholders who will be directly or indirectly interested in five per cent. or more of the Company's share capital.

- 3.3 The Directors are not aware of any person or persons who could, directly or indirectly, jointly or severally, own or exercise control over the Company or any arrangement, the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder in the Company.

4. Subsidiaries and investment structures

The structure to be used for any future acquisition of or investment in renewable energy and/or energy transition assets, projects and technologies will be reviewed at the time of acquisition or investment and the Company may invest in such assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition or investment. Accordingly, the Company may, without limit, incorporate subsidiaries, set up limited partnerships and/or parallel funds or enter into joint venture arrangements to hold assets or may acquire the share capital of companies, partnership interests in partnerships or units in unit trusts (or similar vehicles) which own one or more renewable energy or energy transition assets, projects or technologies, all of which would be wholly owned and controlled by the Company.

5. Interests of Directors and related party transactions

- 5.1 As at the date of this Prospectus, there are no potential conflicts of interest between any duties owed to the Company by any of the Directors and their private interests and/or other duties.
- 5.2 Save as disclosed in this section, immediately following Initial Admission, no Director will have any interest, whether beneficial or non beneficial, in the share or loan capital of the Company.
- 5.3 The Directors intend to subscribe for Shares pursuant to the Initial Issue in the amounts set out below*:

	<i>Number of Shares</i>	<i>% of issued share capital</i>
Anne Wade (Chair)	70,000	0.01%
Michael Bane	12,000	0.01%
Fiona Le Poidevin	15,000	0.01%

* The percentages shown above are calculated on the assumption that the Initial Issue is subscribed as to 500 million Shares.

- 5.4 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. The Directors' appointments can be terminated in accordance with the Articles and without compensation. Directors are required to retire and seek re-election by the Shareholders at each annual general meeting of the Company. Directors' appointments may be terminated earlier by the Company giving one month's prior written notice. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 5.5 Pursuant to instruments of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain conditions and exclusions, to indemnify each Director against all costs, charges, fees, expenses, losses, damages, judgments, settlements, compensation, other awards, fines, penalties, taxes and any other liabilities suffered or incurred by the Director in connection with the performance of his duties as a director of the Company.
- 5.6 The aggregate remuneration and benefits in kind of the Directors in respect of any financial year will be payable out of the assets of the Company. The Chair will receive an initial fee of £70,000 per year. The Audit Committee Chair will receive an initial fee of £50,000 per year. A non-executive Director will receive an initial fee of £42,000.
- 5.7 The Company has not made any loans to the Directors which are outstanding, nor has it provided any guarantees for the benefit of any Director or the Directors collectively. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits.

- 5.8 It is estimated that the aggregate emoluments based on the fees set out in paragraph 4.6 above, (including benefits in kind and pension contributions of which none are to be made) of the Directors for the period ending 31 December 2021 will amount to no more than £162,000 (on an annualised basis). Following Initial Admission, the Board intend to appoint a senior independent Director. The Board will also consider the appointment of a fifth non-executive Director as the Company grows. If these appointments are made the aggregate amount paid to the Directors for the period ending 31 December 2021 will exceed £162,000.
- 5.9 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been effected by the Company since its incorporation.
- 5.10 Over the five years preceding the date of this Prospectus, the Directors hold or have held the following directorships (apart from their directorship of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Directors</i>	<i>Current Directorships/Memberships/ Partnerships</i>	<i>Previous Directorships/Memberships/ Partnerships</i>
Anne Wade	Big Society Capital Limited Heron Foundation Leader's Quest Man Group PLC Summit Materials Inc.	John Laing Group PLC
Fiona Le Poidevin	ICG-Longbow Senior Secured UK Property Debt Investments Limited 8th Guernsey Sea Scouts Holdings LBG	The International Stock Exchange Group Limited Guernsey Finance LBG
Michael Bane	Apax Global Alpha Limited HICL plc HICL Infrastructure 2 S.a.r.l The Guernsey Adult Literacy Project LBG The Health Improvement Commission for Guernsey and Alderney LBG	Ernst & Young LLP Ernst & Young Guernsey Limited Guernsey Arts Commission LBG New Street Nominees Limited

- 5.11 The Directors, in the five years before the date of this Prospectus:
- 5.11.1 have not had any convictions in relation to fraudulent offences;
- 5.11.2 have not been associated with any bankruptcies, receiverships, liquidations or administration of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and
- 5.11.3 have not been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.
- 5.12 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 5.13 Except with respect to the appointment letters and instruments of indemnity entered into between the Company and each Director, the Management Agreement entered into amongst the Company, the AIFM and the Investment Adviser and the WiseEnergy Framework Agreement entered into amongst the Company, the AIFM and WiseEnergy, the Company has not entered into any related

party transaction (as defined in the standards as adopted according to the Regulation (EC) No 1606/2002) at any time during the period from incorporation to 4 February 2021 (being the latest practicable date prior to the publication of this Prospectus).

6. Significant change

As at the date of this Prospectus, there has been no significant change in the financial position of the Company since the date of its incorporation.

7. Working capital

The Company is of the opinion, taking into account the Initial Net Proceeds expected if the Minimum Gross Proceeds are raised, that the working capital available to the Company is sufficient for the Company's present requirements, that is for at least 12 months from the date of this Prospectus.

8. Capitalisation and indebtedness

As at the date of this Prospectus, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness and the Company's issued share capital consists of one Ordinary Share with no legal reserve or other reserves.

9. Litigation

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

10. Articles

The current Articles of the Company were adopted on 4 February 2021 by way of special written resolution.

10.1 Objects

The memorandum of incorporation (the "Memorandum") does not limit the objects of the Company.

10.2 Votes of members

Subject to the rights or restrictions attached to any share (including those referred to in paragraph 10.3 below), at a general meeting of the Company, each Ordinary Shareholder present in person or by proxy will have, on a show of hands, one vote. On a poll, each Ordinary Shareholder present in person or by proxy will have one vote for each Ordinary Share held.

10.3 Restrictions on voting

Unless the Board otherwise decides, a member of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting or at any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all calls and other amounts presently payable by him in respect of that share have been paid. No person shall be entitled to vote in respect of any shares that they have acquired unless they have been registered in the register as their holder.

A member of the Company shall not, if the directors determine, be entitled in respect of any share held by him to attend or to vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other rights of membership in relation to any such meeting if he, or another person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 4 of the Articles within 14 days in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days in any other case, from the date of such notice.

10.4 Capital distributions and dividends

Subject to the provisions of the Companies Law and the Articles, the Company may, by ordinary resolution, declare dividends and/or distributions in accordance with the respective rights of the

members, but no such dividend or other distribution shall exceed the amount recommended by the directors. The Board may pay such interim dividends and/or distributions if it appears to the Board to be justified by the assets of the Company. The Board may also pay any dividend and/or distribution at a fixed rate at intervals settled by the Board if in the opinion of the Board the assets of the Company justifies such payments. No dividend or distribution or other monies payable by the Company in respect of a share shall bear interest against the Company unless otherwise provided by the rights attaching to the share.

Subject to the requirements of the Companies Law, the Board may, if authorised by an ordinary resolution of the Company, offer the holders of any particular class of shares (excluding treasury shares) in the Company the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

A dividend or other distribution unclaimed for a period of twelve years from the date it became due for payment shall, if the Board so resolve, be forfeited and cease to remain owing by the Company.

10.5 **Gearing**

The Directors will limit the total borrowings of the Company and its subsidiary undertakings and holding companies to ensure that the total gearing, at the Company level, calculated as a percentage of the Gross Asset Value will not exceed 50 per cent. at the time of drawdown.

10.6 **Winding Up**

On the winding up of the Company, the assets attributable to the Ordinary Shareholders shall be divided amongst them *pro rata* to their holdings of Ordinary Shares and the assets attributable to a class of C shares shall be divided amongst them *pro rata* to their holdings of that class of C Shares.

10.7 **Transfer of Shares**

Subject to the restrictions set out in the Articles, any member may transfer:

10.7.1 all or any of his uncertificated shares in the Company by means of an Uncertificated System authorised by the directors in such manner provided for; and

10.7.2 all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the directors may approve.

However, the Board may, in its absolute discretion and without giving reason, refuse to transfer, covert or register any transfer of any share in certificated form or uncertificated form (subject to the Articles) which is not fully paid or on which the Company has a lien provided in the case of a listed or quoted share that this would not prevent dealings in the share from taking place on an open and proper basis on the London Stock Exchange.

In addition, the Board may refuse to register a transfer of shares if: (a) it is in respect of more than one class of shares; (b) it is in favour of more than four joint transferees; or (c) in relation to a share in certificated form, having been delivered for registration to the office or such other place as the Board may decide, it is not accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require; or (d) the transfer is in favour of any Non-Qualified Holder.

The Board may only decline to register a transfer of an uncertificated in the circumstances set out in the Regulations or such as may otherwise from time to time be adopted by the directors on behalf of the Company or the rules of any Uncertificated System, where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

For the purposes of the foregoing provisions:

(a) "Non-Qualified Holder" means any person whose ownership of Shares may cause the Company to breach its regulatory requirements.

- (b) “Regulations” means The Uncertificated Securities (Enabling Provisions) Guernsey Law, 2005, the Uncertificated Securities (Guernsey) Regulations 2009 (as amended), The Uncertificated Securities Regulations 2001 (SI 2001 No 3755), as amended by the Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (SI 2003 No. 1633), and such other regulations as are applicable to Euroclear and/or the CREST relevant system and are from time to time in force; and
- (c) “Uncertificated System” means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the applicable Regulations and any relevant system or other computer based system and its related facilities and procedures by means of which title to units of a security (including shares) can be endowed and transferred without a written certificate of instrument, as determined from time to time by the directors.

10.8 Pre-emption rights

There are no provisions under the Companies Law equivalent to section 561 of the UK Companies Act 2006 which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash or otherwise, but similar pre-emption rights (with certain exceptions) are contained within the Articles.

The Articles provide that, unless otherwise authorised by a special resolution, the Company shall not allot equity securities (as defined in the Articles) on any terms unless (i) the Company has first made an offer to each person who holds equity securities of the same class in the Company to allot and issue to them, on the same or more favourable terms, such proportion of those equity securities that is as nearly as practicable equal to the proportion in number held by them of the share capital of the Company of that class; and (ii) the period during which any offer referred to in (i) above may be accepted by the relevant current holders has expired or the Company has received notice of the acceptance or refusal of every offer made from such holders.

The pre-emption rights set out above shall not apply to:

- (a) bonus shares, shares issued in lieu of dividend or distribution, nor to a particular issue of equity securities if they are, or are to be, wholly or partially paid otherwise than in cash; or
- (b) equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of shares or a class of shares at such record date as the directors may determine where the securities attributable to the interests of holders of shares or a class of shares are proportionate (as near as may be practicable) to the respective numbers of shares of that class held by them on such record date, subject to such conditions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems arising under the laws of any jurisdiction or the requirements of any regulatory body or stock exchange or any other matter whatsoever.

For the purposes of the foregoing provisions, a reference to equity securities means shares or a right to subscribe or to convert securities into shares.

10.9 Disclosure of interests in shares

The Company has the right, by service of notice in writing, to require a person whom the directors know to be or have reasonable cause to believe is or, at any time during the 3 years immediately preceding the date on which the notice is issued, to have been interested in any shares to disclose to the Company the nature of his interest in shares in the Company including the identity of any person, other than the member, who has any interest in the shares held by the member, and the nature of such interest.

A member will be required to respond within 28 days after service of a notice or within 14 days of service of a notice if the relevant shares represent 0.25 per cent. or more of the number of shares in issue of the class of shares concerned or such other reasonable period as the directors may determine.

If a member is in default of his obligation to respond to such notice the directors may serve a direction notice on that member. The direction notice may direct that the member in default is no

longer entitled to exercise voting rights attaching to the shares held by that member. Where the member in default holds shares representing at least 0.25 per cent. in number of the class of shares concerned, the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

10.10 Alteration of share capital

The Company may by ordinary resolution alter its share capital in any way set out below:

- (a) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
- (b) subdivide all or any of its shares into shares of smaller amounts;
- (c) cancel any shares which at the date of the passing of the resolution have not been taken up or agreed to be taken up by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) convert all or any of its shares, denominated in a particular currency or former currency, into shares denominated in a different currency; or
- (e) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, either by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

10.11 Continuation resolution

The Articles provide for the directors to propose a continuation resolution that the Company continues its business as a closed-ended investment company, to be passed as an ordinary resolution, at (i) the annual general meeting of the Company to be held in 2025 if the Gross Asset Value of the Company as at 31 December 2024 is less than £500 million and (ii) at the annual general meeting of the Company to be held in 2026 and at every fifth annual general meeting thereafter.

If a continuation resolution is not passed at any general meeting at which it is proposed, the directors are required to put forward, as a special resolution, proposals for the reconstruction, reorganisation or winding-up of the Company to the members for their approval within six months following the date on which the relevant continuation resolution is not passed.

10.12 General meetings

Convening of general meetings

All general meetings, other than annual general meetings, shall be called extraordinary general meetings. All general meetings may be held at any place in Guernsey or elsewhere. The members of the Company may require the directors to call a general meeting of the Company in accordance with the Companies Law. The Board shall convene a general meeting within 21 days after the receipt of a requisition of members in accordance with the Companies Law and shall hold the meeting on a date not more than 28 days after the date of the notice convening the meeting.

Provided that each member participating in the communication can hear or read what is said or communication by each of the others, a meeting of members may be held notwithstanding that such members may not be in the same place. Each member so participating is deemed to be present at a meeting with the other members so participating and any such meeting shall be deemed to be held in the place in which the chairperson of the meeting is present.

Notice of general meetings

At least ten clear days' notice shall be given of every general meeting of the Company. Notwithstanding that a meeting is called by less than ten clear days' notice, any such meeting shall be deemed to have been duly called if consent in writing is received from all members of the Company entitled to receive notice of and vote at such meeting.

Subject to the provisions of the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member where the Company has been notified of their entitlement and to every director and the auditors (if any).

Quorum

No business shall be transacted at any general meeting, except the appointment of a chairperson, unless a quorum of members is present at the time when the meeting proceeds to business.

A quorum of members shall consist of not less than two members present in person or by proxy (but so that if at any adjourned meeting of such holders a quorum is not present, one person present holding shares of the relevant class shall be a quorum) provided always that where the class has only one member, that member shall constitute the necessary quorum.

If within 30 minutes from the time appointed for the holding of a general meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week at the same time and place or such other day, time and place as the chairperson may determine or as otherwise may be specified in the original notice of meeting. If at such adjourned meeting a quorum is not present within 5 minutes from the time appointed for the holding of the meeting, those members present in person or by proxy shall be a quorum.

Chairperson

At any general meeting, the chairperson of the Board or, if they are absent or unwilling, one of the other directors who is appointed for that purpose by the board or (failing appointment by the board) by the members present shall preside as chairperson of the meeting. If none of the directors are present at the meeting or are present but unwilling to preside, the members present and entitled to vote shall choose one of their number to preside as chairperson of the meeting.

Directors entitled to attend and speak

Whether or not he is a member of the Company or a holder of the relevant class of shares, a director shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

Adjournment

With the consent of any meeting at which a quorum is present, the chairperson of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time to time and from place to place. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

It shall not be necessary to give notice of an adjourned meeting except where a meeting is adjourned for more than 14 days in which case at least 7 days' notice shall be given specifying the day, time and place of the adjourned meeting and the general nature of the business to be transacted.

Method of voting and demand for poll

At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

- (a) the chairperson of the meeting;
- (b) at least two members having the right to vote on the resolution; or
- (c) by a member or members representing not less than one tenth of the total voting rights of all the members having the right to vote on the resolution,

and a demand by a person as proxy for a member shall be the same as a demand by the member. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson shall not have a casting vote.

Unless a poll is duly demanded (and the demand is not withdrawn) a declaration by the chairperson that a resolution has or has not been passed or an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

With the consent of the chairperson, the demand for a poll may be withdrawn before the poll is taken. A demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken as the chairperson directs and they may appoint scrutineers (who need not be members) and fix a day, time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Proxies

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to exercise all or any of their rights to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

10.13 Directors

Number

Unless otherwise determined by ordinary resolution of the Company, the number of directors shall not be subject to any maximum or minimum.

Remuneration

The directors shall be entitled to receive by way of fees for their services as directors, such sum as the Board may from time to time determine provided that the aggregate amount of such fees for all the Board collectively shall not exceed £300,000 per annum (or such other sum as the Company may, by ordinary resolution, determine).

The directors may be paid all reasonable travelling, hotel and other expenses properly incurred in connection with the performance of their duties as directors including seeking independent professional advice on any matter concerning the furtherance of their duties as a director of the Company and expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of shares or debentures of the Company.

Appointment and Resignation of Directors

Subject to the Companies Law and to the Articles, the directors have the power to appoint any person to be a director, either to fill a casual vacancy or as an additional director, at any time.

A director may resign from office as a director by giving notice in writing to that effect to the Company at its office effective upon such date specified in the notice failing which upon delivery to the registered office.

Retirement of Directors

At each annual general meeting, each director shall retire from office and each director may offer himself for election or re-election by the members. If a retired director is not reappointed he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

Directors' interests

A director shall not be entitled to vote on a resolution (or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in

which he is interested (together with any interest of any person connected with him), save where the chairperson resolves that the director concerned should be entitled to do so where the chairperson is satisfied that the director's interest is immaterial.

Borrowing and other powers

Subject to the Companies Law, the memorandum of incorporation of the Company, the Articles and to any directions given to the Company by special resolution, the directors shall manage the Company's business and can use all the Company's powers in any part of the world. In particular, the directors may exercise all the Company's powers to borrow or raise money, to mortgage or charge all or any of the Company's undertaking, property and assets (present and future), to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party, provided that gearing, calculated as a percentage of the Gross Asset Value, will not exceed 50 per cent. at the time of drawdown.

As at the date of this Prospectus there is no mortgage, charge or security interest over or attaching to assets of the Company.

Indemnity of officers

Insofar as the Companies Law allows, the Company may indemnify any director (including alternate directors) or secretary against any liability except such liability incurred by or through, among other things, their breach of duty or negligence and may purchase and maintain for any director, insurance against any liability.

Board meetings

Subject to the provisions of the Articles, the Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two.

Provided that each director entitled to participate in the proceedings can hear or read what is said or communication by each of the other directors, they shall be deemed to be present at such meeting and shall be counted when reckoning a quorum. Any such meeting shall be deemed to be held in the place in which the chairperson of the meeting is present.

Voting

Questions arising at a meeting of the directors shall be decided by a majority of votes. In the case of an equality of votes, the chairperson shall not have a casting vote.

10.14 Notices

Except for a notice calling a meeting of the directors or a committee of directors, any notice to be given to or by any person pursuant to the Articles shall be in writing.

10.15 CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the shares to be admitted to CREST and it is expected that the shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Initial Admission has occurred.

11. The City Code on Takeovers and Mergers

11.1 Mandatory bid

11.1.1 As a company incorporated in Guernsey with shares admitted to trading on the London Stock Exchange, the Company will be subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with

each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent., or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent., but not more than 50 per cent., of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the company.

11.1.2 Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9 of the Takeover Code. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares might take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buying back by the Company of Shares could, therefore, have implications for Shareholders with significant shareholdings.

11.2 Compulsory acquisition

11.2.1 The Companies Law provides that if an offer is made for the shares or any class of shares in the capital of a company and, within four months after the date of the offer, the offer is approved by shareholders comprising 90 per cent. in value of the shares affected (excluding any shares held as treasury shares), then the offeror may, within a period of two months immediately after the last day on which the offer can be approved or accepted, give notice to any dissenting shareholders informing them that it wishes to acquire their shares (an "Acquisition Notice"). Where an Acquisition Notice is given, the offeror is then entitled and bound to acquire the dissenting shareholders' shares on the terms of the offer approved by the shareholders comprising 90 per cent. in value of the shares affected; and where the terms of the offer provided a choice of consideration, the Acquisition Notice must give particulars of the choice and state (a) the period within which, and the manner in which, the dissenting shareholder must notify the offeror of his choice, and (b) which consideration specified in the offer will apply if he does not so notify the offeror.

12. Material Contracts

12.1 Management Agreement

The AIFM and the Company entered into the Management Agreement on 12 February 2021. Pursuant to the terms of the Management Agreement, the AIFM has agreed, subject to the overall policy and supervision of the Directors and such directions as the Directors may give from time to time, to manage the investments and other assets of the Company with the sole responsibility for the portfolio management and risk management of the assets of the Company in each case in accordance with the Company's investment policy. In accordance with the terms of the Management Agreement (and the EU AIFM Directive and the UK AIFMD Laws) the AIFM will manage the Company's portfolio and its other assets and will report on the performance of the Company's investments to the Board on a monthly basis or on such other basis as they shall otherwise agree.

Under the terms of the Management Agreement, the AIFM is entitled to receive an annual management fee which will vary depending on the type of investment made by the Company, as specified below:

1. 0.1 per cent. per annum on the proportion of the Net Asset Value attributable to NextEnergy Funds;
2. 0.5 per cent. per annum on the proportion of the Net Asset Value attributable to investments in Third Party Vehicles and any other residual Net Asset Value; and
3. 0.7 per cent. per annum on the proportion of the Net Asset Value attributable to Direct Investments.

The management fee shall be calculated and accrue daily on the basis of the prevailing Net Asset Value.

In addition, under the terms of the Management Agreement the AIFM is entitled to receive a performance fee (the "**Performance Fee**"). The Performance Fee shall be equal to a 15 per cent. share of the excess Total Shareholder Return over the Preferred Return in each financial year of the Company (the "**Calculation Period**") multiplied by the weighted average Shares. The "**Preferred Return**" shall be 8 per cent. per annum. The "**Total Shareholder Return**" means the total dividends per ordinary share paid by the Company to Shareholders during the Calculation Period plus the share price movement during the Calculation Period, expressed as a percentage of the Share price at the beginning of the calculation period. The Total Shareholder Return is calculated excluding any previous Performance Fee paid.

The Performance Fee shall be paid in two equal tranches, the first tranche will be paid in cash following the date of the calculation of the relevant performance fee and the second tranche will be satisfied by the issue of shares at an issue price equal to the prevailing Net Asset Value at the time of issue. The second tranche will be satisfied on the date falling 12 months after the calculation date of the relevant performance fee, but only if the average Total Shareholder Return during the Calculation Period and the following Calculation Period exceeds the Preferred Return. The Directors can, in their discretion, pay the deferred consideration in cash at any time.

In addition, in the event that the Management Agreement is terminated under the no cause provisions, the AIFM is entitled to receive a termination payment (the "**Termination Payment**") in respect of any excess return that has been generated on each Unrealised Investment (if any) at the end of each Calculation Period following the termination date. An "**Unrealised Investment**" is an investment within the portfolio of the Company which was made by the AIFM but has not been realised by the date of their termination. The Termination Payment shall be calculated by the Company for as long as Unrealised Investments remain in the portfolio of the Company at the beginning of each Calculation Period. The Termination Payment shall be an amount representing 15 per cent. of the internal rate of return (calculated on a cash-on-cash basis including distributions and the proceeds of any realisation in excess of the Preferred Return (with no catch up) in respect of each individual Unrealised Investment).

The fees payable to the Investment Adviser under the Investment Advisory Agreement shall be payable by the AIFM and shall not be an expense of the Company.

The AIFM shall also be entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The Company will provide disclosure in its annual report and accounts on the total amount of fees paid by the underlying investments (including the NextEnergy Funds and Third Party Vehicles). The Company has agreed to indemnify and keep indemnified the AIFM (and its associates and their respective directors, officers, consultants, agents and employees) against any and all liabilities, obligations, losses, claims, damages, suits and expenses which may be incurred by or asserted against any such person in connection with the exercise of the AIFM's powers or the performance of the AIFM's obligations and duties other than those arising directly from the fraud, gross negligence, wilful default on the part of the AIFM or from a breach of the Management Agreement or any applicable laws by the AIFM.

The Management Agreement shall be subject to an initial term of five years. Following the end of this initial term the Management Agreement may be terminated by either party on not less than 12 months notice in writing. In addition, the Management Agreement may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied or on the insolvency of either party.

The Management Agreement is governed by the laws of England and Wales.

12.2 Investment Advisory Agreement

The Company and the AIFM have appointed the Investment Adviser as the investment adviser to the AIFM in accordance with the terms of the Investment Advisory Agreement dated 12 February 2021. Under the terms of the Investment Advisory Agreement the Investment Adviser has agreed

to provide certain services in relation to the Company and the portfolio to the AIFM, including identifying and recommending suitable investments for the Company to the AIFM. The services provided by the Investment Adviser shall at all times be in accordance with the overall policy and supervision of the Directors and such directions as the Directors may give from time to time.

The fees payable to the Investment Adviser under the Investment Advisory Agreement shall be payable by the AIFM and shall not be an expense of the Company.

The Investment Adviser shall be entitled to reimbursement by the Company of all out of pocket costs, expenses and charges reasonably and properly incurred on behalf of the Company.

The AIFM has agreed to indemnify and keep indemnified the Investment Adviser (and its associates and their respective directors, officers, consultants, agents and employees) against any and all liabilities, obligations, losses, claims, damages, suits and expenses which may be incurred by or asserted against any such person in connection with the performance of the Investment Adviser's obligations and duties other than those arising directly from the fraud, gross negligence, wilful default on the part of the Investment Adviser or from a breach of the Investment Advisory Agreement or any applicable laws by the AIFM.

The Investment Advisory Agreement shall be subject to an initial term of five years. Following the end of this initial term the Investment Advisory Agreement may be terminated by any party on not less than 12 months notice in writing. In addition, the Investment Advisory Agreement may be immediately terminated by any party in certain circumstances such as a material breach which is not remedied or on the insolvency of any party. The Investment Advisory Agreement shall terminate automatically on the termination of the Management Agreement.

12.3 Placing Agreement

The Placing Agreement dated 12 February 2021 entered into by the Company, the AIFM, the Directors and the Joint Bookrunners pursuant to which, subject to certain conditions, the Joint Bookrunners have agreed to use their respective reasonable endeavours to procure purchasers for: (i) the Shares to be issued pursuant to the Initial Placing at the Initial Issue Price; and (ii) Shares to be issued pursuant to any Subsequent Placings under the Placing Programme at the applicable Placing Programme Price.

The Placing Agreement is conditional on, among other things, Initial Admission occurring by 8.00 a.m. on 10 March 2021 (or such later date, not being later than 31 March 2021 as the Company, the Joint Bookrunners and the AIFM may agree) in respect of the Initial Placing.

In respect of the Initial Placing, the Placing Agreement is further conditional upon the Initial Gross Proceeds totalling not less than £100 million. In the event that any of the conditions in the Placing Agreement are not met in respect of the Initial Placing or any Subsequent Placing, the Joint Bookrunners shall, amongst other things, not be under any obligation to complete the Initial Placing or any Subsequent Placing, the Company shall withdraw its applications for Initial Admission or the relevant Subsequent Admission (as applicable) (making such announcement as reasonably required by the Joint Bookrunners) and appropriate arrangements for the return of monies received shall be made.

In consideration for their services under the Placing Agreement, the Joint Bookrunners will receive from the Company: (i) in respect of the Initial Issue, placing commission calculated by reference to the Initial Gross Proceeds after deducting the expenses of the Initial Issue, together with reimbursement for all out-of-pocket expenses incurred by the Joint Bookrunners in connection with the Initial Issue; and (ii) in respect of any Subsequent Placing, placing commission calculated by reference to the gross proceeds of the relevant Subsequent Placing after deducting the expenses of that Subsequent Placing, together with reimbursement for all out-of-pocket expenses incurred by the Joint Bookrunners in connection with the relevant Subsequent Placing.

The Company, the Directors and the AIFM have in the Placing Agreement given certain customary warranties, and the Company and the AIFM have agreed to provide customary indemnities to the Joint Bookrunners.

Under the Placing Agreement, the Joint Bookrunners are entitled at its discretion and out of its own resources at any time to rebate to some or all investors, or to other parties, part or all of its fees.

The Placing Agreement may be terminated by the Joint Bookrunners in certain customary circumstances.

The Placing Agreement is governed by the laws of England and Wales.

12.4 Intermediaries Booklet

The Intermediaries Booklet dated 12 February 2021 setting out the terms on which the Intermediaries have agreed, or will agree, in connection with the Intermediaries Offer, to act as agent for their Underlying Applicants.

None of the Company, the Sponsor, the Joint Bookrunners, the AIFM or the Investment Adviser, or any of their respective representatives will have any liability to the Intermediaries for liabilities, costs or expenses incurred by the Intermediaries in connection with the Intermediaries Offer.

As set out in the Intermediaries Booklet, the Sponsor has agreed to coordinate applications from the Intermediaries under the Intermediaries Offer. Determination of the number of Shares offered will be determined solely by the Company (following consultation with the Sponsor, the Joint Bookrunners and the AIFM). Allocations to Intermediaries will be determined solely by the Company (following consultation with the Sponsor, the Joint Bookrunners and the AIFM).

The Intermediaries agree to procure the investment of the maximum number of Shares which can be acquired at the Initial Issue Price for the sum applied for by such Intermediaries on behalf of their respective Underlying Applicants. A minimum application of £1,000 per Underlying Applicant will apply. Intermediaries agree to take reasonable steps to ensure that they will not make more than one application per Underlying Applicant.

The Intermediaries give certain undertakings regarding their use of information in connection with the Intermediaries Offer. The Intermediaries also give undertakings regarding the form and content of written and oral communications with clients and other third parties and the Intermediaries also give representations and warranties which are relevant for the Intermediaries Offer, and indemnify the Company, the Sponsor, the Joint Bookrunners, the AIFM, the Investment Adviser, the Receiving Agent and their respective representatives against any loss or claim arising out of any breach or alleged breach by them of the agreement or of any duties or obligations under the FSMA or under any rules of the FCA or any applicable laws or as a result of any other act or omission by the Intermediary in connection with the subscription for and/or resale of Shares by the Intermediaries or any Underlying Applicant.

12.5 Administration Agreement

The Administration Agreement dated 12 February 2021 between the Company and the Administrator whereby the Administrator is appointed to act as administrator of the Company.

Under the Administration Agreement the Administrator has agreed to provide administration, domiciliation, company secretarial, accounting, certain corporate services and listing services.

The Administrator is entitled to a fixed fee of £237,500 per annum. The Administrator is also entitled to reimbursement for all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Administration Agreement may be terminated by either party on three months' notice and may be immediately terminated by the Company in certain circumstances such as a persistent or material breach which is not remedied. The Administration Agreement contains customary indemnities given by the Company in favour of the Administrator.

12.6 Registrar Agreement

The Registrar Agreement dated 12 February 2021 between the Company and the Registrar whereby the Registrar is appointed to act as registrar of the Company. The Registrar is entitled to receive a minimum annual registration fee from the Company of £3,500. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges reasonably and properly incurred and documented on behalf of the Company.

The Registrar Agreement is subject to an initial term of three years and thereafter may be terminated by either party on six months' notice and may be immediately terminated by either party in certain circumstances such as a material breach which is not remedied. The Registrar Agreement contains customary indemnities from the Company in favour of the Registrar.

12.7 WiseEnergy Framework Agreement

The Company and the AIFM entered into the WiseEnergy Framework Agreement with WiseEnergy on 12 February 2021. The WiseEnergy Framework Agreement governs the provision and cost of the services that the Company could require WiseEnergy to provide, for example in the context of Direct Investments. Once the Company has identified the need for a service to be provided by WiseEnergy, it will request a scope of services that will be subject to the standard service levels and maximum service costs prescribed in the Framework Agreement.

13. Investment and other restrictions

13.1 In accordance with the requirements of the FCA, the Company:

13.1.1 will not conduct any trading activity which is significant in the context of the Company as a whole;

13.1.2 will, at all times, invest and manage its assets:

- (a) in a way which is consistent with its objective of spreading investment risk; and
- (b) in accordance with its published investment policy.

13.2 In accordance with the requirements of the FCA, the Company will not make any material change to its published investment policy without the approval of the FCA and of its Shareholders by ordinary resolution. Such an alteration would be announced by the Company through a Regulatory Information Service.

13.3 In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by an announcement issued through a Regulatory Information Service.

13.4 The Company will invest the proceeds of the Issues in accordance with the Company's investment policy, in order to achieve the Company's investment objective of providing Shareholders with regular income and capital appreciation.

14. General

14.1 Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.2 No application is being made for the Shares to be dealt with in or on any stock exchange or investment exchange other than the London Stock Exchange's Main Market.

14.3 The AIFM and the Investment Adviser have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear. The Investment Adviser has given and not withdrawn its written consent to the inclusion in this Prospectus of the information and opinions contained in Part 1 and Part 3 of this Prospectus. To the best of the knowledge of the Investment Adviser, the information contained in the parts of the Prospectus for which it is responsible is in accordance with the facts and those parts make no omission likely to affect their import.

14.4 Dickson Minto W.S. has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

14.5 The Joint Bookrunners have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their respective names in the form and context in which they appear.

15. The Intermediaries

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

- (i) AJ Bell YouInvest;
- (ii) EQi;
- (iii) Hargreaves Lansdown;
- (iv) iDealing.com;
- (v) interactive investor;
- (vi) PrimaryBid;
- (vii) shareDeal active; and
- (viii) X-O.

Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus, including in respect of any Intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the terms of the Intermediaries Terms and Conditions and any Intermediary that ceases to participate in the Intermediaries Offer, will be made available (subject to certain restrictions) at the Company's website www.nextenergyrenewables.com.

16. Documents available for inspection

16.1 Copies of the following documents are available for inspection at any time on the Company's website at www.nextenergyrenewables.com or in person during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office from the date of this Prospectus until close of business on 11 February 2022:

- 16.1.1 the memorandum of incorporation of the Company and the Articles;
- 16.1.2 the letters of appointment referred to in paragraph 4.4 of this Part 8;
- 16.1.3 the written consents referred to in paragraphs 13.4 and 13.5 of this Part 8; and
- 16.1.4 this Prospectus.

17. Availability of prospectus

A copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. The Prospectus is also available for inspection on the Company's website www.nextenergyrenewables.com and, until 11 February 2022, copies are available for collection, free of charge, from the offices of the Investment Adviser, 5th Floor Office, North Side 7-10 Chandos Street, Cavendish Square, London W1G 9DQ.

PART 9

ADDITIONAL INFORMATION ON NEXTPOWER III LP

The information in this Part 9 in relation to NPIII has been reproduced from publicly available sources or sources which have been provided by the NextEnergy Group. The information set out in this Part 9 has been accurately reproduced from these sources and as far as the Company and the Directors are able to ascertain from the information included in these sources, no facts have been omitted from this Part 9 which would render the reproduced information inaccurate or misleading. The Company and the Directors can give no guarantee as to the statements in relation to NPIII's policies or procedures which may change.

1. Incorporation and general

- 1.1 NextPower III LP was registered as an English limited partnership on 23 October 2017 with registration number LP018784 and designated as a private fund limited partnership under the Limited Partnership Act 1907, as amended by the Legislative Reform (Private Fund Limited Partnerships) Order 2017.
- 1.2 The registered office of NPIII is 6th Floor Bastion House, 140 London Wall, London EC2Y 5DN and its telephone number is +44 (0) 203 746 0700. The principal legislation under which NPIII operates is the Limited Partnership Act 1907, as amended by the Legislative Reform (Private Fund Limited Partnerships) Order 2017 as applicable. The statutory auditors of NPIII are Grant Thornton Limited. The registered office of the statutory auditor is Lefebvre House, Lefebvre Street, St Peter Port, Guernsey, Channel Islands GY1 3TF.

2. Control

- 2.1 The Company does not know of any person who is directly or indirectly, jointly or severally, able to exercise control over NPIII.
- 2.2 The Company does not know of any arrangements, the operation of which may at a subsequent date result in a change in control of NPIII.

3. Risk factors

An investment in NPIII will involve certain risks and special considerations. Under adverse circumstances, investors in NPIII should be able to withstand the loss of their entire investment in NPIII. The Investments of NPIII are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The value of an interest in NPIII may go down as well as up and investors may not realise the value of their initial investment in NPIII. Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets.

The risks associated with an investment in renewable energy assets are set out in the Risk Factors section of this Prospectus.

Full details of the risks specific to NPIII are set out in Appendix 1 of this Prospectus.

4. NPIII investment restrictions

NPIII shall comply with the following investment restrictions:

- 4.1. NPIII will primarily invest in Solar PV Plants in OECD Member Countries;
- 4.2. NPIII will not invest, without the prior consent of the LPAC:
 - 4.2.1. in a single Solar PV Plant with a value in excess of 20 per cent. of the value of commitments in NPIII;
 - 4.2.2. in aggregate, more than 10 per cent. of the value of commitments in NPIII, in pre-construction assets;

- 4.2.3. in aggregate, more than 10 per cent. of the value of commitments in NPIII, in power plants generating energy from non-solar renewable energy technologies;
- 4.2.4. more than 20 per cent. of the value of commitments in NPIII in investments situated in countries other than OECD Member Countries;
- 4.2.5. more than 25 per cent. of the value of commitments in NPIII in investments situated in any single OECD Member Country, other than the US where it can invest up to 30 per cent.;
- 4.2.6. more than 15 per cent. of the value of commitments in NPIII in investments situated in any single OECD Key Partner Country;
- 4.2.7. subject to 4.2.8 below, more than 10 per cent. of the value of commitments in NPIII in investments situated in countries which are not OECD Member Countries or OECD Key Partner Countries; and
- 4.2.8. in Africa or in China.

5. Administration and management

5.1 The General Partner

5.1.1 The general partner of NPIII is NextPower III GP Limited, a limited company incorporated in and registered in Guernsey with registered number 64184 (the “**General Partner**”). The registered office address of the General Partner is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL. The General Partner has unlimited liability in relation to its role as general partner of NPIII.

5.1.2 The General Partner is responsible for the day-to-day management of NPIII and, subject to the approval of the NPIII Investment Committee (as defined below), all decisions regarding the acquisition, financing and disposition of Investments. The General Partner is indirectly owned by Michael F.H. Bonte-Friedheim and Aldo Beolchini.

5.1.3 The directors of the General Partner are:

- (a) **Heidi Lawlor** – Mrs Lawlor has over 35 years’ experience in the financial services industry. She started her career in stockbroking and held positions in investment management in New Zealand and Guernsey moving into the funds sector in the last 25 years beginning with a custodial compliance role at Guinness Mahon. She has held board positions on various investment fund structures of both private equity and hedge funds and executive positions with asset managers Millennium Global and Unigestion. She has also held senior positions in compliance and management for fund administrators Mourant and Sanne. Mrs Lawlor is a fellow of the Association of Chartered Certified Accountants, a fellow of the International Compliance Association and holds the Institute of Directors Diploma in Company Direction. Mrs Lawlor is resident in Guernsey and joined the NextPower III GPLimited board in December 2019.
- (b) **Kris Allen** – Kris joined Ipes in 2013 as a Client Relationship Director overseeing the administration of a number of fund structures including fund of funds, buy-out, venture capital and mezzanine debt funds. Early in 2017 Kris became the Operational Development Director, forming a team of eight to develop operational improvements across the group with a specific focus on both systems and process covering existing and new service lines. He also sits on a number general partner boards.

5.2 The NPIII manager

The Investment Adviser acts as manager, AIFM and operator of NPIII, pursuant to a management agreement between the General Partner, for and on behalf of NPIII, and the Investment Adviser. The Investment Adviser is responsible for originating and recommending investment opportunities to the General Partner and overseeing the Investments post-acquisition.

5.3 The NPIII Investment Committee

5.3.1 Investment and divestment decisions will be made by NPIII's investment committee (the "NPIII Investment Committee"), which comprises of the following individuals:

- (a) **Michael F.H. Bonte-Friedheim** – Michael's full biography is set out in Part 3 of this Prospectus.
- (b) **Aldo Beolchini** – Aldo's full biography is set out in Part 3 of this Prospectus.
- (c) **Filinto Martins** – Filinto has 20 years' experience in financial services as an investment principal and business development officer within the wind and solar industry. Filinto joined NEC in July 2019 and became Managing Director of NPIII in June 2020. Between 1999 and 2008 Filinto had various roles across the corporate finance sphere before entering exclusively into the renewable market in 2008 where he headed Union Fenosa Renovables as Business Development Manager. There he was focused on the business development of wind, hydro and PV in Portugal. Between 2010 and 2013 Filinto was the Western Europe Coordinator at Gamesa, a reputable wind power player, and was focused on the business development coordination across their activities in Germany, UK, Sweden, Italy, France and Portugal, where he developed and completed over 600MW of projects and at the same time managed approximately 2.5GW of wind portfolios. Filinto has developed and acquired over 1GW of solar projects while as Head of Europe at Martifer Solar and at Smartenergy Invest AG where Filinto was Chief Investment Officer. Filinto has 13 years' experience as a corporate finance professor. He received a masters in Finance from the Catolica-Lisbon School of Business & Economics and a bachelor's degree in Management from Moderna University in Portugal.
- (d) **Gianluca Boccanera** – Gianluca has over nine years of experience in the renewable energy sector, spread across different areas, from development to the financing, construction and then technical, administrative, financial, accounting and fiscal management of energy production assets and their respective investment vehicles in different countries. Since joining NextEnergy Capital, Gianluca has contributed to the setup and growth of the business and the corporate structure, gaining progressively external exposure and internal responsibilities. Gianluca is a member of the Investment Committee. Gianluca has also been involved in the provision of asset management services to both lenders and sponsors and actively participated in lobbying activities carried-out by key Italian sector associations such as Assilea. Previously, Gianluca worked in the investment banking industry for six years, across different financial institutions (Calyon, Mediobanca, Dresdner Kleinwort and lastly Morgan Stanley) and countries (Italy and UK), gaining extensive experience in the energy and infrastructure sector, having worked on several landmark M&A and capital market transactions closed both in Italy and abroad. Gianluca graduated cum laude in Business Administration with a major in Corporate Finance at the Bocconi University (Italy).
- (e) **Ross Grier** – Ross began his career working as an analyst at ExxonMobil and has worked across the business spectrum from small and medium-sized and start-up businesses to FTSE 250 and government organisations. Ross has extensive experience in programme, process and change management roles across a variety of subject matters and organisation types. He has most recently been pursuing his passion for renewable energy. Commencing in 2010 he completed due diligence on, rectified and facilitated a sale transaction on a small residential portfolio under the first FiT regime and then supported the preparation, raise and deployment of one of the first UK Enterprise Investment Scheme solar funds, dedicated to commercial rooftop solar. During his time in the sector he has brokered, completed due diligence and transaction managed funding on over 1GW of ground mounted and roof mounted solar and has advised on a further 100MW. Since joining the NEC team in November 2013 and now as Managing Director of NextEnergy Solar Fund Limited, Ross has led the M&A team to deploy over £550 million of assets, delivering over 480MW of transactions across 50 deals to NextEnergy Solar Fund Limited in very compressed timescales. Ross is also a member of the Investment Committee. Ross has also

developed funding frameworks for energy, procurement and construction (“EPC”) contracts with EPC contractors to develop ground mount solar and hands-on supported the development of 20MW ground mount solar with partner EPC contractors.

- (f) **Giulia Guidi Pirro** – Giulia’s full biography is set out in Part 5 of this Prospectus.

5.4 **Depositary and administrator**

5.4.1 The Investment Adviser has appointed Apex Fund and Corporate Services (UK) Limited (formerly known as IPES (UK) Limited) (“**Apex**”) and Apex Depositary (UK) Limited (formerly known as IPES Depositary (UK) Limited) (the “**Apex Depositary**”) to act as administrator and depositary of NPIII, respectively, in accordance with the requirements of the EU AIFM Directive and the UK AIFMD Laws, as well as certain administrative functions in relation to the operation of NPIII pursuant to the terms set out in the depositary agreement between the Investment Adviser, NPIII, Apex Depositary and Apex. Such activities include, but are not limited to:

- (a) ensuring that cash flows in respect of NPIII’s operations are properly monitored;
- (b) safeguarding the assets of NPIII, or where non-custodial assets are held, verifying that NPIII is the owner of such assets based on information provided to it by the Investment Adviser; and
- (c) having oversight of certain operations of NPIII as set out in the EU AIFM Directive and the UK AIFMD Laws.

5.4.2 Apex and the Apex Depositary may interact with Investors in the course of its day to day operations, in particular for the purposes of anti-money laundering checks, however for the avoidance of doubt it acts on behalf of NPIII and in this capacity, does not have any relationship, contractual or otherwise, with the investors.

6. **Conflicts of interest**

A description of the Investment Adviser’s conflicts of interest policy is set out in Part 5 of this Prospectus.

7. **Key terms of NPIII**

Set out below is a summary of the key terms of NPIII upon which the Company has agreed to invest in NPIII. The terms in this summary are subject to additional or alternative provisions that may be agreed by way of a side letter.

Target size:	US\$750 million.
Hard cap:	US\$1 billion.
Investment period:	The investment period of NPIII will run to December 2022 unless terminated earlier on standard grounds.
Term:	It is expected that NPIII will be wound-up in December 2028, but the General Partner has the discretion to increase the term for up to three years, subject to certain conditions.
Equalisation:	Investors, such as the Company, who invest in NPIII after its first close will be drawn down following admission (for the account of the existing investors, but available to be redrawn) for such aggregate amount as they would have been required to advance to NPIII had they been admitted as first close investors. This is in order to “equalise” the drawn position of all investors, including such subsequent investors. Subsequent investors will also be charged interest thereon (again, for the account of the existing investors, but not available to be redrawn) at a rate of 8 per cent. per annum (or, in the case of amounts drawn down in order to equalise the General Partner’s share, 4 per cent. per annum) running from the date such drawdown amount would have been

advanced to NPIII had the subsequent investors been admitted at first close until the date of such drawdown.

Fees:	All of the transaction fees in relation to NPIII are offset against the General Partner's share. The General Partner's share, carried interest and investor return hurdle rates of NPIII are in line with other private investment vehicles of this nature.
Transfer rights:	The Company may not sell, assign or transfer its interest in NPIII without the prior written consent of the Investment Adviser, which the Investment Adviser may grant or withhold in its sole discretion.
Redemption rights:	The Company's voluntary withdrawal would not be permitted, except with the agreement of the Investment Adviser.
Right to redraw:	The General Partner has the ability to redraw and reinvest distributions of capital proceeds, and otherwise to reinvest (without first distributing) capital proceeds, up to an amount equal to the acquisition cost of any investment realised (or the capital proceeds of disposal of which are received) during NPIII's investment period.
Excuse rights:	The Company, as an investor, may be excused from participating in an investment, if such participation would result in the Company violating any applicable law or regulation.
Information rights:	The Company will receive annual audited accounts for each accounting period, not later than 120 days after the end of the relevant accounting period (being 31 December of each year). Investors will also receive quarterly reports, within 60 days of the end of the first three quarters in any year and within 120 days of the end of the fourth quarter, which will contain details of the investments made and sold by NPIII in that period, information on performance of NPIII and unaudited valuations of the investments.
Key executive event:	If, prior to the end of the investment period, (i) Filinto Martins ceases to devote substantially all of his business time and (ii) either Michael Bonte-Friedheim or Aldo Beolchini ceases to devote the majority of his business time to the affairs of NPIII, any parallel fund, any successor fund, and/or any co-investment funds related thereto (excluding the temporary disability of a key executive (but not more than two at the time) lasting or which it is reasonably anticipated will last for six months or less in any two year period), the investment period shall be automatically suspended.
No fault removal:	After the final closing date, investors holding at least 75 per cent. of total commitments may vote to remove the General Partner for no-fault. Upon its removal, the General Partner will be entitled to receive compensation equal to 24 months of the General Partner's share if such removal occurs during the investment period, or 12 months of the General Partner's share if such removal occurs thereafter. Carried interest will thereafter be calculated on the basis only of investments made prior to the date of removal.
Removal for cause:	The General Partner may be removed at any time, without compensation by investors holding more than 50 per cent. of total commitments, as a result of the General Partner's, the Investment Adviser's or any key executive's gross negligence, fraud, wilful misconduct, bad faith, reckless disregard of its obligations and duties in relation to NPIII, unremedied material breach of the Partnership Agreement, or conviction of a criminal offence relating to securities laws, in each case that has a material adverse effect on NPIII, and as

determined by a final court judgment. Carried interest will thereafter be calculated on the basis only of investments made prior to the date of removal, and reduced by 50 per cent. (or 25 per cent., if removal occurs after expiry of the investment period), subject to all amounts then due having been paid.

8. Distribution policy

NP III is aiming to distribute to investors an annual distribution of 4 per cent. to 5 per cent. of funded commitments during the investment period. The intention is then to maximise distributions during the holding period to match the net operating cash flow generation of the underlying Solar PV Plants.

9. Borrowing

NP III may not borrow money on a long term basis (with any individual loan outstanding for not more than 90 days) for any purpose other than hedging of Investments, provided that NP III shall be entitled to repay and/or refinance any maturing loan by way of a rollover loan for up to eight consecutive times, and provided further that the aggregate amount of borrowings and guarantees shall not at any time exceed the lower of 30 per cent. of total commitments and the aggregate amount of undrawn commitments.

10. Financial information

10.1 Grant Thornton Limited, Lefebvre House, Lefebvre Street, St Peter Port, Guernsey, Channel Islands GY1 3TF has been the only auditor of NP III since its registration.

10.2 The annual report and audited financial statements of NP III for the financial periods ending 31 December 2019 and 31 December 2018, which have been prepared in pound sterling and in accordance with IFRS, are set out in Appendix 2 to this Prospectus.

10.3 NP III's accounting period ends on 31 December of each year.

10.4 The net asset value of NP III is calculated quarterly, in accordance with IFRS. The net asset value of NP III is the aggregation of the fair value of investments, together with the cash and working capital, minus any liabilities of NP III. The fair value of investments includes the cash and working capital of the subsidiary companies. In calculating the fair value, provisions are made for any known liabilities, and account is taken of:

10.4.1 power prices;

10.4.2 changes in discount rates applied to asset valuations;

10.4.3 changes in long-term inflation;

10.4.4 changes in corporation tax;

10.4.5 performance of Solar PV Plants and levels of energy generation;

10.4.6 operating expenses (each as professional fees, acquisition and abort costs in relation to new and potential investments); and

10.4.7 asset specific issues (such as costs involved in a dispute over a lease).

10.5 The net asset value of NP III for the financial period ended 31 December 2020 will be available on or before 31 March 2021, the audited accounts will be available thereafter, no further financial information has been published since 31 December 2019. The calculation of the net asset value is dependent on a number of assumptions, including the issuance of power curves by independent consultants and factors, such as those listed in paragraph 10.4 above. The net asset value may have to be adjusted accordingly.

11. Significant changes

Since 31 December 2019 (being the end of the last financial period of NP III for which audited financial information has been produced), the significant changes in the financial position of NP III are as set out below. There has been no audited information since 31 December 2019.

- Investor committed contributions increased from US\$276.8 million at 31 December 2019 to US\$281.8 million, with US\$2.0 million in November 2020 and a further US\$3.0 million in January 2021;
- Capital calls of US\$99.5 million from investors, of which US\$2.9 million was drawn down on 8 January 2020 and US\$96.6 million was drawn down on 22 December 2020;
- A US\$83.0 million bridging loan debt facility was taken out on 28 January 2020. NPIII has utilised US\$82.6 million of this facility;
- Using the above noted investor and bridging loan drawdowns, NPIII acquired a further 25 Solar PV plants, costing in aggregate approximately US\$127.8 million, bringing the number of solar plants owned by NPIII to 28 of which seven are currently operational, 19 are under construction and two are ready to be built. Of the seven operational assets one was operational at 31 December 2019, two construction projects existing at 31 December 2019 have since become operational, and four operational assets were acquired post 31 December 2019. Approximately US\$11.5 million of investor and bridging loan drawdown amounts have also been used to pay the GP priority profit share (US\$7.9 million) and NPIII's operating and abort expenses (US\$3.6 million); and
- During the nine months to 30 September 2020, the fair value of NPIII's investments reduced by approximately US\$4.2 million, of which approximately \$2.9 million was due to a change in the forecast power prices as a result of the decrease in demand for electricity following the COVID-19 outbreak. Subsequently, global power prices have been recovering and this, together with a change in the discount rate for solar assets, is expected to provide an uplift to such fair values.

12. Capital resources

- 12.1 NPIII's source of funds are the drawdowns that it makes from investors' commitments and the returns that it receives from the investments that it makes. NPIII's principal expenditures are its operating fees and expenses, such as the General Partner's priority profit share and legal fees. NPIII's total expenditure, including investments, in the 9 months to 30 September 2020 (the date of the last complete management accounts) was US\$52.7 million.
- 12.2 NPIII also had a US\$83.0 million bridging loan debt facility in place. As at 30 September 2020 NPIII had drawn down US\$51.1 million under the facility and has approximately US\$31.9 million available to draw.
- 12.3 As at 30 September 2020, NPIII had cash reserves of approximately US\$2 million. As at 30 September 2020 NPIII had undrawn commitments from investors of approximately US\$218.6 million. As at 30 September 2020 NPIII had working capital of US\$1.6 million and investment commitments of approximately US\$90.5 million.
- 12.4 As at 30 September 2020, after taking into account its ongoing working capital, investment commitments, the undrawn commitments from investors and the undrawn debt under the bridging loan debt facility, NPIII had approximately US\$162.0 million available for investment.

13. Litigation

There have been no governmental, legal or arbitration proceedings, and the Investment Adviser is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of NPIII.

14. Material contracts

14.1 Management agreement

The General Partner has entered into a management agreement with the Investment Adviser under which the Investment Adviser has been appointed to manage and operate NPIII. The fees payable to the Investment Adviser are not for the account of NPIII. The management agreement may be terminated by any party on three months' notice, or sooner in certain circumstances.

14.2 Asset management agreement

WiseEnergy has been appointed by NPIII or its subsidiaries/holding vehicles to provide operating asset management and monitoring activities on completion of each acquisition. The fees payable to WiseEnergy or any of its affiliates will be borne by the relevant investee company. Each asset management agreement will be on substantially identical terms and can be terminated by either party on one year's notice, or sooner in certain circumstances (including material breach and insolvency event).

Details of the aggregate costs payable under the asset management services agreements will be included in NPIII's annual report.

14.3 Administration agreement

The General Partner entered into an administration agreement with Apex Fund and Corporate Services (UK) Limited under which the administrator provides administration services to NPIII (including book keeping, accounting, and secretarial services) in return for the fees payable by NPIII. The administration agreement may be terminated by either party on 90 business days' notice, or sooner in certain circumstances.

15. Significant subsidiaries

As at 4 February 2021 (being the latest practicable date prior to the publication of this Prospectus) NPIII held the following subsidiaries:

<i>Name of subsidiary</i>	<i>Country of incorporation or residence</i>	<i>Proportion of ownership interest</i>	<i>Proportion of voting power held</i>
NextPower III US HoldCo, Inc.	Delaware, United States	100 per cent. owned by NPIII	100 per cent. held by NPIII
NextPower III UK HoldCo Limited (" UK Holdco ")	England and Wales	100 per cent. owned by NPIII	100 per cent. held by NPIII
NextPower III Guernsey HoldCo Limited	Guernsey	100 per cent. owned by UK Holdco	100 per cent. held by UK Holdco
NextPower III Portugal Holdco, LDA	Portugal	100 per cent. owned by NPIII	100 per cent. held by NPIII
NextPower III Singapore TopCo PTE Limited	Singapore	100 per cent. owned by UK Holdco	100 per cent. held by UK Holdco
NextPower III Chile HoldCo, SpA	Chile	100 per cent. owned by UK Holdco	100 per cent. held by UK Holdco

PART 10

TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE PLACING PROGRAMME

1. INTRODUCTION

- 1.1. Ordinary Shares are available under the Initial Placing at the Initial Issue Price (being £1.00 per Share) and Ordinary Shares will be available under the Placing Programme at the relevant Placing Programme Price. The Ordinary Shares will, when issued and fully paid, include the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2. Each Placee which confirms its agreement to the Joint Bookrunners to subscribe for Shares under the Initial Placing and/or a Subsequent Placing under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.3. The Joint Bookrunners and the Company expressly reserve the right to require any Placee to agree to such further (or modified) terms and/or conditions and/or give such additional (or modified) warranties and/or representations as they (in their absolute discretion) see fit and/or may require any such Placee to execute a separate placing letter and/or other documentation.
- 1.4. The commitment to acquire Shares under the Initial Placing and/or a Subsequent Placing will be agreed orally with the Joint Bookrunners as agents for the Company and further evidenced in a contract note ("**Contract Note**") or placing confirmation ("**Placing Confirmation**").

2. AGREEMENT TO SUBSCRIBE FOR SHARES AND CONDITIONS

- 2.1. A Placee agrees to become a member of the Company and agrees to subscribe for those Shares allocated to it by the Joint Bookrunners at the applicable Issue Price, conditional on:
 - 2.1.1. the Placing Agreement becoming unconditional in respect of the relevant placing (save for any condition relating to the Initial Admission) and not having been terminated on or before the date of Admission of the relevant Shares being issued;
 - 2.1.2. Admission of the relevant Shares being issued occurring and becoming effective, in the case of Initial Admission by no later than 8.00 a.m. (London time) on 10 March 2021 (or such later date as the Company, the Joint Bookrunners and the AIFM may agree and, in any event, no later than 31 March 2021), and in the case of any Subsequent Admission by no later than such dates as may be agreed between the Company, the Joint Bookrunners and the AIFM in relation to each Subsequent Placing, not being later than 11 February 2022;
 - 2.1.3. in the case of any Subsequent Placing, a valid supplementary prospectus being published by the Company if such is required; and
 - 2.1.4. in the case of any Subsequent Placing, the relevant Placing Programme Price being determined by the Directors.
- 2.2. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

3. PAYMENT FOR SHARES

- 3.1. Each Placee must pay the applicable Issue Price for the Shares issued to the Placee in the manner and by the time directed by the Joint Bookrunners. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Shares may, at the discretion of the Joint Bookrunners, either be rejected or accepted and, in the latter case, paragraph 3.2 of these terms and conditions shall apply.
- 3.2. Each Placee is deemed to agree that if it does not comply with its obligation to pay the applicable Issue Price for the Shares allocated to it in accordance with paragraph 3.1 of these terms and

conditions and the relevant Joint Bookrunner elects to accept that Placee's application, the relevant Joint Bookrunner may sell all or any of the Shares allocated to the Placee on such Placee's behalf and retain from the proceeds, for the relevant Joint Bookrunner's own account and profit, an amount equal to the aggregate amount owed by the Placee plus any interest due. The Placee will, however, remain liable for any shortfall below the aggregate amount owed by such Placee and it may be required to bear any tax or other charges (together with any interest or penalties) which may arise upon the sale of such Shares on such Placee's behalf.

4. REPRESENTATIONS AND WARRANTIES

4.1. By agreeing to subscribe for Shares, each Placee which enters into a commitment to subscribe for Shares will (for itself and any person(s) procured by it to subscribe for Shares and any nominee(s) for any such person(s)) be deemed to represent, warrant, undertake, agree and acknowledge to each of the Company, the AIFM, the Registrar and the Joint Bookrunners that:

4.1.1. in agreeing to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it is relying solely on this Prospectus and any supplementary prospectus published by the Company prior to Admission of the relevant Shares and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Initial Placing and/or any Subsequent Placing. It agrees that none of the Company, the AIFM, the Joint Bookrunners or the Registrar, nor any of their respective officers, agents, or employees, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

4.1.2. if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Shares under the Initial Placing and/or under a Subsequent Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the AIFM, the Joint Bookrunner or the Registrar or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Initial Placing and/or a Subsequent Placing;

4.1.3. it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring Shares on the terms and subject to the conditions set out in this Part 10 and the Articles as in force at the date of Admission of the relevant Shares;

4.1.4. it makes the representations, warranties, undertakings, agreements and acknowledgements set out in this Prospectus, including:

- (a) it is located outside the United States and is acquiring the Shares in an "offshore transaction" in compliance with Regulation S;
- (b) if it is acquiring the Shares as a fiduciary or agent for one or more investor accounts, it has full power and authority to make (and it does make) the representations, warranties, undertakings, agreements and acknowledgements herein on behalf of each such account;
- (c) the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold, resold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, into or within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;
- (d) the Company has not been and will not be registered under the U.S. Investment Company Act and as such investors are not and will not be entitled to the benefits of the U.S. Investment Company Act;

- (e) it is not acquiring the Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or any directed selling efforts (as that term is defined in Regulation S) and that its purchase of the Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act;
 - (f) it is acquiring the Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for any distribution, sale or other transfer of the Shares in any manner that would violate the U.S. Securities Act or any other applicable laws;
 - (g) no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an “employee benefit plan” as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a “plan” as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the U.S. Tax Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law; and
 - (h) the representations, warranties, undertakings, agreements and acknowledgements contained herein are irrevocable and it acknowledges that the Company, the AIFM, the Joint Bookrunners and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of, and compliance with, such representations, warranties, undertakings, agreements and acknowledgments. If any of the representations, warranties, undertakings, agreements or acknowledgments contained herein are no longer accurate or have not been complied with, it will immediately notify the Company and the Joint Bookrunners.
- 4.1.5. it has not relied on the Joint Bookrunners or any person affiliated with the Joint Bookrunners in connection with any investigation of the accuracy of any information contained in this Prospectus;
- 4.1.6. the content of this Prospectus is exclusively the responsibility of the Company and its Directors (and in respect of certain sections of this Prospectus, the AIFM) and neither the Joint Bookrunners nor any person acting on their respective behalf nor any of their respective Affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus, any such supplementary prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Initial Placing and/or any Subsequent Placing based on any information, representation or statement contained in this Prospectus, such supplementary prospectus or otherwise;
- 4.1.7. it acknowledges that no person is authorised in connection with the Initial Placing and/or a Subsequent Placing to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus issued by the Company prior to the relevant Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the AIFM or the Joint Bookrunners;
- 4.1.8. it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);

- 4.1.9. if it is within the United Kingdom, it is a person who falls within Articles 49(2)(a) to (d) or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or it is a person to whom the Shares may otherwise lawfully be offered under such Order and/or is a person who is a “professional client” or an “eligible counterparty” within the meaning of Chapter 3 of the FCA’s Conduct of Business Sourcebook or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, it is a person to whom the Shares may be lawfully offered under that other jurisdiction’s laws and regulations;
- 4.1.10. if it is a resident in the EEA (other than Belgium, Finland, Luxembourg, the Netherlands and Switzerland): (a) it is a qualified investor within the meaning of Article 2 of the EU Prospectus Regulation; and (b) if that EEA Member State has implemented the EU AIFM Directive, that it is a person to whom the Shares may lawfully be marketed under the EU AIFM Directive or under the applicable implementing legislation (if any) of that relevant EEA Member State;
- 4.1.11. in the case of any Shares acquired by a Placee as a financial intermediary within the EEA as that term is used in the EU Prospectus Regulation or within the United Kingdom as that term is used in the UK Prospectus Regulation: (a) the Shares acquired by it in the Initial Placing and/or a Subsequent Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any EEA Member State or the United Kingdom other than qualified investors, as that term is defined in the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable), or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (b) where Shares have been acquired by it on behalf of persons in any EEA Member State or the United Kingdom other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation or the UK Prospectus Regulation (as applicable) as having been made to such persons;
- 4.1.12. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Ordinary Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person and acknowledges and agrees that no document is being issued by the Joint Bookrunners in connection with the Initial Issue and/or the Placing Programme in their capacity as authorised persons under section 21 of FSMA and it may not therefore be subject to the controls which would apply if they were made or approved as a financial promotion by an authorised person;
- 4.1.13. it is aware of and acknowledges that it is required to comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Ordinary Shares in, from or otherwise involving, the United Kingdom;
- 4.1.14. it is aware of the provisions regarding insider dealing in the United Kingdom under the Criminal Justice Act 1993, the UK MAR and the Proceeds of Crime Act 2002 and in Guernsey under the Company Securities (Insider Dealing) (Bailiwick of Guernsey) Law, 1996 (as amended), Section 41A of the Protection of Investors Law, 1987 (as amended), and the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended) and confirms that it has and will continue to comply with any obligations imposed by such statutes;
- 4.1.15. no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Ordinary Shares or possession of this Prospectus (and any supplementary prospectus issued by the Company prior to the relevant Admission), in any country or jurisdiction where action for that purpose is required;

- 4.1.16. if it is acting as a “distributor” (for the purposes of MiFID II Product Governance Requirements):
- (a) it acknowledges that the Target Market Assessment undertaken by the Investment Adviser and the Joint Bookrunners does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the UK MiFID Laws and EU MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares and/or C Shares and each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and/or C Shares and determining appropriate distribution channels;
 - (b) notwithstanding any Target Market Assessment undertaken by the AIFM and the Joint Bookrunners, it confirms that it has satisfied itself as to the appropriate knowledge, experience, financial situation, risk tolerance and objectives and needs of the investors to whom it plans to distribute the Ordinary Shares and that it has considered the compatibility of the risk/reward profile of such Shares with the end target market; and
 - (c) it acknowledges that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom;
- 4.1.17. that, save in the event of fraud on the part of the Joint Bookrunners, neither the Joint Bookrunners, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to such Placee or any of its clients for any matter arising out of the Joint Bookrunners’ roles as placing agents and joint bookrunners or otherwise in connection with the Initial Issue and/or the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law such Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which such investor or any of its clients may have in respect thereof;
- 4.1.18. that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.1.19. in the event that a supplementary prospectus is required to be produced pursuant to Article 23 of the UK Prospectus Regulation (as amended) and in the event that it chooses to exercise any right of withdrawal pursuant to Article 23 of the UK Prospectus Regulation (as amended), such Placee will immediately re-subscribe for the Ordinary Shares previously comprising its Placing commitment;
- 4.1.20. the commitment to subscribe for Ordinary Shares on the terms set out in these terms and conditions will continue notwithstanding any amendment that may in the future be made to the terms of the Placing Programme and that it will have no right to be consulted or require that its consent be obtained with respect to the Company’s conduct of the Placing Programme;
- 4.1.21. it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Shares and it is not acting on a nondiscretionary basis for any such person;
- 4.1.22. if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or a Subsequent Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom

it is procuring to subscribe for Shares pursuant to the Initial Placing and/or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or material could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- 4.1.23. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Shares under the Initial Placing and/or under any Subsequent Placing and will not be any such person on the date any such agreement to subscribe under the Initial Placing or any Subsequent Placing is accepted;
- 4.1.24. it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Initial Placing and/or any Subsequent Placing or the Shares to any persons within the United States (subject to certain limited exceptions), nor will it do any of the foregoing;
- 4.1.25. it acknowledges that neither the Joint Bookrunners nor any of their respective Affiliates, nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Initial Placing and/or a Subsequent Placing or providing any advice in relation to the Initial Placing and/or a Subsequent Placing and participation in the Initial Placing and/or any Subsequent Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and that the Joint Bookrunners do not have any duties or responsibilities to it for providing the protections afforded to their clients or for providing advice in relation to the Initial Placing and/or a Subsequent Placing nor in respect of any representations, warranties, undertakings or indemnities otherwise required to be given by it in connection with its application under the Initial Placing and/or any Subsequent Placing;
- 4.1.26. it acknowledges that where it is subscribing for Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account:
- (a) to subscribe for the Shares for each such account;
 - (b) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and
 - (c) to receive on behalf of each such account any documentation relating to the Initial Placing and/or a Subsequent Placing in the form provided by the Company and/or the Joint Bookrunners,

and it agrees that the provisions of this paragraph shall survive any resale of the Shares by or on behalf of any such account;

- 4.1.27. it irrevocably appoints any director of the Company and any director of the Joint Bookrunners to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Shares for which it has given a commitment under the Initial Placing and/or any Subsequent Placing, in the event of its own failure to do so;
- 4.1.28. it accepts that if the Initial Placing and/or any Subsequent Placing does not proceed or the conditions to the Placing Agreement are not satisfied or the Shares for which valid applications are received and accepted are not admitted to trading on the Main Market and to listing on the premium listing category of the Official List for any reason whatsoever then none of the Joint Bookrunners, the Company, the AIFM nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

- 4.1.29. in connection with its participation in the Initial Placing and/or any Subsequent Placing it has observed all relevant legislation and regulations;
- 4.1.30. it acknowledges that the Joint Bookrunners and the Company are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to it;
- 4.1.31. the representations, undertakings and warranties contained in this Prospectus are irrevocable. It acknowledges that the Joint Bookrunners and the Company and their respective Affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- 4.1.32. where it or any person acting on behalf of it is dealing with a Joint Bookrunner, any money held in an account with that Joint Bookrunner on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require that Joint Bookrunner to segregate such money, as that money will be held by that Joint Bookrunner under a banking relationship and not as trustee;
- 4.1.33. any of its clients, whether or not identified to the Joint Bookrunners, will remain its sole responsibility and will not become clients of the Joint Bookrunners for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.1.34. it accepts that the allocation of Shares shall be determined by the Company in its absolute discretion (in consultation with the Joint Bookrunners) and that the Company may scale down any commitments for this purpose on such basis as it may (in consultation with the Joint Bookrunners) determine;
- 4.1.35. time shall be of the essence as regards its obligations to settle payment for the Shares and to comply with its other obligations under the Initial Placing and/or any Subsequent Placing;
- 4.1.36. its commitment to acquire Shares will be agreed orally with a Joint Bookrunner as agent for the Company and that a Contract Note or Placing Confirmation will be issued by the relevant Joint Bookrunner as soon as possible thereafter. That oral confirmation will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and the relevant Joint Bookrunner to subscribe for the number of Shares allocated to it at the Initial Issue Price or the applicable Placing Programme Price on the terms and conditions set out in this Part 10 and, as applicable, in the Contract Note or Placing Confirmation. Except with the consent of the relevant Joint Bookrunner, such oral commitment will not be capable of variation or revocation after the time at which it is made;
- 4.1.37. its allocation of Shares under the Initial Placing and any Subsequent Placing will be evidenced by the Contract Note or Placing Confirmation, as applicable, confirming:
- (a) the number of Shares that such Placee has agreed to subscribe for;
 - (b) the aggregate amount that such Placee will be required to pay for such Shares; and
 - (c) settlement instructions to pay the relevant Joint Bookrunner, as agent for the Company. The terms of this Part 10 will be deemed to be incorporated into that Contract Note or Placing Confirmation; and
- 4.1.38. For the avoidance of doubt, nothing in these terms and conditions is intended to exclude the liability of any person for fraud or fraudulent misrepresentation made by that person.

The Company reserves the right to reject all or part of any offer to purchase Shares for any reason. The Company also reserves the right to sell fewer than all of the Shares offered by this Prospectus or to sell to any purchaser fewer than all of the Shares a purchaser has offered to purchase.

5. MONEY LAUNDERING

- 5.1. Each Placee acknowledges and agrees that:
- 5.1.1. its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person:
- (a) subject to the UK Money Laundering Regulations 2017 in force in the United Kingdom; or
 - (b) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the UK Money Laundering Regulations 2017 (which may include the provisions of the EU Money Laundering Directive; or
 - (c) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the EU Money Laundering Directive; and
- 5.1.2. due to anti-money laundering requirements, the Joint Bookrunners and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners and the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify the Joint Bookrunners and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been required has not been provided by it.

6. DATA PROTECTION

- 6.1. Each Placee acknowledges that it has been informed that, pursuant to applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate ("**DP Legislation**") the Company, the Administrator and/or the Registrar hold their personal data. Personal data will be retained on record for a period exceeding six years after which it is no longer used (subject always to any limitations on retention periods set out in the DP Legislation). The Registrar and the Administrator will process such personal data at all times in compliance with DP Legislation and shall only process such information for the purposes set out in the Company's privacy notice (the "**Purposes**") which is available for consultation on the Company's website www.nextenergyrenewables.com (the "**Privacy Notice**").
- 6.2. Where necessary to fulfil the Purposes, the Company will disclose personal data to:
- 6.2.1. third parties located either within, or outside of the EEA, for the Registrar and the Administrator to perform their respective functions, or when it is within its legitimate interests, and in particular in connection with the holding of Ordinary Shares; or
 - 6.2.2. its Affiliates, the Registrar, the Administrator or the AIFM and their respective associates, some of which are located outside of the EEA.
- 6.3. Any sharing of personal data between parties will be carried out in compliance with DP Legislation and as set out in the Company's Privacy Notice.
- 6.4. In providing the Registrar with personal data, the Placee hereby represents and warrants to the Company, the Registrar and the Administrator that: (1) it complies in all material aspects with its data controller obligations under DP Legislation, and in particular, it has notified any data subject of the Purposes for which personal data will be used and by which parties it will be used and it has provided a copy of the Company's Privacy Notice to such relevant data subjects; and (2) where consent is legally competent and/or required under DP Legislation, the Placee has obtained the consent of any data subject to the Company, the Administrator and the Registrar and their

respective Affiliates and group companies, holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes).

- 6.5. Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is a natural person he or she (as the case may be) represents and warrants that (as applicable) he or she has read and understood the terms of the Company's Privacy Notice.
- 6.6. Each Placee acknowledges that by submitting personal data to the Registrar (acting for and on behalf of the Company) where the Placee is not a natural person it represents and warrants:
 - 6.6.1. it has brought the Company's Privacy Notice to the attention of any underlying data subjects on whose behalf or account the Placee may act or whose personal data will be disclosed to the Company and the Administrator as a result of the Placee agreeing to subscribe for Ordinary Shares under the Initial Placing and/or any Subsequent Placing; and
 - 6.6.2. the Placee has complied in all other respects with all applicable data protection legislation in respect of disclosure and provision of personal data to the Company.
- 6.7. Where the Placee acts for or on account of an underlying data subject or otherwise discloses the personal data of an underlying data subject, he/she/it shall, in respect of the personal data it processes in relation to or arising in relation to the Placing:
 - 6.7.1. comply with all applicable data protection legislation;
 - 6.7.2. take appropriate technical and organisational measures against unauthorised or unlawful processing of the personal data and against accidental loss or destruction of, or damage to the personal data;
 - 6.7.3. if required, agree with the Company and the Registrar, the responsibilities of each such entity as regards relevant data subjects' rights and notice requirements; and
 - 6.7.4. immediately on demand, fully indemnify the Company and the Registrar and keep them fully and effectively indemnified against all costs, demands, claims, expenses (including legal costs and disbursements on a full indemnity basis), losses (including indirect losses and loss of profits, business and reputation), actions, proceedings and liabilities of whatsoever nature arising from or incurred by the Company and/or the Registrar in connection with any failure by the Placee to comply with the provisions set out above.

7. SUPPLY AND DISCLOSURE OF INFORMATION

If the Joint Bookrunners, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, such Placee must promptly disclose it to them.

8. NON UNITED KINGDOM INVESTORS

- 8.1. If the Placee is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Initial Placing and/or the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Shares pursuant to the Initial Placing and/or any Subsequent Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements.
- 8.2. None of the Shares has been or will be registered under the laws of the United States, Canada, Australia, the Republic of South Africa or Japan. Accordingly, the Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the United States (subject to certain limited exceptions), Canada, Australia, the Republic of South Africa or Japan or to any national, resident or citizen of Canada, Australia, the Republic of South Africa or Japan unless an exemption from any registration requirement is available.

- 8.3. The rights and remedies of the Company, the AIFM, the Joint Bookrunners and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 8.4. On application, if a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Initial Placing and/or any Subsequent Placing will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.
- 8.5. Each Placee agrees to be bound by the Articles once the Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or any Subsequent Placing, have been acquired by the Placee. The contract to subscribe for Shares under the Initial Placing and/or a Subsequent Placing and the appointments and authorities mentioned in this Prospectus and all disputes and claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Company, the AIFM, the Joint Bookrunners and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.
- 8.6. In the case of a joint agreement to subscribe for Shares under the Initial Placing and/or any Subsequent Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Joint Bookrunners and the Company expressly reserve the right to modify the Initial Placing and/or any Subsequent Placing (including, without limitation, the timetable and settlement) at any time before allocations are determined. The Initial Placing and any Subsequent Placing are subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated prior to Admission of the relevant Shares. Further details of the terms of the Placing Agreement are contained in paragraph 11.3 of Part 9 of this Prospectus.

PART 11

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

The terms and conditions

1. The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
 - (i) the Minimum Issue Proceeds of £100 million being raised pursuant to the Initial Placing and Offer; and
 - (ii) Initial Admission having occurred by not later than 8.00 a.m. (London time) on 10 March 2021 (or such later date being not later than 8.00 a.m. on 31 March 2021 as the Company, the Joint Bookrunners and the AIFM may agree).
2. The Company reserves the right to present all cheques and bankers' drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's Shares into CREST, pending clearance of the successful Applicant's cheque or banker's draft. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full (as a result of any scaling back or due to fractions of Shares not being issued) or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque through the post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

To ensure compliance with the UK Money Laundering Regulations 2017, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment.

The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.

If the Company (or any of its agents) determines that the verification of identity requirements apply to any Application, the relevant Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant (or any beneficial holder) or Application. The Company (or any of its agents) is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Application and whether such requirements have been satisfied, and neither the Company nor any agent of it will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Company (or any

of its agents) has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant Application as invalid, in which event the monies payable on acceptance of the Offer for Subscription will be returned (at the Applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Registrar from the Applicant that the UK Money Laundering Regulations 2017 will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- if the Applicant is an organisation required to comply with the EU Money Laundering Directive; or
- if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the UK Money Laundering Regulations 2017; or
- if the aggregate subscription price for the offered Ordinary Shares is less than the lower of £12,000 or €15,000.

If the Application Form(s) is/are in respect of Ordinary Shares with an aggregate subscription price of more than the higher of £12,000 or €15,000 and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by 11.00 a.m. on 4 March 2021, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

All payments must be made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by those companies or committees: cheques and bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to "Link Market Services Limited Re: NextEnergy Renewables Limited 2021 OFS CHQ A/C" in respect of an Application and crossed "Payee Only". Cheques should be for the full amount payable on Application. Post-dated cheques will not be accepted.

Third party cheques may not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above) Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the bankers' draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above.

By completing and delivering an Application Form you, as the Applicant (and, if you sign the Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (i) below):

- (a) agree to subscribe for the number of Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to this Prospectus, including these terms and conditions, and subject to the Articles;

- (b) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Application Form;
- (c) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the Shares until you make payment in cleared funds for the Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify the Company, and the Receiving Agent, against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such Shares and may issue or allot such Shares to some other person, in which case you will not be entitled to any payment in respect of such Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (d) agree that (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the UK Money Laundering Regulations 2017 and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (e) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the UK Money Laundering Regulations 2017;
- (f) agree that, in respect of those Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the FCA and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
- (g) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Application Form;
- (h) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Receiving Agent, or any of their affiliates or any other person;
- (i) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Application Form;
- (j) agree that all Applications, acceptances of Applications and contracts resulting from such acceptances shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (k) confirm that in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this Prospectus and any supplementary prospectus published by the

Company prior to Initial Admission and, accordingly, you agree that no person (responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;

- (l) agree that each of the Receiving Agent and the Joint Bookrunners are acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or be responsible to you for providing the protections afforded to their customers;
- (m) confirm that your Application is made solely on the terms of this Prospectus and any supplementary prospectus published by the Company prior to Initial Admission and subject to the Articles;
- (n) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (o) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Shares contained therein;
- (p) confirm that you have reviewed the restrictions contained in these terms and conditions;
- (q) warrant that, if you are an individual, you are not under the age of 18;
- (r) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (s) warrant that in connection with your Application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or any person responsible solely or jointly for the prospectus or any part of its or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;
- (t) represent, warrant, undertake, agree and acknowledge that you are located outside the United States and are acquiring the Ordinary Shares in an "offshore transaction" in compliance with Regulation S;
- (u) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not a resident of Australia, Canada, Japan or the Republic of South Africa; and
- (v) agree, on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate.

If you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Initial Issue or the Placing Programme, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.

No person receiving a copy of this Prospectus and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him

or the Application Form could lawfully be used without contravention of any, or in compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons. The Company has not been and will not be registered as an “investment company” under the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of Australia, Canada, Japan or the Republic of South Africa and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Australia, Canada, Japan or the Republic of South Africa. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a U.S. Person or a resident of Australia, Canada, Japan or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any U.S. Person or resident of Australia, Canada, Japan or the Republic of South Africa and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any U.S. Person or resident of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Australia, Canada, Japan or the Republic of South Africa unless an appropriate exemption is available as referred to above.

Pursuant to the Data Protection Act 1998 (the “DP Law”), the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders. Such personal data is held by Link Group as Receiving Agent, which will share such data with the Administrator and the Registrar, and is used by the Administrator and the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (i) effecting the payment of dividends to Shareholders and the payment of commissions to third parties and (ii) filing returns of Shareholders and their respective transactions in Ordinary Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Ordinary Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company, the Administrator and/or the Registrar of any personal data relating to them in the manner described above.

The basis of allocation will be determined by the Company (following consultation with the Joint Bookrunners and the AIFM), at its absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker’s draft is for the wrong amount.

PART 12

TERMS AND CONDITIONS OF THE INTERMEDIARIES OFFER

The Intermediaries Terms and Conditions regulate the relationship between the Company and each of the Intermediaries that is accepted by the Company to act as an Intermediary after making an application for appointment in accordance with the Intermediaries Terms and Conditions.

1. Capacity and liability

The Intermediaries have agreed that, in connection with the Intermediaries Offer, they will be acting as agent for retail investors in the United Kingdom who wish to acquire Shares under the Intermediaries Offer, and not as representative or agent of the Company, the AIFM or the Investment Adviser, none of whom will have any responsibility for any liability, costs or expenses incurred by any Intermediary, regardless of the process or outcome of the Intermediaries Offer.

2. Eligibility to be appointed as an Intermediary

In order to be eligible to be considered by the Company for appointment as an Intermediary, each Intermediary must be authorised by the FCA or the Prudential Regulatory Authority in the United Kingdom or authorised by a competent authority in an EEA jurisdiction with the appropriate authorisations to carry on the relevant activities in the United Kingdom, and in each case have appropriate permissions, licences, consents and approvals to act as an Intermediary in the United Kingdom. Each Intermediary must also be a member of CREST or have arrangements with a clearing firm that is a member of CREST. Each Intermediary must also have (and is solely responsible for ensuring that it has) all licences, consents and approvals necessary to enable it to act as an Intermediary in the United Kingdom and must be, and at all times remain, of good repute and in compliance with all laws, rules and regulations applicable to it (determined by the Company in its sole and absolute reasonable discretion).

3. Application for Shares

A minimum application amount of £1,000 per Underlying Applicant will apply. There is no maximum limit on the monetary amount that Underlying Applicants may apply to invest. The Intermediaries have agreed not to make more than one application per Underlying Applicant. Any application made by investors through any Intermediary is subject to the terms and conditions agreed with each Intermediary.

Individuals who are aged 18 or over, companies and other bodies corporate, partnerships, trusts, associations and other unincorporated organisations are permitted to apply to subscribe for or purchase Shares in the Intermediaries Offer. Individuals aged between 16 and 18 may apply to subscribe for Shares in the Intermediaries Offer through an Intermediary only if such Shares are to be held in a Junior ISA. Only one application for Shares may be made for the benefit of any one person in the Intermediaries Offer. Underlying Applicants are responsible for ensuring that they do not make more than one application under the Intermediaries Offer (whether on their own behalf or through other means, including, but without limitation, through a trust or pension plan). Intermediaries may not make multiple applications on behalf of the same person.

By applying for Shares in the Intermediaries Offer, the applicant agrees to acquire the relevant Shares at the Initial Issue Price. Each applicant must comply with the appropriate money laundering checks required by the relevant Intermediary. Where an application is not accepted or there are insufficient Shares available to satisfy an application in full, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. The relevant Intermediary will be obliged to refund the applicant as required and all such refunds will be in accordance with the terms provided by the Intermediary to the applicant. The Company accepts no responsibility with respect to the obligations of the Intermediaries to refund monies in such circumstances.

Under the Intermediaries Terms and Conditions, in making an application, each Intermediary will also be required to represent and warrant, among other things, that it is not located in the United States and is not acting on behalf of anyone located in the United States. Under the Intermediaries Offer, the Shares will be offered outside the United States only in offshore transactions to non non-U.S. Persons as defined in, and in reliance on, Regulation S.

Allocations of Shares under the Intermediaries Offer will be at the absolute discretion of the Company, after consultation with the Joint Bookrunners, the AIFM and the Sponsor. If there is excess demand for Shares in the Intermediaries Offer, allocations of Shares may be scaled down to an aggregate value which is less than that applied for. Each Intermediary will be required by the Company to apply the basis of allocation determined by the Company to all allocations to Underlying Applicants who have applied through such Intermediary.

The Intermediaries will be notified as soon as reasonably practicable after allocations under the Intermediaries Offer are decided. The relevant Intermediaries notification(s) will be sent by email to each Intermediary separately and shall specify: (i) the aggregate number of Shares allocated to, and to be acquired by, the relevant Intermediary (on behalf of the relevant retail investors); (ii) if applicable, the basis on which the relevant Intermediary should allocate Shares to retail investors on whose behalf the Intermediary submitted applications per application band; and (iii) the total amount payable by the Intermediary in respect of such Shares. Each Intermediary will also be sent confirmation by the Receiving Agent (acting as settlement agent to the Intermediaries Offer) of the number of Shares it has been allocated in the Intermediaries Offer.

Each retail investor who applies for Shares in the Intermediaries Offer through an Intermediary shall, by submitting an application to such Intermediary, be required to agree that it must not rely, and will not rely, on any information or representation other than as contained in this Prospectus or any supplement thereto published by the Company prior to Initial Admission. Each Intermediary acknowledges that none of the Company, the AIFM, the Sponsor or the Joint Bookrunners will have any liability to the Intermediary or any retail investor for any such other information or representation not contained in this Prospectus or any such supplement thereto published by the Company prior to Initial Admission.

4. Effect of Intermediaries Offer Application Forms

By completing and returning an Intermediaries Offer Application Form, an Intermediary will be deemed to have irrevocably agreed to invest or procure the investment in Shares of the aggregate amount stated on the Intermediaries Offer Application Form or such lesser amounts in respect of which such application may be accepted. The Company reserves the right to reject, in whole or in part, or to scale down, any application for Shares in the Intermediaries Offer.

5. Commission and Fees

The Intermediaries Terms and Conditions provide that an Intermediary may choose whether or not to be paid a fee by the Company in connection with the Intermediaries Offer, subject to the rules of the FCA or any other applicable body. Intermediaries must not pay to any Underlying Applicant any of the fees received from the Company. However, Intermediaries are permitted to offset any fee received from the Company against any amounts of fees which would be otherwise payable by an Underlying Applicant to that Intermediary.

6. Information and communications

The Intermediaries have agreed to give certain undertakings regarding the use of information provided to them in connection with the Intermediaries Offer. The Intermediaries have given certain undertakings regarding their role and responsibilities in the Intermediaries Offer and are subject to certain restrictions on their conduct in connection with the Intermediaries Offer, including in relation to their responsibility for information, communications, websites, advertisements and their communications with clients and the press.

7. Representations and warranties

The Intermediaries have given representations and warranties that are relevant for the Intermediaries Offer, and have agreed to indemnify the Company, the Joint Bookrunners, the Sponsor and the Receiving Agent against any loss or claim arising out of any breach by them of the Intermediaries Terms and Conditions or as a result of a breach of any duties or obligations under FSMA or under any rules of the FCA or any applicable laws or as a result of any breach by the Intermediary of any of its representations, warranties, undertakings or obligations contained in the Intermediaries Terms and Conditions.

8. Governing Law

The Intermediaries Terms and Conditions are governed by English law.

9. The Intermediaries

The Intermediaries authorised as at the date of this Prospectus to use this Prospectus in connection with the Intermediaries Offer are:

- (i) AJ Bell YouInvest;
- (ii) EQi;
- (iii) Hargreaves Lansdown;
- (iv) iDealing.com;
- (v) interactive investor;
- (vi) PrimaryBid;
- (vii) shareDeal active; and
- (viii) X-O.

Any new information with respect to Intermediaries unknown at the time of approval of this Prospectus, including in respect of any Intermediary that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus following its agreement to adhere to and be bound by the terms of the Intermediaries Terms and Conditions and any Intermediary that ceases to participate in the Intermediaries Offer, will be made available (subject to certain restrictions) at the Company's website www.nextenergyrenewables.com.

PART 13

EU AIFM DIRECTIVE ARTICLE 23 DISCLOSURES

This document contains the information required to be made available to investors in the Company before they invest in accordance with the EU AIFM Directive (in respect of investors located in an EEA Member State) and in accordance the UK AIFMD Laws (in respect of investors located in the UK)

The table below sets out information required to be disclosed pursuant to the EU AIFM Directive and the UK AIFMD Laws.

This document contains solely that information that the AIFM is required to make available to investors pursuant to the EU AIFM Directive and the UK AIFMD Laws, as applicable, and should not be relied upon as the basis for any investment decision.

This part cross-refers to, and must all times read in conjunction with, the other parts of this Prospectus.

	DISCLOSURE REQUIREMENT	DISCLOSURE OR LOCATION OF RELEVANT DISCLOSURE
1.	Description of the Company	
(a)	Investment strategy and objectives of the Company)	Information on the investment policy and objectives of the Company is outlined in Part 3 of this Prospectus under the headings “Investment objective” and “Investment policy”. Information in relation to the investment strategy is outlined in Part 3 of this Prospectus under the heading “Investment strategy”.
(b) and (c)	Information on whether the Company is a feeder or a fund of funds	Not applicable: the Company is not a feeder fund nor a fund of funds.
(d)	Types of assets in which the Company may invest	The types of assets in which the Company may invest are outlined in Part 3 of this Prospectus under the heading “Investment policy”.
(e)	The investment techniques that the Company, or the AIFM on behalf of the Company, may employ and all associated risks	The investment techniques to be used by the Company are described in Part 3 of this Prospectus. The section entitled “Risk Factors” (pages 11 to 22 inclusive) of this Prospectus provides an overview of the risks involved in investing in the Company.
(f)	Investment Restrictions	The investment restrictions applicable to the Company are set out in Part 3 of this Prospectus under the heading “Investment restrictions”.
(g) to (j)	Use of leverage	The circumstances in which the Company may use leverage and the restrictions on the use of leverage are described in Part 3 of this Prospectus under the heading “Gearing strategy”. The types and sources of leverage permitted are described in Part 3 of this Prospectus under the headings “Investment policy” and “Gearing strategy”. Gearing will not exceed 30 per cent. of Net Asset Value at the time of drawdown of the relevant

borrowings or entering into the relevant transaction, as appropriate.

Certain risks associated with the Company's use of leverage are described in the "Risk Factors" section of this Prospectus under the headings "Leverage" and "Derivative Instruments".

The EU AIFM Directive and the UK AIFMD Laws prescribe two methods of measuring and expressing leverage (as opposed to gearing) and requires disclosure of the maximum amount of 'leverage' the Company might be subject to. The definition of leverage is wider than that of gearing and includes exposures that are not considered to be gearing.

Without prejudice to the foregoing, the Company has set a maximum leverage limit of 30 per cent. on a "gross" basis.

2. Changes to Investment Objective and Approach

No material change will be made to the investment policy and investment restrictions without the approval of Shareholders by ordinary resolution and the approval of the FCA. Any change to the investment policy or investment restrictions which does not amount to a material change to the investment policy may be made by the Company without the approval of Shareholders.

3. Main legal implications of investment in the Company

Investors will acquire shares in the Company, which is a closed ended collective investment scheme and established in Guernsey.

While investors acquire an interest in the Company on subscribing for or purchasing Shares, the Company is the sole legal and/or beneficial owner of its investments. Consequently, Shareholders have no direct legal or beneficial interest in those investments. The liability of Shareholders for the debts and other obligations of the Company is limited to the amount unpaid, if any, on the shares held by them.

Shareholders' rights in respect of their investment in the Company are governed by the Articles and the Companies Law. Under the Companies Law, the following types of claim may in certain circumstances be brought against a company by its shareholders contractual claims under its articles of incorporation; claims in misrepresentation in respect of statements made in its prospectus and other marketing documents; unfair prejudice claims; and derivative actions. In the event that a Shareholder considers that it may have a claim against the Company in connection with such investment in the Company, such Shareholder should consult its own legal advisers.

Jurisdiction and applicable law

As noted above, Shareholders' rights are governed principally by the Articles and the Companies Law. By subscribing for Shares, investors agree to be bound by the Articles which are governed by, and construed in accordance with, the laws of Guernsey.

Recognition and enforcement of foreign judgments

Regulation (EC) 593/2008 ("**Rome I**") must be applied in all member states of the European Union (other than Denmark). Accordingly, where a matter comes before the courts of a relevant member state, the choice of a governing law in any given agreement is subject to the provisions of Rome I. Under Rome I, the member state's court may apply any rule of that member state's own law which is mandatory irrespective of the governing law and may refuse to apply a rule of governing law if it is manifestly incompatible with the public policy of that member state. Further, where all other elements relevant to the situation at the time of the choice are located in a country other than the country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that other country which cannot be derogated from by agreement.

Shareholders should note that there are a number of legal instruments providing for the recognition and enforcement of foreign judgments in England. Depending on the nature and jurisdiction of the original judgment, Council Regulation (EC) No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, Regulation (EC) No 805/2004 of the European Parliament and of the Council of 21 April 2004 creating a European Enforcement Order for uncontested claims, the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters done at Lugano on 30 October 2007, the Administration of Justice Act 1920 and the Foreign Judgment (Reciprocal Enforcement) Act 1933 may apply. There are no legal instruments providing for the recognition and enforcement of judgments obtained in jurisdictions outside those covered by the instruments listed above, although such judgments might be enforceable at common law.

4. Service Providers

(a) The AIFM's duties

Pursuant to the Management Agreement, the Company has appointed NextEnergy Capital IM Limited to act as the Company's AIFM for the purposes of the EU AIFM Directive and the UK

AIFMD Laws. The AIFM will maintain responsibility for implementing appropriate portfolio and risk management standards and procedures for the Company and will also carry out the on going oversight functions and ensure compliance with the applicable requirements of the AIFM Rules.

Further details of the Management Agreement are set out in paragraph 12.1 of Part 8 of this Prospectus.

(b) The Investment Adviser's duties

Pursuant to the Management Agreement, NextEnergy Capital Limited has been appointed to provide discretionary investment advisory services to the Company.

(d) Auditors and other service providers' duties

Administrator

Aztec Financial Services (Guernsey) Limited has been appointed by the Company to provide day-to-day administration services to the Company.

In this role, Aztec Financial Services (Guernsey) Limited provides certain administrative services to the Company which includes reporting the Net Asset Value, bookkeeping and accounts preparation.

Auditor

The Auditor, KPMG Channel Islands Limited, provides audit services to the Company. The auditor's principal responsibilities are to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. The annual report and accounts will be prepared according to accounting standards laid out in accordance with IFRS.

Registrar

The Registrar, Link Market Services (Guernsey) Limited, has been appointed as registrar in relation to the transfer and settlement of Shares.

(e) Investors' rights

The Company is reliant on the performance of third party service providers, including the AIFM, the Investment Adviser, the Administrator, the Auditors and the Registrar.

Without prejudice to any potential right of action in tort that a Shareholder may have to bring a claim against a service provider, each Shareholder's contractual relationship in respect of its investment in Shares is with the Company only. Accordingly, no Shareholder will have any contractual claim against any service provider with respect to such service provider's default.

In the event that a Shareholder considers that it may have a claim against a third party service provider in connection with such Shareholder's

investment in the Company, such Shareholder should consult its own legal advisers.

The above is without prejudice to any right a Shareholder may have to bring a claim against an FCA authorised service provider under section 138D of the Financial Services and Markets Act 2000 (which provides that breach of an FCA rule by such service provider is actionable by a private person who suffers loss as a result), or any ortuous cause of action. Shareholders who believe they may have a claim under section 138D of the Financial Services and Markets Act 2000, or in tort, against any service provider in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are “Eligible Complainants” for the purposes of the FCA “Dispute Resolutions Complaints” rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints to the Financial Ombudsman Service (“**FOS**”) (further details of which are available at www.financial-ombudsman.org.uk). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme (“**FSCS**”) if they have claims against an FCA authorised service provider which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at www.fscs.org.uk. To determine eligibility in relation to either the FOS or the FSCS, Shareholders should consult the respective websites above and speak to their legal advisers.

5. Professional liability risks

The AIFM has effective internal operational risk management policies and procedures in order to appropriately identify, measure, manage and monitor operational risks, including professional liability risks, to which it is or could reasonably be exposed. These policies and procedures are subject to regular review and the operational risk management activities are performed independently as part of the risk management policy.

The management of operational risk, through the risk and control self-assessment process, is aimed at identifying risks in existing processes and improving existing controls to reduce their likelihood of failure and the impact of losses. All risks and events are facilitated via the internal risk management system, which provides a platform to facilitate the convergence of governance, risk and compliance.

The AIFM is required to cover professional liability risks, such as the risk of loss of documents evidencing title of assets to the

Company, and complies with such requirement by maintaining an amount of its own funds in accordance with the EU AIFM Directive and the UK AIFMD Laws.

6. Delegated Management Functions

Pursuant to the terms of the Management Agreement, the AIFM has delegated to NextEnergy Capital Limited the management of the Company's portfolio subject to its and the Directors' overall supervision.

The Administrator has been appointed to perform certain administrative functions covering accounting, administration and company secretarial services respectively.

The AIFM and the Investment Adviser may, in their absolute discretion, effect transactions in which they or any of their affiliated companies has, directly or indirectly, a material interest, or a relationship of any description with another party which may involve a potential conflict with the duty to the Company. The AIFM and the Investment Adviser will ensure that such transactions are effected on terms which are not materially less favourable to the Company than if the potential conflict had not existed.

The AIFM, the Investment Adviser and their affiliates are involved in other financial, investment or professional activities which may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and the Investment Adviser manage funds other than the Company and may provide investment management, investment advisory or other services in relation to those funds or future funds which may have similar investment policies to that of the Company.

The AIFM, the Investment Adviser and their affiliates may carry on investment activities for other accounts in which the Company has no interest. The AIFM, the Investment Adviser and their affiliates may also provide management services to other clients, including other collective investment vehicles. The AIFM, the Investment Adviser and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or investments recommended or bought for, the Company, even though their investment policies may be the same or similar.

7. Valuation Procedure

A description of the Company's valuation procedures is outlined in Part 5 of this Prospectus under the heading "Net Asset Value and valuation policy".

8. Liquidity Risk Management

The Company is a closed ended collective investment scheme and, as such, Shareholders in the Company have no right to redeem their Shares.

Liquidity risk is therefore the risk that a position held by the Company cannot be realised at a reasonable value sufficiently quickly to meet the obligations (primarily, debt) of the Company as they fall due.

In managing the Company's assets therefore the AIFM and Investment Adviser seek to ensure that the Company holds at all times sufficient assets to enable it to discharge its payment obligations.

9. Charges and Expenses

The costs and expenses of, and incidental to, the formation of the Company and the Initial Issue which are to be met by the Company will not exceed an amount equal to two per cent. of the Gross Proceeds of the Initial Issue.

All expenses incurred by any Intermediary are for its own account. Investors should confirm separately with any Intermediary whether there are any commissions, fees or expenses that will be applied by such Intermediary in connection with any application made through that Intermediary pursuant to the Intermediaries Offer.

The costs and expenses of issuing Ordinary Shares pursuant to any Subsequent Placing will be covered by issuing such Ordinary Shares at the prevailing published Net Asset Value per Ordinary Share at the time of issue together with a premium which is intended to cover the costs and expenses of the relevant Subsequent Placing of Ordinary Shares (including, without limitation, any placing commissions).

The fees and expenses payable to the AIFM are described in paragraph 12.1 of Part 8 of this Prospectus. The fees payable to the Investment Adviser under the Investment Advisory Agreement shall be payable by the AIFM and shall not be an expense of the Company.

Ongoing fees, charges and expenses following Initial Admission are outlined in Part 5 of this Prospectus under the heading "Ongoing annual expenses".

10. Fair Treatment

The Directors of the Company have certain statutory duties with which they must comply. These include a duty upon each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its Shareholders as a whole. As a company listed on the FCA's Official List, with effect from Initial Admission the Company will be required under the Premium Listing Principles to treat all Shareholders of a given class equally.

- The AIFM and Investment Adviser each maintain a conflicts of interest policy to avoid and manage any conflicts of interest that may arise between the AIFM or the Investment Adviser (or affiliates of either the AIFM or the Investment Adviser) and the Company.
- The Ordinary Shares will rank *pari passu* with each other.
- 11. Preferential Rights** No investor has a right to obtain preferential treatment in relation to their investment in the Company.
- 12. Issue and Sale of Shares** The terms and conditions under which investors can subscribe for Ordinary Shares under the Initial Placing and/or the Placing Programme are set out in Part 6 of this Prospectus.
- Intermediaries are required to provide the terms and conditions of the Intermediaries Offer to any prospective investor who has expressed an interest in participating in the Intermediaries Offer to such Intermediary.
- 13. Latest Net Asset Value of the Company or the latest market price of the shares of the Company, in accordance with Article 19 of the EU AIFM Directive** The Company has not yet published a Net Asset Value in accordance with Article 19 of the EU AIFM Directive and the UK AIFMD Laws.
- When published, Net Asset Value announcements will be available on both the Company's website (www.nextenergyrenewables.com) and the London Stock Exchange's website (www.londonstockexchange.com).
- 14. Latest annual report, in line with Article 22 of the EU AIFM Directive** The Company has not yet published an annual report in line with Article 22 of the EU AIFM Directive and the UK AIFMD Laws.
- When published, annual reports will be available on the Company's website (www.nextenergyrenewables.com).
- 15. Where available, the historical performance of the Company** The Company has not yet published any annual or interim financial statements. When published, annual and interim financial statements will be available on the Company's website (www.nextenergyrenewables.com).
- 16. Prime Brokerage** The Company does not intend to use prime brokers.
- 17. A description of how and when the information required under paragraphs 4 and 5 of Article 23 of the EU AIFM Directive will be disclosed** In order to meet the requirements of paragraphs 4 and 5 of Article 23 of the EU AIFM Directive and the UK AIFMD Laws, the Company intends to disclose annually in the Company's annual report (or in such manner as the AIFM and the Board consider appropriate):
- (1) the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature if applicable;

- (2) any new arrangements for managing the liquidity of the Company; and
- (3) the current risk profile of the Company and the risk management systems employed by the AIFM to manage those risks.

Information will also be provided to investors regarding any changes to:

- (1) the maximum level of leverage that may be employed on behalf of the Company;
- (2) any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- (3) the total amount of leverage employed by the Company.

PART 14

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:

Administrator	Aztec Financial Services (Guernsey) Limited, a non-cellular company incorporated in Guernsey with registered number 44430
Admission	the admission of any Ordinary Shares to the premium listing segment of the Official List and to trading on the Main Market becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
Admission Condition	the FCA having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of the relevant Ordinary Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (" listing conditions ")) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the relevant Ordinary Shares will be admitted to trading on the Main Market, subject only to allotment
AIC	the Association of Investment Companies
AIC Code	the Code of Corporate Governance published by the AIC from time to time
AIFM	NextEnergy Capital IM Limited, a non-cellular company incorporated in Guernsey with registered number 57740
Applicants	applicants under the Offer for Subscription
Articles or Articles of Incorporation	the articles of incorporation of the Company
Audit Committee	the audit committee of the Board, as further described in Part 5 of this Prospectus
Auditors	the auditors of the Company from time to time
Australia	the Commonwealth of Australia, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
BloombergNEF	a leading provider of primary research on clean energy, advanced transport, digital industry, innovative materials and commodities
Board	the board of directors of the Company
Business Day	a day (excluding Saturdays, Sundays and public holidays in England and Wales) on which banks generally are open for business in London or Guernsey for the transaction of normal business

Canada	Canada, its provinces and territories and all areas under its jurisdiction and political sub-divisions thereof
cash on cash yields	the total amount of distributions paid annually as a percentage of the current price of a unit in the private investment vehicle
certificated or in certificated form	a share or other security which is not in uncertificated form
Co-investments	Direct Investments made alongside a Portfolio Vehicle, the NextEnergy Group and/or Third Party Managers
Company	NextEnergy Renewables Limited, a non-cellular company, incorporated in Guernsey with registered number 68339
Companies Law	The Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder
CO2	carbon dioxide, being the most significant long-lived greenhouse gas in the atmosphere
COVID-19 Pandemic	the outbreak of the infectious disease known as COVID-19, the spread of which was declared as a transnational and continental pandemic by the World Health Organisation on 11 March 2020
CREST	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended) in respect of which Euroclear is the operator in accordance with which securities may be held in uncertificated form
DP Law	The Data Protection (Bailiwick of Guernsey) Law 2017, as amended
DP Legislation	the applicable data protection legislation (including the UK GDPR, the EU GDPR and the DP Law) and regulatory requirements in Guernsey, the United Kingdom and/or the EEA, as appropriate
Direct Investments	direct investments (including by way of Co-investment) made by the Company in renewable energy and/or energy transition assets, projects and technologies which may be either operational or in the process of being developed
Directors	the directors of the Company from time to time, and “ Director ” shall be construed accordingly
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA, as amended from time to time
EPC Contracts	contracts that relate to engineering, procurement and construction in relation to Solar PV Plants
ESG	environmental, social and governance
ERISA	the United States Employee Retirement Income Security Act of 1974, as amended from time to time
EU	the European Union

EU AIFM Delegated Regulation	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation
EU GDPR	the General Data Protection Regulation (EU) 2016/679
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
EU MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (“ MiFID ”) and Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (“ MiFIR ”), and together with MiFID, “ MiFID II ”)
EU Money Laundering Directive	Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing)
EU PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Euroclear	Euroclear UK & Ireland Limited
European Commission	The European Commission of the European Union
FCA	the Financial Conduct Authority or any successor entity or entities
FSMA	the Financial Services and Markets Act 2000, as amended from time to time
General Partner	NextPower III GP Limited, a limited company incorporated in and registered in Guernsey with registered number 64184
GFSC	the Guernsey Financial Services Commission

GHGs	greenhouse gases are the gases that absorb and emit radiant energy within the thermal infrared range, causing the greenhouse effect in the earth's atmosphere
Gross Asset Value	the gross asset value of the Company on the relevant date calculated on the basis of the Company's normal accounting policies and principles
GW	giga-watt, being a unit of electric capacity
GWp	giga-watt peak, the nominal amount of electric energy produced by a Solar PV Plant
HMRC	HM Revenue & Customs
IFRS	International Financial Reporting Standards, as adopted by the UK
Initial Admission	Admission of the Shares issued under the Initial Issue
Initial Gross Proceeds	the gross proceeds of the Initial Issue
Initial Investment Period	the period from the Initial Admission until full deployment of the Initial Net Proceeds, which is expected to take between 9 and 12 months
Initial Issue	the issue of Shares at the Initial Issue Price under the Initial Placing, Intermediaries Offer and Offer for Subscription as described in Part 6 of this Prospectus
Initial Issue Price	£1.00 per Share
Initial Net Proceeds	the proceeds of the Initial Issue, after deduction of costs and expenses
Initial Placing	the initial placing of Shares at the Initial Issue Price by the Joint Bookrunners on behalf of the Company as described in Part 6 of this Prospectus
Intermediaries	the entities listed in Part 8 of this Prospectus, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of this Prospectus and " Intermediary " shall mean any one of them
Intermediaries Booklet	the booklet entitled Intermediaries Booklet and containing, among other things, the Intermediaries Terms and Conditions
Intermediaries Offer	the offer of Shares at the Initial Issue Price by the Intermediaries as described in Part 6 of this Prospectus
Intermediaries Terms and Conditions	the terms and conditions agreed between the Company and the Intermediaries in relation to the Intermediaries Offer contained in the Intermediaries Booklet
Investment Adviser or NextEnergy Capital	NextEnergy Capital Limited, a private limited company registered in England and Wales with registered number 05975223
Investment Advisory Agreement	the investment advisory agreement between the Company, the AIFM and the Investment Adviser dated 12 February 2021, a summary of which is set out in paragraph 11.2 of Part 8 of this Prospectus

IRR	internal rate of return is a measure of investment performance, it is the annual rate of growth an investment is expected to generate. The target IRR of the vehicles that make up the Seed Portfolio is the average annual distribution that investors should expect to receive, shown as a percentage of the amount invested, over the life of the vehicle. This calculation includes the expected exit value
ISA	an individual savings account maintained in accordance with the Individual Savings Account Regulations 1998, as amended from time to time
Issue Price	in the case of the Initial Issue, the Initial Issue Price and in the case of any Subsequent Placing, the applicable the Placing Programme Price
Issues	the issue of Shares in accordance with the Initial Issue and the Placing Programme
Japan	Japan, its cities, prefectures, territories and possessions
Joint Bookrunners	J.P. Morgan Cazenove and Kempen & Co
J.P. Morgan Cazenove	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove), a public limited company incorporated in England and Wales with registered number 2711006, whose registered office is at 25 Bank Street, Canary Wharf, London, E14 5JP
Junior ISA	a junior ISA maintained in accordance with the Individual Savings Account Regulations 1998, as amended from time to time
Kempen & Co	Van Lanschot Kempen Wealth Management N.V, a company incorporated in the Netherlands with chamber of commerce number 16038212
Kyoto Protocol	an international treaty entered into in 1997 which extends the UNFCCC by committing state parties to reduce greenhouse gas emissions
Listing Rules	the listing rules made by the FCA under Part VI of FSMA, as amended from time to time
London Stock Exchange or LSE	London Stock Exchange plc
LPAC	a committee established by the Investment Adviser and comprising representatives of certain investors in NPIII, which will be consulted on certain issues such as conflicts of interest in respect of NPIII
Main Market	the premium segment of the main market for listed securities operated by the London Stock Exchange
Management Agreement	the management agreement between the Company and the AIFM dated 12 February 2021, a summary of which is set out in paragraph 11.1 of Part 8 of this Prospectus
Management Engagement Committee	the management engagement committee of the Board, as further described in Part 5 of this Prospectus
MiFID II Product Governance Requirements	has the definition given in the section entitled " <i>Information to Distributors</i> " in the Part entitled " <i>Important Information</i> " of this Prospectus

Minimum Gross Proceeds	the minimum gross proceeds of the Initial Issue, being £100 million
MW	megawatts, being a unit of electric capacity
MWp	megawatt peak, the nominal amount of electric energy produced by a Solar PV Plant
NAV or Net Asset Value	the net asset value of the Company on the relevant date calculated on the basis of the Company's normal accounting policies and principles
NAV per share or Net Asset Value per Share	the net asset value per Share from time to time, calculated in accordance with the normal accounting policies and principles adopted by the Company from time to time
NextEnergy Funds	existing and future private renewable energy and energy transition funds managed by the NextEnergy Group
NextEnergy Group	NextEnergy Capital and its subsidiaries
Nomination Committee	the nomination committee of the Board, as further described in Part 5 of this Prospectus
NPIII	NextPower III LP, an English private fund limited partnership, registered in England and Wales on 23 October 2017 with registered number LP018784
OECD Convention	the Convention on the Organisation for Economic Co-Operation and Development signed in 1961, creating the Organisation for Economic Co-operation and Development
OECD Key Partner Country	a country designated as such from time to time by the OECD Council
OECD Member Countries	the 37 countries that are signatories to the OECD Convention
Offer or Offer for Subscription	the offer for subscription of Shares at the Initial Issue Price as described in Part 6 of this Prospectus
Official List	the official list maintained by the FCA
Ordinary Share or Share	an ordinary share of no par value in the capital of the Company
Paris Agreement	an agreement within the UNFCCC signed in 2016, which deals with the mitigation of greenhouse gas emissions
Partnership Agreement	the limited partnership agreement constituting NPIII, as amended and restated from time to time
Placees	parties to whom Ordinary Shares are placed under the Initial Placing and Placing Programme
Placing Agreement	the placing agreement between the Company, the AIFM, the Directors, J.P. Morgan Cazenove and Kempen & Co dated 12 February 2021, a summary of which is set out in paragraph 11.3 of Part 8 of this Prospectus
Placing Programme	the programme of placings of Shares at the Placing Programme Price as described in this Prospectus

Placing Programme Price	the price at which Shares will be issued under the Placing Programme, as agreed by the Board and the Joint Bookrunners in accordance with the terms of the Placing Agreement at the time of each Subsequent Placing of Shares under the Placing Programme which shall be at a premium to the prevailing NAV per Share which is intended to cover the expenses of such Subsequent Placing
POI Law	the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended)
Portfolio	the portfolio of investments held by the Company from time to time
Portfolio Vehicles	NextEnergy Funds and Third Party Vehicles that the Company invests in from time to time
PPA or power purchase agreement	a contract, generally with a Government, Government agency or Government-controlled corporate entity, which guarantees the revenues that will be paid for energy generated for a period of time (usually between 10 and 20 years)
Preferred Return	the amount paid by the Company to Shareholders by way of dividends exceeds the aggregate cumulative amounts received by the Company from the shareholders by an amount equal to an annual rate of 8 per cent.
Prospectus Regulation Rules	the prospectus rules made by the FCA under section 73(A) of FSMA
PV or photovoltaic	the process of converting light into electricity using panels made of semiconducting materials
RCIS Rules	the Registered Collective Investment Scheme Rules 2018
Registrar or Receiving Agent	Link Market Services (Guernsey) Limited, a non-cellular company incorporated in Guernsey with registered number 38018
Regulation S	Regulation S under the U.S. Securities Act
Regulatory Information Service	a regulatory information service approved by the FCA to release regulatory announcements
Remuneration Committee	the remuneration committee of the Board, as further described in Part 5 of this Prospectus
Republic of South Africa	the Republic of South Africa, its territories and possessions and all areas under its jurisdiction and political sub-divisions thereof
Restricted Jurisdiction	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Issues (including this Prospectus) is sent or made available to a person in that jurisdiction
RPI	the retail price index is a measurement of inflation that is used to calculate cost of living and wage escalation
Seed Portfolio	NP11 and the Third Party Vehicles described in Part 4 of this Prospectus

Shareholder	a holder of Ordinary Shares
Shareholder Total Return	a measure of investment performance comprising NAV appreciation and dividends paid to Shareholders
Solar PV Plant	a large-scale photovoltaic system designed for the supply of electricity into the electricity grid
Sponsor	Dickson Minto W.S.
Sterling or £	pounds sterling, being the lawful currency of the United Kingdom
Subscription Form	the subscription form for use in connection with the Offer for Subscription as set out at the end of this Prospectus, or any amended subscription form
Subsequent Admission	the Admission of Shares issued under a Subsequent Placing
Subsequent Placing	a placing of Shares under the Placing Programme at the applicable Placing Programme Price by the Joint Bookrunners on behalf of the Company as described in Part 6 of this Prospectus
Takeover Code	the City Code on Takeovers and Mergers
Target Dividend	the Board's target of paying a total dividend of 5.5 pence for the first full financial year to 31 December 2022, with a target total dividend of 3.0 pence per Ordinary Share of 3.0 pence in relation to the period from Initial Admission to 31 December 2021
Tax Act	the Income Tax Act 2007, as amended from time to time
Third Party Managers	investment managers of the Portfolio Vehicles other than the NextEnergy Funds
Third Party Vehicles	private renewable energy and energy transition funds managed by Third Party Managers
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland
UK AIFMD Laws	<ul style="list-style-type: none"> (i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive in to UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328)); and (ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328), the Technical Standards (Alternative Investment Funds Management Directive) (EU Exit) Instrument 2019 (FCA 2019/37) and the Exiting the European Union: Specialist Sourcebooks (Amendments) Instrument 2019 (FCA 2019/25)

UK Corporate Governance Code	the UK Corporate Governance Code issued by the Financial Reporting Council, as amended from time to time
UK GDPR	the UK version of the EU GDPR which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019
UK MAR	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019
UK MiFID Laws	<ul style="list-style-type: none"> (i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose EU MiFID II in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and (ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019
UK Money Laundering Regulations 2017	the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (SI 2017/692) as amended and supplemented from time to time including by the Money Laundering and Transfer of Funds (Information) (Amendment) (EU Exit) Regulations 2019

UK PRIIPs Laws	the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Packaged Retail and Insurance-based Investment Products (Amendment)(EU Exit) Regulations 2019 (February 2019); and the Cross-Border Distribution of Funds, Proxy Advisors, Prospectus and Gibraltar (Amendment) (EU Exit) Regulations 2019
UK Prospectus Amendment Regulations 2019	the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234
UK Prospectus Regulation	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but, not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))
uncertificated or in uncertificated form	a share or other security title to which is recorded in the register of the share or other security concerned as being held in uncertificated form (i.e. in CREST) and title to which may be transferred by using CREST
Underlying Applicant	investors who apply to an Intermediary to acquire Shares under the Intermediaries Offer
UNFCCC	United Nations Framework Convention on Climate Change
United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction
U.S. Investment Company Act	the United States Investment Company Act of 1940, as amended
U.S. Persons	as defined in Regulations made under the U.S. Securities Act
U.S. Securities Act	the United States Securities Act of 1933, as amended
U.S. Tax Code	the United States Internal Revenue Code of 1986, as amended
WiseEnergy	WiseEnergy International Limited and/or its subsidiaries, as the context may require
WiseEnergy Framework Agreement	the framework agreement between the Company, the AIFM and WiseEnergy dated 12 February 2021, a summary of which is set out in paragraph 11.7 of Part 8 of this Prospectus

APPENDIX 1

RISKS RELATING TO NEXTPOWER III LP

The risks set out below are the risks set out in the private placement memorandum published by the NextEnergy Group in relation to NPIII.

Investment objective

There is no guarantee that NPIII will achieve its investment objectives, or that its Investments will be successful and generate income or capital returns to the investors, or that any returns generated will be commensurate with the risks associated with investing in NPIII. The value of an investment in NPIII can go down as well as up and, as a result, investors may lose some or all of their commitments or the value of their investments. The timing of any cash distributions to Investors is uncertain. An investment in NPIII is therefore suitable only for investors who have no immediate need for liquidity of the amount invested and who can afford the risk of loss of all or part of such investment.

Selection of investments

There is no guarantee that NPIII will be able to invest fully the total amount of commitments within the investment period, or that suitable investments will be or can be acquired on behalf of NPIII, and no assurances can be given that the target returns of NPIII will be achieved. NPIII may incur expenses in relation to identifying and investigating investment opportunities that are not consummated including in respect of due diligence, travel and legal advice and other advisers.

NPIII may fail to acquire any or all of the assets which may be made available to it. Where NPIII is taking development risk and investing in assets under development when acquired, it is likely to incur third party costs in securing planning, grid connection and landowner rights (amongst other things). With investments in such early stage projects there is a greater risk that the projects may fail, compared to investments made in later stage assets.

NPIII faces significant competition for acquisition of assets

Competition for appropriate investment opportunities may reduce the number of opportunities available to, and adversely affect the terms upon which investments can be made by NPIII. Since the ability of NPIII to achieve its investment objectives depends upon NPIII identifying, selecting and executing investments which offer the potential for satisfactory returns, to the extent such competition cause a decrease in expected financial returns, it would have a material adverse effect on the business, financial condition, results of operation and prospects of NPIII. It is possible that the level of such competition may increase, which may reduce the number of opportunities available to NPIII and/or adversely affect the terms upon which such investments can be made by NPIII. In addition, such competition may have an adverse effect on the length of time required to fully invest NPIII.

Liquidity

An investment in NPIII is a long-term commitment. Interests in NPIII are highly illiquid, have no public market value and are not transferable, except with the prior consent of the Investment Adviser, which consent may be withheld at the Investment Adviser's sole discretion. In addition, the Interests are subject to restrictions on transferability and resale under U.S. law and may not be transferred or resold except as permitted under the U.S. Securities Act of 1933, as amended from time to time (the "**Securities Act**") and applicable state securities laws, pursuant to registration or exemption therefrom. Each subscriber or purchaser of the Interests should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time.

Voluntary withdrawals of commitments are generally not permitted, except in limited instances when necessary to comply with applicable laws or regulations. As a result, investors may not be able to liquidate their investments prior to the end of NPIII's term. Where withdrawals or transfers are permitted, if investors choose to sell its interest, the price or other consideration it may obtain from a purchaser could result in a loss.

It may therefore be difficult for an Investor to sell its interest or obtain reliable information about its value and the extent of the risks to which it is exposed. In particular, transfer of Interests to ERISA investors will be restricted so as to ensure that NPIII does not become a “plan asset” vehicle under ERISA. Investors should note that they will be committed to NPIII until the end of its term (being ten years or longer if the term is extended by up to thirteen years in total) and will normally be unable to withdraw prior to the expiry of that period. In addition, Investors may not receive any income or capital until Investments are realised, which may not be until or following termination of NPIII.

Expedited transactions

NPIII may make investment decisions on an expedited basis in order to take advantage of certain investment opportunities. This may result in the Investment Adviser making decisions on the basis of less information than would ordinarily be available.

Uncertain returns from investments

Investments will be made on the basis of estimates and projections regarding the performance of such investments and the returns for NPIII which they will generate. These may include assumptions regarding finance, strategies for increasing the value of the Investments, the manner of their disposal and the proceeds generated by such disposal. All such assumptions and projections are subject to significant uncertainty and unanticipated events may materially affect them. Therefore, Investments may not generate the returns originally anticipated which could result in substantial losses to NPIII.

Valuation and realisation of market value will vary with economic and other conditions

Returns from NPIII’s investments will be affected by the price at which they are acquired. The value of these investments will be (amongst other risk factors) a function of the discounted value of their expected future cash flows, and as such will vary with, *inter alia*, movements in interest rates and the competition for such assets.

A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Investment Adviser or the General Partner, and valuations do not necessarily represent the price at which an investment can be sold or that the assets of NPIII are saleable readily or otherwise. The assets of NPIII will be valued using methods determined from time to time by the Investment Adviser. The valuation methods may rely materially on input from the Investment Adviser and independent qualified valuers and surveyors. The assets held by NPIII, may not be conducive to ready valuation, and there can be no assurance that the valuation presented in the reports of NPIII will reflect the value that NPIII (or investors) will realise with respect to such investment. The valuation methods may be altered from time to time and any change in valuation method would be expected to result in apparent changes in the value of an investment in NPIII.

Lack of investor control

Investors will have no opportunity to control the day-to-day operations of NPIII. In order to maintain their limited liability status with respect to obligations and liabilities of NPIII, investors must rely entirely on the Investment Adviser to conduct and manage the affairs of NPIII.

Agreements with certain investors

NPIII, the General Partner and the Investment Adviser may enter into arrangements with certain investors that may alter or supplement the terms governing an investment in NPIII set out in the Partnership Agreement and the subscription documents. As a result, returns may vary from investor to investor depending on any arrangements applicable to a given investor’s investment in NPIII.

A single investor may control NPIII

A single investor or its affiliates may hold a majority (or greater proportion) of the interests in NPIII and as such would be capable acting alone of passing any resolution in relation to NPIII requiring a majority (or greater proportion) of interests. Other investors should be aware that such investor will not owe any duty of care to the interests of other investors.

Diverse investors

The investors in NPIII are expected to include the U.S. taxable and tax-exempt entities and institutions and persons from jurisdictions outside the United States. Such investors may have conflicting investment, tax and other interests with respect to their investment in NPIII. As a result, conflicts of interest may arise in connection with the decisions made by the Investment Adviser, including with respect to the nature or structuring of investments. In structuring the investments the Investment Adviser will consider the investment and tax objectives of NPIII and its investors as a whole.

Business, legal, tax and other regulatory risks

Legal, tax, and regulatory changes, as well as judicial decisions, could adversely affect NPIII, the Investment Adviser or strategies or structures used by NPIII. The regulatory environment continues to evolve. Changes in applicable regulations may adversely affect the value of NPIII's investments and the ability of NPIII to implement its investment objectives. The financial services industry generally and the activities of private investment funds and their investment managers, in particular, have been the subject of increasing legislative and regulatory scrutiny. Such scrutiny may increase NPIII's and/or the Investment Adviser's legal, compliance, administrative and other related burdens and costs, as well as regulatory oversight or involvement in NPIII and/or the Investment Adviser or result in ambiguity or conflict among legal or regulatory schemes applicable to NPIII or the Investment Adviser. There can be no assurances that NPIII or the Investment Adviser will not in the future be subject to regulatory review or discipline. The effects of any regulatory changes or developments on NPIII may affect the manner in which it is managed and may be substantial and adverse.

Potential liability of limited partners under English law

Under the Limited Partnerships Act 1907, Investors in NPIII will not take an active role in NPIII's operation and will have limited liability up to the amount of capital that they have contributed to NPIII. However, if an Investor takes part in the conduct of the management of the business of NPIII, such Investor will lose its limited liability and it will be liable for all debts and obligations of NPIII incurred during the period of participation in the management as though during that time such Investor was a general partner.

Changes in Law and Regulation

Changes in legislation, regulation and government policy including changes in the interpretation and implementation of existing laws and regulation in the United Kingdom, any jurisdiction in which NPIII has invested or any other relevant jurisdiction may adversely impact NPIII, its Investments and returns to Investors. In particular, taxation laws, regulation and practice are under constant development and are often subject to change.

Litigation risk

NPIII is subject to the risk of legal claims and proceedings and regulatory enforcement actions in the ordinary course of its business and otherwise. By acquiring operating Solar PV Plants, NPIII will assume risks related to the previous owner's actions and behaviours relating to those SPVs and solar PV plants, and may suffer litigation or other legal proceedings arising from instances, disputes, or other situations from before NPIII's assumption of ownership.

The results of legal and regulatory proceedings cannot be predicted with certainty. NPIII cannot guarantee that the results of current or future legal or regulatory proceedings or actions will not materially harm its business, financial condition, results, or operations. NPIII cannot guarantee that it will not incur losses in connection with future legal or regulatory proceedings or actions that exceed any provisions it may have set aside in respect of such proceedings or actions, or that exceed any available insurance coverage, and which may have a material adverse effect on NPIII's business, financial condition, results, operations, and cash flows.

To date, no claims have been made against NPIII which have had a material impact on its revenue or business, although there can be no assurance that NPIII will not, in the future, be subject to a claim which may have a material impact upon its revenue or business. Furthermore, the Investment Adviser has the benefit of insurance for, amongst other things, employer's liability, public liability and professional indemnity at a level which the Investment Adviser considers to be prudent for the type of business in which it is engaged, and sufficient to comply with applicable laws and regulations.

Certain U.S. regulatory risks

If NPIII is marketed in the U.S. or admits U.S. investors, the General Partner and the Investment Adviser will seek to avail themselves and NPIII of various registration and securities offering exemptions available under U.S. law. While this may reduce potential compliance burdens and costs and facilitate fund raising efforts, Investors will not enjoy the full protections afforded by U.S. law and SEC oversight and NPIII may be exposed to certain risks.

For example, NPIII will not be registered as an investment company under the Investment Company Act. This means that certain protections of the Investment Company Act (which, among other matters, requires a portion of an investment company's directors to be disinterested, requires securities to be held in custody at a bank or trust company, regulates the relationship between the investment company and its adviser and requires investor approval before fundamental investment policies can be changed) will not be afforded to NPIII or the Investors. In addition, there is no assurance that NPIII will not be required to register as an investment company in the future. Due to the various burdens of compliance with the Investment Company Act, NPIII's performance could be materially adversely affected if NPIII becomes subject to the Investment Company Act. Neither NPIII nor its Advisers can assure Investors that, under certain conditions, changing circumstances, or changes in the law, NPIII will not become subject to the Investment Company Act or other burdensome regulation in the future.

In addition, the Investment Adviser does not have current plans to register as an investment adviser with the SEC due to the availability of an exemption for certain investment advisers that manage "private funds" (as such term is defined under U.S. law). This means that Investors will not enjoy the full protections afforded by the U.S. Investment Advisers Act of 1940, as amended from time to time (the "U.S. Advisers Act") and accompanying SEC oversight of the Investment Adviser or its affiliates. There is no assurance that the U.S. Advisers Act will continue to be inapplicable to the activities of the General Partner, the Investment Adviser, or any of their affiliates. As a result, it may become necessary for any of such entities to register with the SEC, which will increase their compliance costs and potentially adversely impact their ability to continue to manage NPIII at current fee levels.

Lastly, NPIII intends to offer Interests without registering them in the U.S. in reliance on an exemption for "transactions by an issuer not involving any public offering." There is a risk that NPIII will fail to qualify for such offering exemption under U.S. securities laws due to factors such as the manner in which offers and sales are made, concurrent offerings by affiliated entities, the scope of disclosure provided, failures to make notice filings, inadvertent admission of Investors into NPIII that fail to meet certain suitability requirements, or changes in applicable laws, regulations or interpretations in the U.S. Failure to so qualify for an offering exemption could result in the rescission of sales of Interests or deprive NPIII from relying on an offering exemption in the future, thereby potentially materially and adversely affecting NPIII's performance and business. Further, even non-meritorious claims that offers and sales of Interests were not made in compliance with applicable securities laws could materially and adversely affect the General Partner's and Manager's ability to conduct NPIII's business.

Compliance with ERISA

The General Partner and the Investment Adviser intend to use commercially reasonable efforts to conduct the affairs of NPIII so that it is not subject to regulation under ERISA and related regulations and to operate NPIII such that its assets do not become "plan assets" subject to ERISA and the U.S. Internal Revenue Code. Such efforts may include, without limitations, delaying or restricting investment by certain U.S. Investors, restricting transfers of Interests, and any other actions they determine to be necessary or appropriate, including compulsory withdrawals and terminating and liquidating NPIII.

If the assets of NPIII were to become "plan assets" subject to ERISA, NPIII would be required to be managed in compliance with ERISA's fiduciary rules, including rules relating to prohibited transactions. Further, if the assets of NPIII were to become "plan assets," certain investments made or to be made by NPIII in the normal course of its operations might result in non-exempt prohibited transactions and might have to be rescinded, and NPIII may incur liabilities to counterparties who were disqualified persons in connection with such transactions.

Exculpation and indemnity

Certain provisions contained in the Partnership Agreement and other relevant agreements may limit the liability of the General Partners, the Investment Adviser and their affiliates. NPIII is also responsible for

indemnifying the General Partners, the Investment Adviser and their affiliates and the employee, directors and officers of any of the foregoing for any losses or damage incurred by them (except for losses incurred as a result of their fraud, wilful misconduct, or their own negligence).

Auditor's limitation on liability

The Auditor may limit its liability under the terms of its engagement that may limit NPIII's rights of possible recourse against the Auditor.

Compulsory withdrawal proceeds

The Investment Adviser has wide powers to adjust the withdrawal proceeds payable to investors upon a compulsory withdrawal of their Interests. The withdrawal proceeds to which investors are entitled will be calculated with reference to the net asset value of the underlying assets of NPIII. Accordingly, the value realised upon withdrawal may be more or less than the value subscribed for the Interest depending on whether the value of such underlying assets has appreciated or depreciated between its acquisition by NPIII and the date of withdrawal.

Recall of distributions

The Partnership Agreement provides that distributions may be recalled in certain cases. Depending upon the reason for the recall, recalled distributions may result in a decrease in investors' return, or may even result in the recognition of a loss.

Fund's expenditure

Payment of fees and expenses will reduce cash available for investment and will increase the risk that investors may not recover the amount of its investment in NPIII. Identifying attractive investment opportunities and performing due diligence with respect to prospective investments will require significant expenditures, which will be borne by NPIII whether or not the investment is acquired. In addition, acquiring investments may require NPIII to participate in auctions or other forms of competitive bids, which are also expected to require significant expenditures, including expenses relating to legal fees, the fees of third party advisors, and other costs. Moreover, even after investments are made, the returns may not be realised by investors for a period of several years.

Disposals of investments

In evaluating potential liquidity events for NPIII or exit strategies for portfolio investments, the Investment Adviser may consider a number of alternatives, including (i) publicly listing NPIII or a portion of NPIII's Investments, (ii) disposing of or distributing portfolio Investments, including individual assets, and (iii) merging or otherwise combining NPIII, certain investments or assets with another entity. If NPIII fails to dispose of its investments successfully prior to the termination of NPIII, NPIII may be forced to liquidate its assets on terms less favourable than anticipated or not in the time frame it desires, particularly if adverse market conditions develop near the end of NPIII's scheduled term.

Aborted Transactions

The Investment Adviser intends to investigate a number of potential investments on behalf of NPIII, and will be actively involved in forming consortiums to make bids or tenders for infrastructure projects. The bidding or tender process for an infrastructure project is lengthy, often taking a year or more. Preparing for and participating in bids will involve significant time and expenditure by the Investment Adviser, the costs of which will be borne by NPIII. The Investment Adviser may not be successful in any bids which it undertakes, and in the event that the Investment Adviser is not successful, the costs incurred in connection with unsuccessful bids will not be recoverable.

Investor default or exclusion from investments

If an Investor fails to fund any part of its commitment by the required date, it may be subject to various remedies as set out in the Partnership Agreement, including the forfeiture of part or all of its Interest. If an Investor defaults or is excused from an Investment, additional commitments may be drawn down from non-defaulting Investors in order to cover the shortfall. If the commitments of non-defaulting investors are insufficient to cover the shortfall, NPIII may be unable to meet its obligations and could be subject to losses and penalties as a result. This could result in a reduction in diversification for non-defaulting investors.

Distributions in specie

The Investment Adviser intends to make distributions to Investors in cash. However, in some circumstances, the Investment Adviser may make distributions in specie. Where such distributions are made on the liquidation of NPIII, they could consist of unlisted securities for which there is no readily available public market. This may lead to investors becoming minority shareholders or minority holders of debt in one or more unquoted companies in which NPIII was previously a majority investor or holder of debt. Investors may have difficulty or be unable to realise such holdings or protect their minority interests effectively if placed in such circumstances.

Dilution from subsequent closings

Investors who are admitted or increase their commitment at a subsequent closing will participate in NPIII's existing investments. This will have the effect of diluting existing Investors with respect to those Investments. While investors who participate in subsequent closings will fund their relevant proportion of the acquisition cost of such existing investments together with interest thereon, such amounts may not reflect the value of the existing investments at the time of the relevant closing.

Liabilities of NPIII

NPIII's assets will generally be available to satisfy NPIII's liabilities and other obligations. If NPIII becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to NPIII's assets generally and not be limited to the asset representing the Investment giving rise to the liability. This may result in NPIII disposing of assets held on its behalf in order to satisfy liabilities arising from other assets, which could have a material adverse effect on NPIII.

On the disposal of an Investment, NPIII may give representations, warranties and indemnities, and any resulting claims against NPIII will be met from NPIII's assets and will have an adverse effect on NPIII and returns to Investors.

Follow-on investments

NPIII may be called upon or have the opportunity to make follow-on Investments in portfolio companies. The Investment Adviser made decide not to make such an investment or NPIII may have insufficient commitments or otherwise be unable to make such follow-on Investments. A failure to make such a follow-on Investment may have a material adverse impact on a portfolio company and NPIII or may reduce the control which NPIII has over that portfolio company.

Change of control risk

The exercise by investors of their right to remove the Investment Adviser in its capacity as manager of NPIII may in certain circumstances lead to adverse consequences for NPIII's investments under the contractual documentation to which NPIII is a party. For example, such action may lead to a "change of control" under portfolio company financing documentation and/or a breach of transfer restrictions under the relevant shareholder/consortium documentation. A breach of portfolio company financing and/or shareholder documentation caused in this way may have a materially negative impact on the value of the relevant investment. As such, investors should consider carefully and take appropriate advice on the practical consequences of any proposal to replace the General Partner (and as a consequence the Investment Adviser) as general partner of NPIII.

Confidentiality

NPIII may be required by law, a court or government authority to disclose information in respect of NPIII, its investments and the investors. Certain Investors may be subject to freedom of information or similar laws requiring disclosure of information which could have a detrimental effect on NPIII and/or one or more of its Investments.

Insider information

NPIII, the General Partner and the Investment Adviser may be in possession of inside information, price sensitive information, or other similar information relating to portfolio companies. As a result of legislation and regulations designed to prevent insider trading and market abuse, NPIII's ability to sell interests in such portfolio companies when and upon the terms that it may otherwise desire may be impaired.

Currency

Interests in NPIII are denominated in U.S. dollars but some Investments may be denominated in other currencies. The value to NPIII of such an Investment will be subject to any fluctuation in exchange rates between U.S. dollar and currency in which such Investment was made. In addition, if an Investor's local currency is not the U.S. dollar the value of an Interest to the Investor will be subject to any fluctuation in exchange rates between the U.S. dollar and the Investor's local currency. The risk will be mitigated by (i) PPA's will be pegged to the US Dollar; and (ii) local debt interest and local O&M expenses will offset local revenues.

APPENDIX 2

HISTORICAL FINANCIAL INFORMATION OF NEXTPOWER III LP

Registration number: LP18784

NextPower III LP

Annual Report and Audited Financial Statements
for the year ended 31 December 2019

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Management and Administration

Registered office:	6th Floor Bastion House 140 London Wall London United Kingdom, EC2Y 5DN
General Partner:	NextPower III GP Limited 1 Royal Plaza Royal Avenue St Peter Port, Guernsey Channel Islands, GY1 2HL
Directors of the General Partner:	Kris Allen Heidi Lawlor (appointed 16 December 2019) Sarah MacKnight (appointed 25 July 2019 and resigned 6 December 2019) James Nicolle (resigned 25 July 2019)
Registration number:	LP18784
Administrator:	Apex Fund and Corporate Services (UK) Limited 6th Floor Bastion House 140 London Wall London United Kingdom, EC2Y 5DN
Independent Auditors:	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port, Guernsey Channel Islands, GY1 3TF
Founder Partner:	NextPower III Carry LP 1 Royal Plaza Royal Avenue St Peter Port, Guernsey Channel Islands, GY1 2HL
Manager:	NextEnergy Capital Limited 5th Floor Office North Side 7-10 Chandos Street Cavendish Square, London United Kingdom, W1G 9DQ
Directors of the Manager:	Aldo Beolchini Michael Bonte-Friedheim

Report of the General Partner and Manager

For the year ended 31 December 2019

NextPower III GP Limited (the "General Partner") and NextEnergy Capital Limited (the "Manager") present their annual report and the audited financial statements of NextPower III LP (the "Partnership") for the year ended 31 December 2019.

The General Partner of the Partnership is NextPower III GP Limited, a Guernsey Limited Company, who is responsible for the operation of the Partnership and the conduct and management of its business carried on in accordance with the terms of the Limited Partnership Agreement ("the LPA"). The General Partner has delegated most of the day to day activities to the Manager to act as operator and manager of the Partnership. Hence, the role of the General Partner is to only monitor and supervise the Manager.

Business Review and Principal Activity

The principal activity of the Partnership is to invest in solar photovoltaic ("PV") plants worldwide, in line with the investment policy and the investment restrictions, and either directly or indirectly via investment holding companies.

The Partnership is exposed to a variety of financial and operational risks as detailed in note 12 of the notes to the financial statements.

Results and Distributions

The net assets attributable to the partners from operations after Priority Profit Share for the year is USD (5,934,847) (2018: USD (1,368,859)). No distributions were paid to date.

Key facts

Establishment Date: 23 October 2017

Date of First Closing: 30 November 2018

Date of Second Closing: 28 June 2019

Date of Third Closing: 20 December 2019

Term: The Partnership shall continue until the expiry of ten years from date of First Closing, provided however that the life of the Partnership may be extended, by the agreement of the General Partner and the written consent of the Limited Partner Advisory Committee, by up to two additional one year periods, and by a further one year period by the agreement of the General Partner and the Investors, by an ordinary consent.

Future Developments

The Manager intends to acquire additional solar PV plants worldwide. The Manager has a reasonable expectation that the Partnership will continue operating in the foreseeable future.

Directors of the Manager and General Partner

The Directors who served during the year, and up to the date of signing the financial statements, are as follows:

Manager:

Aldo Beolchini

Michael Bonte-Friedheim

General Partner:

Kris Allen

Heidi Lawlor (appointed 16 December 2019)

James Nicolle (resigned 25 July 2019)

Sarah MacKnight (appointed 25 July 2019 and resigned 6 December 2019)

Political Contributions

The Partnership did not make any disclosable political donations in the year.

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NextPower III LP
Annual Report and Audited Financial Statements
for the year ended 31 December 2019

Report of the General Partner and Manager

For the year ended 31 December 2019

Manager's Responsibilities in respect of the Financial Statements

The Manager is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

The Manager is required to prepare financial statements for each financial year. The Manager has prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The Manager must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss for that period. In preparing the financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Manager is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

- so far as the Manager is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and
- it has taken all the steps that it ought to have taken as Manager in order to make itself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Independent auditors

The auditors, Grant Thornton Limited, have indicated their willingness to continue in office.

On behalf of the Boards

Aldo Beolchini

) Director of NextEnergy Capital Limited

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Kris Allen

) Director of NextPower III GP Limited

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Date: 25 March 2020

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NextPower III LP
Annual Report and Audited Financial Statements
for the year ended 31 December 2019

Annual AIF Report

For the year ended 31 December 2019

NextEnergy Capital Limited is a Limited Company incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority ("FCA") with Firm Reference Number 471192.

The following report has been prepared in accordance with the transparency obligations required under Article 22 of the Alternative Investment Fund Managers Directive ("AIFMD")¹ and Fund 3.3 of the FCA Handbook.

Pursuant to Article 22 of the AIFMD, an Alternative Investment Fund Manager ("AIFM"), for each of the European Union Alternative Investment Fund ("AIF") it manages and for each of the AIFs it markets in the European Union, should prepare and make available an annual report for each financial year and, no later than six months after the end of the financial year.

This AIF annual report has been prepared in relation to NextPower III LP by NextEnergy Capital Limited (the "Firm") for the financial year ended 31 December 2019.

Material Changes

There have been no material changes to the AIF with reference to the information required to be made available to investors under Article 23 of the AIFMD and FUND 3.2.2 during the financial year covered by this report.

AIFMD Remuneration Disclosure

The Firm maintains an AIFMD remuneration compliance policy in accordance with Article 13(1) of the AIFMD. The remuneration policy covers all staff providing services to NextPower III LP and considers total remuneration paid, including fixed and variable. The Firm incentivises staff through a combination of the two.

The policy is designed to ensure our compensation arrangements:

- are consistent with and promote sound and effective risk management;
- do not encourage risk-taking which is inconsistent with the risk profiles or instruments of incorporation of the AIFs they manage;
- include measures to avoid conflicts of interest; and
- are aligned with the AIFM and AIF's business strategy, objectives, values and in the long-term interests of investors.

The policy is in line with the remuneration principles laid down by the appropriate rules and guidelines, including ESMA's guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232) and has been approved by the Senior Management of the Firm.

Proportionality

Enshrined in the European remuneration provisions is the principle of proportionality. This disclosure is made in accordance with the size, internal organisation and the nature, scope and complexity of activities conducted.

Quantitative disclosures

1. Article 22(2)(e): Quantitative information on the proportion of total remuneration of the staff of the AIFM attributable to the AIF*.

*non-EU AIFMs are not required to disclose data on delegates

Aggregate remuneration of all staff	GBP 1,937,531
Fixed remuneration	GBP 1,495,808
Variable remuneration	GBP 441,723
Number of beneficiaries	26
Carried interest paid by the AIF	GBP Nil

2. Article 22(2)(f): Aggregate quantitative information on remuneration, for senior management and other staff whose actions have a material impact on the risk profile of the AIF.

Aggregate remuneration of Senior Management	GBP 163,237
Aggregate remuneration other staff	GBP 810,617

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NextPower III LP
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for the year ended 31 December 2019

Annual AIF Report


For the year ended 31 December 2019

The Firm may omit required disclosures where it believes that the information could be regarded as prejudicial to the UK or other national transposition of Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

The Firm has made no omissions on the grounds of data protection.

On behalf of the Board

Aldo Beolchini

) Director of NextEnergy Capital Limited
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)
) 
)

Date: 25 March 2020

Independent Auditors' Report to the Partners of NextPower III LP

Report on the financial statements

Opinion

We have audited the financial statements of NextPower III LP (the "Partnership") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partners' Capital, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2019 and of its loss for the year then ended;
- are in accordance with IFRS as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting by the General Partner and the Manager in the preparation of the financial statements is not appropriate; or
- the General Partner and the Manager have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matters – subsequent events relating to COVID-19

We draw attention to Note 17, Subsequent events which explains that while the General Partner considers Covid-19 to be a non-adjusting event and no adjustment has been made to the valuation of investments as at 31 December 2019, the General Partner believes that the impact of the virus outbreak will be material on the general economy and this will have implications for the underlying portfolio in future periods.

Independent Auditors' Report to the Partners of NextPower III LP

Other information

The General Partner and the Manager are responsible for the other information. The other information comprises the information included in the Report of the General Partner and Manager and Annual AIF Report set out on pages 3 to 6, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the General Partner and the Manager for the financial statements

As explained more fully in the General Partner and the Manager statement set out on pages 3 to 4, the General Partner and the Manager are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRSs, and for such internal control as the General Partner and the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner and the Manager are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner and the Manager either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited partnership's partners in accordance with our letter of engagement dated 28 February 2019. Our audit work has been undertaken so that we might state to the limited partnership's partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited partnership and the limited partnership's partners, for our audit work, for this report, or for the opinions we have formed.



Michael Carpenter
Senior Statutory Auditor
For and behalf of Grant Thornton Limited
Statutory Auditor, Chartered Accountants
St Peter Port, Guernsey, Channel Islands

25 March 2020

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NextPower III LP
Annual Report and Audited Financial Statements
for the year ended 31 December 2019

Statement of Comprehensive Income

For the year ended 31 December 2019

	Notes	1 January 2019 to 31 December 2019 (USD)	23 October 2017 to 31 December 2018 (USD) Restated
Income			
Investment income		1,060,415	-
Loss on foreign exchange		(1,130)	(2,116)
Net change in assets at fair value through profit and loss		(1,060,415)	-
Total net income		(1,130)	(2,116)
Expenditure			
Preliminary fees	2	460,350	1,168,389
Legal and professional fees	2	133,415	490
Administration fees	11	126,543	8,118
Depositary fees		32,739	-
Audit fees		30,000	5,000
Insurance fees		34,275	37,516
Sundry expenses		791	-
Total operating expenses		818,113	1,219,513
Operating loss		(819,243)	(1,221,629)
General Partner's Share	4,11	5,115,604	147,230
Movement in net assets attributable to partners		(5,934,847)	(1,368,859)

All of the above items are derived from continuing operations.

The accompanying notes form part of these financial statements.

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NextPower III LP
Annual Report and Audited Financial Statements
for the year ended 31 December 2019

Statement of Financial Position

As at 31 December 2019

	Notes	31 December 2019 (USD)	31 December 2018 (USD) Restated
Non-current assets			
Investments	5	50,280,600	-
Total non-current assets		50,280,600	-
Current assets			
Cash and cash equivalents		614,687	1,763,329
Other assets	7	267,485	-
Other receivables	6	17,211	-
Total current assets		899,383	1,763,329
Total assets		51,179,983	1,763,329
Current liabilities			
General Partner's Share payable	11	3,030,957	147,230
Other payables	8	167,356	584,858
Total current liabilities		3,198,313	732,088
Partners' Accounts			
Founder Partner's Capital		10	10
Limited Partners' Capital		55,285,366	2,400,090
Reserves		(2,040,872)	(1,221,629)
General Partner's Share		(5,262,834)	(147,230)
Total Net Assets Attributable to Partners	9	47,981,670	1,031,241
Total liabilities		51,179,983	1,763,329

The accompanying notes form part of these financial statements.

The financial statements on pages 9 to 24 were approved by the Directors of the Manager on 25 March 2020 and signed on their behalf by:

Aldo Beolchini) Director of NextEnergy Capital Limited
)
) 

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NextPower III LP
Annual Report and Audited Financial Statements
for the year ended 31 December 2019

Statement of Changes in Net Assets Attributable to Partners' Capital For the year ended 31 December 2019

	Notes	Founder Partner's capital (USD)	Limited Partners' capital (USD)	Accumulated (losses)/ profits (USD)	General Partner's Share (USD)	Total (USD)
Net assets attributable to partner at 23 October 2017		-	-	-		-
Movement in net assets attributable to partners		-	-	(1,221,629)		(1,221,629)
Contributions		10	2,400,090	-		2,400,100
General Partner's Share	4	-	-	-	(147,230)	(147,230)
Net assets attributable to partners at 31 December 2018		10	2,400,090	(1,221,629)	(147,230)	1,031,241
Net assets attributable to partners at 1 January 2019		10	2,400,090	(1,221,629)	(147,230)	1,031,241
Movement in net assets attributable to partners		-	-	(819,243)	-	(819,243)
Contributions		-	52,668,867	-	-	52,668,867
Equalisation contributions		-	1,965,241	-	-	1,965,241
Equalisation distributions		-	(1,748,832)	-	-	(1,748,832)
General Partner's Share	4	-	-	-	(5,115,604)	(5,115,604)
Net assets attributable to partners at 31 December 2019		10	55,285,366	(2,040,872)	(5,262,834)	47,981,670

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the year ended 31 December 2019

	1 January 2019 to 31 December 2019 (USD)	23 October 2017 to 31 December 2018 (USD)
Cash flows from operating activities		
Operating loss	(819,243)	(1,221,629)
Movement in other payables	(417,502)	584,858
Movement in other assets	(267,485)	-
Movement in other receivables	(17,211)	-
Operating cash flows before movements in working capital	(1,521,441)	(636,771)
Cash flows from investing activities		
Purchase of investments	(50,280,600)	-
Net cash used for investing activities	(50,280,600)	-
Cash flows from financing activities		
Partners' contributions	52,885,276	2,400,100
General Partner's Priority Profit Share	(2,231,877)	-
Net cash generated from financing activities	50,653,399	2,400,100
Net movement in cash and cash equivalents during the year/period	(1,148,642)	1,763,329
Cash and cash equivalents at the beginning of the year/period	1,763,329	-
Cash and cash equivalents at the end of the year/period	614,687	1,763,329

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2019

1. Principal activities and general information

NextPower III LP (the "Partnership") is a closed ended investment fund established in England by the Limited Partnership Agreement (the "LPA") registered on 23 October 2017 as a Limited Partnership under the 1907 Limited Partnership Act with registration number LP18784. The registered office and principal place of business of the Partnership is 6th Floor Bastion House, 140 London Wall, London, United Kingdom, EC2Y 5DN. The General Partner is NextPower III GP Limited, a Guernsey Limited Company, who is responsible for the operation of the Partnership and the conduct and management of its business carried on in accordance with the terms of the LPA.

The General Partner has delegated most of the day to day activities to the Manager. This includes but is not limited to the initial assessment and execution of potential investment acquisitions and exits; the day to day monitoring and interaction with the investment portfolio; creation of the fair value of the portfolio of investments and certain investor relation activities of the Partnership. Whilst the delegation exists, the General Partner remains responsible for monitoring all actions taken as a result of these activities.

The principal activity of the Partnership is to carry on the business of investing in solar PV plants worldwide, in line with the investment policy and the investment restrictions, and either directly or indirectly via an investment holding companies.

The Partnership's capital is represented by the net assets attributable to the partners.

2. Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Partnership's financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), adopted by the European Union and as allowed by the requirements of the LPA.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain investments at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Reclassification of expenses

In the year ended 31 December 2018, USD 640,071 was reclassified from legal and professional fees to preliminary fees and USD 34,010 was reclassified from administration fee to preliminary fees. This was due to preliminary expenses being incorrectly classified in 2018 and subsequently corrected in 2019. This has no impact in the operating loss on Statement of Comprehensive Income and the net asset value of the Partnership in the Statement of Financial Position.

Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Manager takes into account the characteristics of the asset or liability and if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Partnership can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

Notes to the Financial Statements

For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future. The Directors of the Manager and General Partner are of the opinion that the Partnership is able to call sufficient capital from the partners' undrawn commitments to meet its day-to-day liabilities as they fall due.

Basis of non-consolidation

The Partnership will acquire solar PV plants through its investment in holding companies. The Partnership meets the definition of an investment entity as described by IFRS 10 'Consolidated Financial Statements' ("IFRS 10"). Under IFRS 10 investment entities are required to hold subsidiaries at fair value through the Statement of Comprehensive Income rather than consolidate them. The holding company will also be a direct investment entity and as described under IFRS 10, value its investments at fair value.

Characteristics of an investment entity

Under the definition of an investment entity, as set out in the standard, the entity should satisfy all three of the following tests:

I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services;

II. Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and

III. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In assessing whether the Partnership meets the definition of an investment entity set out in IFRS 10 the General Partner and Manager note that:

I. the Partnership has investors from which it obtains funds, who would otherwise not have access individually to investing in solar energy infrastructure due to high barriers to entry and capital requirements;

II. the Partnership's purpose is to invest funds for both investment income and capital appreciation. The Partnership's investments have indefinite lives however the underlying assets do not have an unlimited life and therefore minimal residual value and therefore will not be held indefinitely; and

III. the Partnership measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Partnership. The Manager uses fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The General Partner and Manager are of the opinion that the Partnership has all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10.

The General Partner and Manager believes the treatment outlined above provides the most relevant information to investors.

New and revised standards

Effective from 1 January 2019:

Annual improvements to EU Adopted IFRS Standards 2015-2017 Cycle

IFRS 16 Leases

IFRIC 23 Uncertainty over Income Tax Treatments

Amendments to IAS 19: Employee Benefits (Plan Amendment, Curtailment or Settlement)

Amendments to IAS 28: Investments in Associates and Joint Ventures (Long Term Interests)

Amendments to IFRS 9: Financial Instruments (Prepayment Features with Negative Compensation)

Notes to the Financial Statements

For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

New and revised standards (continued)

The Manager has assessed the requirements of the new and revised standards and has determined that there will be no material impact expected on the financial statements.

Financial instruments

Financial assets and liabilities are recognised in the Partnership's Statement of Financial Position when the Partnership becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9.

Investments

Investments are recognised when the Partnership has control of the asset. Control is assessed considering the purpose and design of the investments including any options to acquire the investments where these options are substantive. The options are assessed for factors including the exercise price and the incentives for exercise. Investments are designated upon initial recognition as at fair value through profit or loss in accordance with IFRS 9. Fair value of a financial instrument is determined in accordance with IFRS 13, which at initial recognition is normally the transaction price. After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the Statement of Comprehensive Income. Non-operating assets are measured at fair value using the cost approach. Operating assets are measured at fair value using the income approach. Management assesses the fair value as at the report date using discounted cash flows and concludes if it is materially different. The Partnership's operating assets, which are acquired close to report date are carried at transaction price if this approximates the assets' fair value.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses

Income and expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Administrative fee income and interest income from the Holdco loan is recognised within investment income on an accruals basis in the Statement of Comprehensive Income.

Other receivables

Other receivables are recognised initially at fair value and subsequently where necessary re-measured at amortised cost using the effective interest method.

Other assets

Expenses for prospective investments paid for by the Partnership to be recharged are recognised as other assets. Expenses for prospective investments incurred but not paid have been accrued for as they are expected to be paid for in the next 12 months. If conditions exist such as the investment not being successfully completed, these assets are written off and charged as aborted deal costs in the Statement of Comprehensive Income.

Other payables

Other payables are recognised initially at fair value and subsequently where necessary re-measured at amortised cost using the effective interest method.

Notes to the Financial Statements

For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Foreign currency translation

Functional and presentational currency

Items included in the Partnership's financial statements are measured and presented in US dollar ("USD"), the currency of the primary economic environment in which it operates (the "functional currency") due to all capital calls, investments and distributions being made in USD.

Transactions and balances

Monetary assets and liabilities in currencies other than USD are translated into USD at the rate of exchange ruling at the reporting date. Transactions in currencies other than USD are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Distributions

Distributions allocated to the partners are as discussed in note 4 of the financial statements.

Net assets attributable to partners

Net assets attributable to the partners is classified as a financial liability, due to a finite life and contractual payment provisions to the partners within the LPA. Any payments to the Founder Partner in excess of the contributions made by the Founder Partner are classified as finance costs and accounted for through the Statement of Comprehensive Income. Notional carried interest will be allocated to the Founder Partner as discussed in note 4.

No carried interest has been paid in the period.

Net assets attributable to the partners are carried at amortised cost.

Taxation

These financial statements do not incorporate any charge or liability for taxation on the results of the Partnership as the Partnership is not a taxable entity and individual partners are responsible for their taxation liability according to their circumstances.

Legal and professional expenses

Legal and professional expenses are costs incurred on a regular basis for fees paid to regulatory bodies and professional services firms for legal, regulatory, compliance and other similar purposes. These costs are recognised on an accruals basis in the Statement of Comprehensive Income as an expense.

Preliminary fees

Preliminary fees are fees, costs and expenses incurred in relation to or in connection with the establishment of the Partnership. The amount should not exceed the Partnership's proportion of USD 2 million (excluding any applicable VAT or other taxes).

Notes to the Financial Statements

For the year ended 31 December 2019

2. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements in applying accounting policies

Estimates and assumptions

The Manager makes estimates and assumptions that affect the amounts reported in the financial statements. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Partnership holds investments that are not quoted in active markets. Fair values of such investments are determined using valuation techniques, which are validated and periodically reviewed by the Manager.

Models use observable data, to the extent practicable. However, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of the investments.

Investments at fair value through profit or loss

The Partnership's investments are measured at fair value for financial reporting purposes. The General Partner has appointed the Manager to produce investment valuations based upon projected future cash flows.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The General Partner bases the fair value of the investments on the information received from the Manager.

The investments at fair value through profit or loss, whose fair values include the use of Level 3 inputs, are valued by discounting future cash flows from investments to the Partnership at a discount rate when the assets are energised. The Partnership employs the cost approach for investments not yet energised.

Level 3 investments amount to USD 50,280,600 (2018: USD nil) and consist of two investments in solar PV plants held indirectly through NextPower III US HoldCo Inc, ("Holdco") (2018: USD nil). Level 3 valuations are reviewed regularly by the Investment Manager who reports to the General Partner on a periodic basis. The Manager considers the appropriateness of the valuation model and inputs, as well as the valuation result.

Carried interest

The accounting for carried interest is a critical judgement. Carried interest is calculated based on the Founder Partner's hypothetical share of profit of the Partnership. The total carried interest eventually distributed to the Founder Partner over the life of the Partnership may be significantly different from the hypothetical carried interest allocated in the Statement of Changes in Net Assets Attributable to Partner's Capital. See note 4, distributions to Founder Partner.

3. Unfunded committed contribution

Unfunded committed contribution from the Limited Partner is not shown on the Statement of Financial Position, as the Partnership has no unconditional right to receive cash as long as it has not identified an investment to invest in. The Partnership has the right to call capital in order to meet expenses as required.

4. Material agreements

General Partner's Share

Under the terms of the LPA, the General Partner is entitled to receive a General Partner's Share for each accounting period:

- from the first closing date until the earlier of the closing of a successor fund, and the end of the investment period, 1.75% per annum of the commitments; and
- thereafter, 1.75% per annum of share of unrealised acquisition costs.

Notes to the Financial Statements

For the year ended 31 December 2019

4. Material agreements (continued)

Distributions

Under the terms of the LPA, after payment of the expenses and liabilities of the Partnership, including the General Partner's Share, all income proceeds and capital proceeds shall be distributed in the following order of priority:

- First, in payment of the Administrative GPS of USD 1,000;
- Second, in payment to General Partner's Share (less any amounts already drawn down in respect of the General Partner's Share and as reduced by the amount equal to the Administrative GPS);
- Third, 100 per cent to each Limited Partner, until such Limited Partner has been repaid their advanced commitments;
- Fourth, 100 per cent to each Limited Partner, in the amount equal to the preferred return;
- Fifth, 100 per cent to the Founder Partner, until it has received amounts equal to 15 per cent of the cumulative distributions of income proceeds and capital proceeds;
- Sixth, as to 85 per cent to the investors and 15 per cent to the Founder Partner.

The Manager

Under the terms of a Management Agreement (the "Management Agreement") dated 23 November 2018, the General Partner has appointed NextEnergy Capital Limited to act as manager to the Partnership.

The General Partner, acting on its own behalf and not in its capacity as the General Partner of the Partnership, has agreed with the Manager that it will pay to the Manager by way of remuneration for its services hereunder such fee as the Manager and the General Partner may from time to time agree, but the Manager shall have no claim against or recourse to the Partnership in respect of any such fee.

The Partnership shall be responsible for all out-of-pocket expenses, direct or indirect, properly incurred by the Manager in relation to its management of the Partnership.

The Manager may in its absolute discretion from time to time waive or rebate all or any part of its fees to any third party.

5. Investments

The Partnership has made cumulative investments amounting to USD 50,280,600 for the year ended 31 December 2019 (2018: Nil).

Movements in the value of the Partnership's investments for the year ended 31 December 2019 are as follows:

	31 December 2019 USD	31 December 2018 USD
Fair value at beginning of the year / period	-	-
Additions	50,280,600	-
Net change in assets at fair value through profit and loss	(1,060,415)	-
Investment income receivable	1,060,415	-
Fair value at end of the year / period	50,280,600	-

Notes to the Financial Statements

For the year ended 31 December 2019

5. Investments (continued)

		31 December 2019 Cost USD	31 December 2019 Fair Value USD	31 December 2018 Cost USD	31 December 2018 Fair Value USD
NextPower III US Holdco Inc.	USD	50,280,600	50,280,600	-	-
Total	USD	50,280,600	50,280,600	-	-

The investment in NextPower III US Holdco Inc. is allocated as follows:

	31 December 2019 USD	31 December 2018 USD
Equity	12,570,150	-
Debt	37,710,450	-
Net change in assets at fair value through profit and loss	(1,060,415)	-
Investment income receivable	1,060,415	-
Total	50,280,600	-

The following tables summarises by level within the fair value hierarchy the Partnership's financial assets and liabilities at fair value as follows:

	31 December 2019 USD	31 December 2019 USD	31 December 2019 USD
	Level 1	Level 2	Level 3
Investments at fair value through profit and loss	-	-	50,280,600

	31 December 2018 USD	31 December 2018 USD	31 December 2018 USD
	Level 1	Level 2	Level 3
Investments at fair value through profit and loss	-	-	-

All the Partnership's financial assets measured at fair value through profit and loss are level 3 and as a result the level 3 reconciliation of movements in investment is equivalent to the reconciliation provided at the beginning of the note.

6. Other receivables

	31 December 2019 USD	31 December 2018 USD
Prepayments - receivable within one year	17,211	-
Total other receivables	17,211	-

Notes to the Financial Statements

For the year ended 31 December 2019

7. Other assets

	31 December 2019 USD	31 December 2018 USD
Recharges - Project India	108,008	-
Recharges - Project Mexico	114,697	-
Recharges - Project Spain	44,780	-
Total other assets	267,485	-

8. Other payables

	31 December 2019 USD	31 December 2018 USD Restated
Administration fees payable	36,410	8,118
Audit fees payable	30,000	5,000
Other payables	44,780	-
Professional fees payable	56,166	490
Preliminary fees payable	-	571,250
Total other payables	167,356	584,858

The fair value of other payables due within one year approximates to their carrying amounts as presented above.

9. Net assets attributable to the partners

The table below gives details about the Partners' capital since inception.

	Founder Partner USD	Limited Partners USD	General Partner's Share USD	Total USD
Committed contributions	10	276,769,671	-	276,769,681
Cumulative contributions	10	55,285,366	-	55,285,376
Cumulative General Partner's Share	-	-	(5,262,834)	(5,262,834)
Cumulative net income	-	(2,040,872)	-	(2,040,872)
Total net assets attributable to partners	10	53,244,494	(5,262,834)	47,981,670

10. Subsidiaries

The Partnership will hold investments through subsidiary companies which will not be consolidated as a result of the adoption of IFRS 10. The Partnership's only direct subsidiary is incorporated in USA and is 100% directly owned.

Notes to the Financial Statements

For the year ended 31 December 2019

11. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The General Partner receives a General Partner's Share as detailed in note 4 and its reasonable out-of-pocket expenses are reimbursed by the Partnership. The General Partner's Share for the year was USD 5,115,604 (2018: USD 147,230). The General Partner's Share payable to the General Partner amounted to USD 3,030,957 as at 31 December 2019 (2018: USD 147,230).

The Manager shall provide its services without charge to the Partnership as the General Partner has agreed with the Manager to pay for its services out of the General Partner's Share.

Apex Fund and Corporate Services (UK) Limited is the secretary and administrator of the Partnership. Mr Kris Allen is an employee of Apex Fund and Corporate Services (Guernsey) Limited and is a Director of the General Partner. Apex Fund and Corporate Services (UK) Limited is entitled to receive administration fees as may be determined from time to time by the parties. During the year the Partnership incurred expenses of USD 126,543 (2018: USD 8,118). The balance payable is disclosed in note 8.

During the year the Manager paid on behalf of the Partnership the amount of USD 478,083 (2018: USD 482,144) in relation to operational expenses, which was reimbursable to the Manager. The balance payable to the Manager as at 31 December 2019 was USD 42,125 (2018: USD 482,144) regarding operational expenses.

During the year, the Partnership also issued loans amounting to USD 37,710,450 (2018: USD nil) to the Holdco under a grid promissory note that attracts interest of 10% per annum. The Partnership also entered into an agreement for the provision of administrative services with the Holdco. The balance receivable is disclosed in note 5.

12. Capital risk management

The capital of the Partnership is represented by the net assets attributable to the partner. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for the partners and benefits of other stakeholders and to maintain a strong base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the Manager may call unfunded committed capital from the parties or distribute funds to the partners. The Manager monitors capital on the basis of the value of the net assets attributable to the partners.

13. Financial risk management

The General Partner, with the assistance of the Manager, monitors and manages the financial risks relating to the operations of the Partnership. These risks include market risk (including price risk and currency risk), credit risk, interest rate risk and liquidity risk.

Market price risk

The Partnership's investments are susceptible to market price risk arising from uncertainties about future values of those instruments. The Partnership's Manager provides the General Partner and the Partnership with investment recommendations. The Manager's recommendations are reviewed and approved by the General Partner before the investment decisions are implemented. To manage the market price risk, the Manager, as engaged by the General Partner to do so, reviews the performance of the portfolio companies and is in regular contact with the management of the portfolio companies for business and operational matters.

In accordance with the Partnership's policy, the performance of investments held by the Partnership is monitored by the Manager on a monthly basis and is reported, assessed and reviewed by the General Partner on a quarterly basis.

Notes to the Financial Statements

For the year ended 31 December 2019

13. Financial risk management (continued)

Market price risk (continued)

The value of the investments held by the Partnership is affected by the discount rate applied to the expected future cash flows and as such may vary with movements in interest rates, inflation, power prices, market prices and competition for these assets. IFRS 7 - Financial Instruments: Disclosures requires a sensitivity analysis to be prepared for the inputs affecting the investment valuation. The investments have been disclosed at cost which approximates the fair value. The inputs have not been used in the investment valuation and as such a sensitivity analysis for market price risk has not been prepared.

Other price risk

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

	31 December 2019
Discount rates	8.00%

A change to the weighted average discount rate by plus or minus 0.5% has the following effect on the valuation.

Discount rate at 31 December 2019	-0.5% change	Total Portfolio value	+0.5% change
Fair value at 31 December 2019 (USD)	2.4m	32.2m	(2.7m)
Fair value - percentage movement	7.5%		8.5%

Energy generation

The Portfolio's aggregate energy generation yield will depend on the combination of solar irradiation and technical performance of the solar PV plants.

Currency risk

The Partnership holds assets and liabilities denominated in currencies other than USD, the functional currency. Therefore the Partnership is exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The commitments of the Limited Partner of the Partnership are denominated in USD.

The table below summarises the Partnership's exposure in USD to currency risks:

	31 December 2019 USD	31 December 2018 USD
Other payables	(137,355)	(576,813)
Other receivables	61,991	-
Cash or cash equivalents	352	128
Total	(75,012)	(576,685)
Sensitivity analysis based on 10%	(7,501)	(57,669)

The line above shows the impact that a 10% change in the relevant exchange rate would have on the Net Asset Value of the Partnership. The General Partner has determined that 10% is a reasonable possible change based on expected volatility of the relevant currencies.

Notes to the Financial Statements

For the year ended 31 December 2019

13. Financial risk management (continued)

Credit risk

The Partnership takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Partnership is exposed to the risk of non-payment of debt instrument, other receivable balances or the interest due on loans given to portfolio companies.

All debt investments represent private debt investments executed in accordance with the investment objectives of the Partnership.

The Partnership assesses all counterparties, including its partners, for credit risk before contracting with them. The Partnership does not include any collateral or other credit risk enhancers, which may reduce the Partnership's exposure.

The Manager believes the risk of the Limited Partner not paying drawdowns when they are due to be low.

Interest rate risk

The Partnership's loans are either interest free or at a fixed interest rate, and so are not exposed to interest rate risk. Interest rate risk on the Partnership's cash and cash equivalents is not considered to be significant.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The Partnership manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and by matching the maturity profiles of assets and liabilities.

The Partnership's financial instruments include investments in solar PV plants, which are not traded in an organised public market and may generally be illiquid. Although this illiquidity is considered as part of the investment valuations, should the Partnership be required to dispose of such investments in a short time-frame, an action that is not consistent with the investment objective, the Partnership may have difficulty liquidating quickly its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to specific events.

The Partnership manages its liquidity risk by a combination of (i) contractual uncalled committed capital, which can be called with 10 business days notice and used to fund investments and pay general partner's share, and (ii) maintaining cash levels to fund short-term operating expenses.

The following table illustrates the expected liquidity of assets held and undrawn capital commitments:

	Undrawn capital commitments	Less than 1 month	1-12 months	No fixed maturity
	USD	USD	USD	USD
Total assets and undrawn capital commitments as at 31 December 2019	221,484,305	-	-	-
	Undrawn capital commitments	Less than 1 month	1-12 months	No fixed maturity
	USD	USD	USD	USD
Total assets and undrawn capital commitments as at 31 December 2018	93,658,460	-	-	-

14. Financial assets and liabilities not measured at fair value

Cash and cash equivalents are level 1 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short-term items.

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For the year ended 31 December 2019

15. Debt facilities

The Partnership had no debt facilities as at the year end.

16. Ultimate controlling party

In the opinion of the Manager, there is no ultimate controlling party of the Partnership.

17. Subsequent events

On 28 January 2020, the Partnership entered into a bridging loan facility with Banco Santander S.A. for USD 35,000,000 and subsequently drew USD 20,834,168 as at date of signing this report.

COVID-19 is a developing situation and as of the date of approval of the annual accounts, the assessment of this situation will need continued attention and will evolve over time. From the view of the Boards of the Manager and General Partner, consistent with many others in the same industry, COVID-19 is considered to be a non-adjusting subsequent event and as a result, no adjustment is made in the annual accounts. The rapid development and fluidity of the COVID-19 virus make it difficult to predict the ultimate impact at this stage. However, the Boards of the Manager and General Partner do not underestimate the seriousness of the issue and the inevitable effect it will have on the global economy and many businesses across the world. In line with most experts, the Boards of the Manager and General Partner believe that the impact of the virus outbreak will be material on the general economy and some central banks have already started to act by reducing interest rates and taking other measures. For further information on this subject, the quarterly reports will provide an update in due course.

Registration number: LP18784

NextPower III LP

Annual Report and Audited Financial Statements
for the period from 23 October 2017 to 31 December 2018

**Private and
Confidential**

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Management and Administration

Registered office:	9th Floor 1 Minster Court Mincing Lane, London United Kingdom, EC3R 7AA
General Partner:	NextPower III GP Limited 1 Royal Plaza Royal Avenue St Peter Port, Guernsey Channel Islands, GY1 2HL
Registration number:	LP18784
Administrator:	Ipes (UK) Limited 9th Floor 1 Minster Court Mincing Lane, London United Kingdom, EC3R 7AA
Independent Auditors:	Grant Thornton Limited Lefebvre House Lefebvre Street St Peter Port, Guernsey Channel Islands, GY1 3TF
Founder Partner:	NextPower III Carry LP 1 Royal Plaza Royal Avenue St Peter Port, Guernsey Channel Islands, GY1 2HL
Manager:	NextEnergy Capital Limited 5th Floor Office North Side 7-10 Chandos Street Cavendish Square, London United Kingdom, W1G 9DQ
Directors of the Manager:	Aldo Beolchini Michael Bonte-Friedheim
Directors of the General Partner:	Kris Allen James Nicolle

Report of the General Partner and Manager

For the period ended 31 December 2018

NextPower III GP Limited (the "General Partner") and NextEnergy Capital Limited (the "Manager") present their first report and the audited financial statements of NextPower III LP (the "Partnership") for the period from 23 October 2017 to 31 December 2018.

The general partner of Partnership is NextPower III GP Limited, a Guernsey Limited Company, who is responsible for the operation of the Partnership and the conduct and management of its business carried on in accordance with the terms of the LPA. The General Partner has delegated most of the day to day activities to the Manager to act as operator and manager of the Partnership. Hence, the role of the General Partner is to only monitor and supervise the Manager.

Business Review and Principal Activity

The principal activity of the Partnership is to invest in Solar Photovoltaic ("PV") plants worldwide, in line with the investment policy and the investment restrictions, and either directly or indirectly via investment holding companies.

The Partnership is exposed to a variety of financial and operational risks as detailed in note 11 of the notes to the financial statements.

Results and Distributions

The net assets attributable to the partners from operations after Priority Profit Share for the period is USD 1,368,859. No distributions were paid during the period.

Key facts

Establishment Date:	23 October 2017
Date of First Closing:	30 November 2018
Term:	The Partnership shall continue until the expiry of ten years from date of First Closing, provided however that the life of the Partnership may be extended, by the agreement of the General Partner and the written consent of the Limited Partner Advisory Committee, by up to two additional one year periods, and by a further one year period by the agreement of the General Partner and the Investors, by an ordinary consent.

Future Developments

The Manager intends to acquire solar PV plants worldwide. The Manager has a reasonable expectation that the Partnership will continue operating in the foreseeable future.

Directors of the Manager

The Directors who served during the period, and up to the date of signing the financial statements, are as follows:

Aldo Beolchini
Michael Bonte-Friedheim

Political Contributions

The Partnership did not make any disclosable political donations in the period.

Independent Auditors' Report to the Partners of NextPower III LP

Report on the financial statements

Opinion

We have audited the financial statements of NextPower III LP (the 'Partnership') for the period from 23 October 2017 to 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Partner's Capital, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the International Financial Reporting Standards as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the use of the going concern basis of accounting by the General Partner and the Manager in the preparation of the financial statements is not appropriate; or
- the General Partner and the Manager have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The General Partner and the Manager are responsible for the other information. The other information comprises the information included in the Report of the General Partner and the Manager set out on pages 3 to 4, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Partners of NextPower III LP

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the report of the General Partner and the Manager for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the report of the General Partner and the Manager has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the General Partner and the Manager.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the General Partner and the Manager

As explained more fully in the responsibilities of the General Partner and the Manager statement set out on pages 3 to 4, the General Partner and the Manager are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the General Partner and the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the General Partner and the Manager are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner and the Manager either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Michael Carpenter
Senior Statutory Auditor
For and behalf of Grant Thornton Limited
Statutory Auditor, Chartered Accountants
St Peter Port, Guernsey, Channel Islands

26 March 2019

**Statement of
Comprehensive Income**
For the period ended 31 December 2018

	Notes	23 October 2017 to 31 December 2018 (USD)
Income		
Net changes in fair value of financial assets at fair value through profit or loss		-
Loss on foreign exchange		(2,116)
Total net income		(2,116)
Expenditure		
Preliminary fees	2	482,692
Legal and professional fees	2	640,561
Administration fees	9	42,128
Depository fees		11,362
Audit fees		5,000
Insurance fees		37,516
Other fees		254
Total operating expenses		1,219,513
Operating loss		(1,221,629)
General Partner's Share	4,9	147,230
Movement in net assets attributable to partners		(1,368,859)

All of the above items are derived from continuing operations.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2018

	Notes	31 December 2018 (USD)
Non-current assets		
Investments	5	-
Total non-current assets		-
Current assets		
Cash and cash equivalents		1,763,329
Total current assets		1,763,329
Total assets		1,763,329
Current liabilities		
General Partner's Share payable		147,230
Other payables	6	584,858
Total current liabilities		732,088
Partners Accounts		
Founder Partner's Capital		10
Limited Partners' Capital		2,400,090
Reserves		(1,221,629)
General Partner's Share		(147,230)
Total Net Assets Attributable to Partners	7	1,031,241
Total liabilities		1,763,329

The accompanying notes form part of these financial statements.

The financial statements on pages 7 to 19 were approved by the Directors of the Manager on 26 March 2019 and signed on their behalf by:

Aldo Beolchini



Michael Bonte-Friedheim



) Directors of NextEnergy Capital Limited

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NextPower III LP
Annual Report and Audited Financial Statements
for the period ended 31 December 2018

Statement of Changes in Net Assets Attributable to Partners' Capital

For the period ended 31 December 2018

	Notes	Founder Partner's capital (USD)	Limited Partners' capital (USD)	Accumulated (losses)/ profits (USD)	General Partner's Share (USD)	Total (USD)
Net assets attributable to partners at 23 October 2017		-	-	-	-	-
Movement in net assets attributable to partners		-	-	(1,221,629)	-	(1,221,629)
Contributions		10	2,400,090	-	-	2,400,100
General Partner's Share	4	-	-	-	(147,230)	(147,230)
Net assets attributable to partners at 31 December 2018		10	2,400,090	(1,221,629)	(147,230)	1,031,241

The accompanying notes form part of these financial statements.

Cash Flow Statement

For the period ended 31 December 2018

	23 October 2017 to 31 December 2018 (USD)
Cash flows from operating activities	
Operating loss	(1,221,629)
Movement in other payables	584,858
Operating cash flows before movements in working capital	(636,771)
Cash flows from financing activities	
Partners' contributions	2,400,100
Net cash generated from financing activities	2,400,100
Net movement in cash and cash equivalents during the period	1,763,329
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,763,329

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the period ended 31 December 2018

1. Principal activities and general information

NextPower III LP (the "Partnership") is a closed ended investment fund established in England by the Limited Partnership Agreement (the "LPA") registered on 23 October 2017 as a Limited Partnership under the 1907 Limited Partnership Act with registration number LP18784. The registered office and principal place of business of the Partnership is 9th Floor, 1 Minster Court, Mincing Lane, London, United Kingdom, EC3R 7AA. The General Partner is NextPower III GP Limited, a Guernsey Limited Company, who is responsible for the operation of the Partnership and the conduct and management of its business carried on in accordance with the terms of the LPA.

The General Partner has delegated most of the day to day activities to the Manager. This includes but is not limited to the initial assessment and execution of potential investment acquisitions and exits; the day to day monitoring and interaction with the investment portfolio; creation of the fair value of the portfolio of investments and certain investor relation activities of the Partnership. Whilst the delegation exists, the General Partner remains responsible for monitoring all actions taken as a result of these activities.

The principal activity of the Partnership is to carry on the business of investing in solar PV plants worldwide, in line with the investment policy and the investment restrictions, and either directly or indirectly via an investment holding companies.

The Partnership's capital is represented by the net assets attributable to the partner.

2. Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Partnership's financial statements.

Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), adopted by the European Union and as allowed by the requirements of the LPA.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain investments at fair value through profit or loss. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below. These policies have been consistently applied.

Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Manager takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Partnership can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

Notes to the Financial Statements

For the period ended 31 December 2018

2. Summary of significant accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future. The Directors of the Manager are of the opinion that the Partnership is able to call sufficient capital from the partners' undrawn commitments to meet its day-to-day liabilities as they fall due.

Basis of non-consolidation

The Partnership will acquire solar PV plants through its investment in holding companies. The Partnership meets the definition of an investment entity as described by IFRS 10 'Consolidated Financial Statements' ("IFRS 10"). Under IFRS 10 investment entities are required to hold subsidiaries at fair value through the Statement of Comprehensive Income rather than consolidate them. The holding company will also be a direct investment entity and as described under IFRS 10, value its investments at fair value.

Characteristics of an investment entity

Under the definition of an investment entity, as set out in the standard, the entity should satisfy all three of the following tests:

- I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services;
- II. Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and
- III. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In assessing whether the Partnership meets the definition of an investment entity set out in IFRS 10 the Manager notes that:

- I. the Partnership has investors from which it obtains funds, who would otherwise not have access individually to investing in solar energy infrastructure due to high barriers to entry and capital requirements;
- II. the Partnership's purpose is to invest funds for both investment income and capital appreciation. The Partnership's investments have indefinite lives however the underlying assets do not have an unlimited life and therefore minimal residual value and therefore will not be held indefinitely; and
- III. the Partnership measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Partnership. The Manager uses fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Manager is of the opinion that the Partnership has all the typical characteristics of an investment entity and therefore meets the definition set out in IFRS 10.

The Manager believes the treatment outlined above provides the most relevant information to investors.

New and revised standards

IFRS 9	Financial Instruments (early adoption)
IFRS 15	Revenue from Contracts with Customers

Notes to the Financial Statements

For the period ended 31 December 2018

2. Summary of significant accounting policies (continued)

New and revised standards (continued)

IFRS 9 'Financial Instruments' ("IFRS 9") is the only new standard effective for the Partnership as of 1 January 2018. It is the opinion of the Manager that regardless of whether the financial assets held by the Partnership are classified as debt or equity, that the treatment as at fair value through profit or loss will remain the applicable method of recognition and hence there is no expected impact on the NAV. Therefore additional disclosures are included in the financial statements of the Partnership to comply with requirements of IFRS 9, which will include the judgements applied by management in the classification and subsequent recognition of the financial instruments held by the Partnership.

The Manager has assessed the requirements of IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15") and has determined that there will be no material impact expected on the recognition and measurement of income in the financial statements as a result of the implementation of IFRS 15. This is because the Partnership has not been established to earn revenue as referred to within IFRS 15 but rather to generate capital and other gains from the management and disposal of its investments into financial instruments.

Financial instruments

Financial assets and liabilities are recognised in the Partnership's Statement of Financial Position when the Partnership becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9.

Investments

Investments are recognised when the Partnership has control of the asset. Control is assessed considering the purpose and design of the investments including any options to acquire the investments where these options are substantive. The options are assessed for factors including the exercise price and the incentives for exercise. Investments are designated upon initial recognition to be accounted for at fair value through profit or loss in accordance with IFRS 13 'Fair value measurement' ("IFRS 13"). After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the Statement of Comprehensive Income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Income and expenses

Income and expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Other receivables

Other receivables are recognised initially at fair value and subsequently where necessary re-measured at amortised cost using the effective interest method.

Other payables

Other payables are recognised initially at fair value and subsequently where necessary re-measured at amortised cost using the effective interest method.

Legal and professional expenses

Legal and professional expenses are costs incurred on a regular basis for fees paid to regulatory bodies and professional services firms for legal, regulatory, compliance and other similar purposes. Legal and professional expenses also include aborted deal costs, of which there were none during the period. These costs are recognised on an accruals basis in the Statement of Comprehensive Income as an expense.

Notes to the Financial Statements

For the period ended 31 December 2018

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

Foreign currency translation

Functional and presentational currency

Items included in the Partnership's financial statements are measured and presented in US dollar ("USD"), the currency of the primary economic environment in which it operates (the "functional currency") due to all capital calls, investments and distributions being made in USD.

Transactions and balances

Monetary assets and liabilities in currencies other than USD are translated into USD at the rate of exchange ruling at the reporting date. Transactions in currencies other than USD are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Distributions

Distributions allocated to the partners are as discussed in note 4 of the financial statements.

Net assets attributable to partners

Net assets attributable to the partners is classified as a financial liability, due to a finite life and contractual payment provisions to the partners within the LPA. Any payments to the Founder Partner in excess of the contributions made by the Founder Partner are classified as finance costs and accounted for through the Statement of Comprehensive Income. Notional carried interest will be allocated to the Founder Partner as discussed in note 4.

Net assets attributable to the partners are carried at amortised cost.

Critical accounting estimates and judgements in applying accounting policies

Estimates and assumptions

The Manager makes estimates and assumptions that affect the amounts reported in the financial statements. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Partnership holds investments that are not quoted in active markets. Fair values of such investments are determined using valuation techniques where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by the Manager.

Models use observable data, to the extent practicable. However, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of the investments.

Investments at fair value through profit or loss

The Partnership's investments are measured at fair value for financial reporting purposes. The General Partner has appointed the Manager to produce investment valuations based upon projected future cash flows.

Carried interest

The accounting for carried interest is a critical judgement. Carried interest is calculated based on the Founder Partner's hypothetical share of profit of the Partnership. The total carried interest eventually distributed to the Founder Partner over the life of the Partnership may be significantly different from the hypothetical carried interest allocated in the Statement of Changes in Net Assets Attributable to Partner's Capital.

Notes to the Financial Statements

For the period ended 31 December 2018

2. Summary of significant accounting policies (continued)

Taxation

These financial statements do not incorporate any charge or liability for taxation on the results of the Partnership as the Partnership is not a taxable entity and individual partners are responsible for their taxation liability according to their circumstances.

Preliminary fees

Preliminary fees are fees, costs and expenses incurred in relation to or in connection with the establishment of the Partnership. The amount should not exceed the Partnership's proportion of USD 2 million (excluding any applicable VAT or other taxes).

3. Unfunded committed contribution

Unfunded committed contribution from the Limited Partner is not shown on the Statement of Financial Position, as the Partnership has no unconditional right to receive cash as long as it has not identified an investment to invest in. The Partnership has the right to call capital in order to meet expenses as required.

4. Material agreements

General Partner's Share

Under the terms of the LPA, the General Partner is entitled to receive a General Partner's Share for each accounting period:

- from the first closing date until the earlier of the closing of a successor fund, and the end of the investment period, 1.75% per annum of the commitments; and
- thereafter, 1.75% per annum of share of unrealised acquisition costs.

Distributions

Under the terms of the LPA, after payment of the expenses and liabilities of the Partnership, including the General Partner's Share, all income proceeds and capital proceeds shall be distributed in the following order of priority:

- First, in payment of the Administrative GPS of USD 1,000;
- Second, in payment to General Partner's Share (less any amounts already drawn down in respect of the General Partner's Share and as reduced by the amount equal to the Administrative GPS);
- Third, 100 per cent to each Limited Partner, until such Limited Partner has been repaid their advanced commitments;
- Fourth, 100 per cent to each Limited Partner, in the amount equal to the preferred return;
- Fifth, 100 per cent to the Founder Partner, until it has received amounts equal to 15 per cent of the cumulative distributions of income proceeds and capital proceeds;
- Sixth, as to 85 per cent to the investors and 15 per cent to the Founder Partner.

The Manager

Under the terms of a Management Agreement (the "Management Agreement") dated 23 November 2018, the General Partner has appointed NextEnergy Capital Limited to act as manager to the Partnership.

The General Partner, acting on its own behalf and not in its capacity as the general partner of the Partnership, has agreed with the Manager that it will pay to the Manager by way of remuneration for its services hereunder such fee as the Manager and the General Partner may from time to time agree, but the Manager shall have no claim against or recourse to the Partnership in respect of any such fee.

Notes to the Financial Statements

For the period ended 31 December 2018

4. Material agreements (continued)

The Partnership shall be responsible for all out-of-pocket expenses, direct or indirect, properly incurred by the Manager in relation to its management of the Partnership.

The Manager may in its absolute discretion from time to time waive or rebate all or any part of its fees to any third party.

5. Investments

The Partnership has made no investments for the period ended 31 December 2018

6. Other payables

	31 December 2018 USD
Administration fees payable	42,128
Audit fees payable	5,000
Professional fees payable	55,038
Preliminary fees payable	482,692
Total other payables	584,858

7. Net assets attributable to the partners

The table below gives details about the Partners' capital since inception.

	Founder Partner USD	Limited Partners USD	General Partner's Share USD	Total USD
Committed contributions	10	96,058,550	-	96,058,560
Cumulative contributions	10	2,400,090	-	2,400,100
Cumulative General Partner's Share	-	-	(147,230)	(147,230)
Cumulative net income	-	(1,221,629)	-	(1,221,629)
Total net assets attributable to partners	10	1,178,461	(147,230)	1,031,241

8. Subsidiaries

The Partnership will hold investments through subsidiary companies which will not be consolidated as a result of the adoption of IFRS 10. As at the period end, no subsidiary companies were incorporated.

9. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The General Partner receives a General Partner's Share as detailed in note 4 and its reasonable out-of-pocket expenses are reimbursed by the Partnership. The General Partner's Share payable to the General Partner amounted to USD 147,230 for the period ended 31 December 2018.

The Manager shall provide its services without charge to the Partnership as the General Partner has agreed with the Manager to pay for its services out of the General Partner's Share.

Notes to the Financial Statements

For the period ended 31 December 2018

9. Related parties (continued)

Ipes (UK) Limited is the secretary and administrator of the Partnership. Mr Kris Allen who was also an employee of Ipes (Guernsey) Limited and Mr James Nicolle who was also an employee of Ipes Directors Services (Guernsey) Limited, who were also Directors of the General Partner during the period. Ipes (UK) Limited is entitled to receive administration fees as may be determined from time to time by the parties. During the period the Partnership incurred expenses of USD 42,128. The balance payable to the Manager as at 31 December 2018 was USD 42,128.

During the period the Manager paid on behalf of the Partnership the amount of USD 482,144 in relation to preliminary and insurance premium expenses. The balance payable to the Manager as at 31 December 2018 was USD 444,628 regarding preliminary costs and USD 37,516 in relation to insurance premium fees.

10. Capital risk management

The capital of the Partnership is represented by the net assets attributable to the partner. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for the partners and benefits of other stakeholders and to maintain a strong base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the Manager may call unfunded committed capital from the parties or distribute funds to the partners. The Manager monitors capital on the basis of the value of the net assets attributable to the partners.

11. Financial risk management

The General Partner, with the assistance of the Manager, monitors and manages the financial risks relating to the operations of the Partnership. These risks include market risk (including price risk and currency risk), credit risk, interest rate risk and liquidity risk.

Market price risk

The Partnership's investments are susceptible to market price risk arising from uncertainties about future values of those instruments. The Partnership's Manager provides the General Partner and the Partnership with investment recommendations. The Manager's recommendations are reviewed and approved by the General Partner before the investment decisions are implemented. To manage the market price risk, the Manager, as engaged by the General Partner to do so, reviews the performance of the portfolio companies on a monthly basis and is in regular contact with the management of the portfolio companies for business and operational matters. Results of these reviews are reported to the General Partner regularly.

In accordance with the Partnership's policy, the performance of investments held by the Partnership is monitored by the Manager on a monthly basis and is reported, assessed and reviewed by the General Partner on a quarterly basis.

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

The discount rates will be used for valuing the investments in the Portfolio.

Energy generation

The Portfolio's aggregate energy generation yield will depend on the combination of solar irradiation and technical performance of the solar PV plants.

Currency risk

The Partnership holds liabilities denominated in currencies other than USD, the functional currency. Therefore the Partnership is exposed to currency risk, as the value of the assets denominated in other currencies will fluctuate due to changes in exchange rates.

The commitments of the Limited Partner of the Partnership are denominated in USD.

Notes to the Financial Statements

For the period ended 31 December 2018

11. Financial risk management (continued)

Credit risk

The Partnership takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Partnership is exposed to the risk of non-payment of debt instrument, other receivable balances or the interest due on loans given to portfolio companies.

The Partnership has no significant concentration of credit risk. All debt investments represent private debt investments executed in accordance with the investment objectives of the Partnership.

The Partnership assesses all counterparties, including its partners, for credit risk before contracting with them. The Partnership does not include any collateral or other credit risk enhancers, which may reduce the Partnership's exposure.

The Manager believes the risk of the Limited Partner not paying drawdowns when they are due to be low.

Interest rate risk

The Partnership's loans are either interest free or at a fixed interest rate, and so are not exposed to interest rate risk. Interest rate risk on the Partnership's cash and cash equivalents is not considered to be significant.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they fall due. The Partnership manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and by matching the maturity profiles of assets and liabilities.

The Partnership's financial instruments include investments in solar PV plants, which are not traded in an organised public market and may generally be illiquid. Although this illiquidity is considered as part of the investment valuations, should the Partnership be required to dispose of such investments in a short time-frame, an action that is not consistent with the investment objective, the Partnership may have difficulty liquidating quickly its investments in these instruments at an amount close to fair value in order to respond to its liquidity requirements or to specific events.

The Partnership manages its liquidity risk by a combination of (i) contractual uncalled committed capital, which can be called with 10 business days notice and used to fund investments and pay general partner's share, and (ii) maintaining cash levels to fund short-term operating expenses.

The following table illustrates the expected liquidity of assets held and undrawn capital commitments:

	Undrawn capital commitments USD	Less than 1 month USD	1-12 months USD	No fixed maturity USD
Total assets and undrawn capital commitments	93,658,460	-	-	-

12. Financial assets and liabilities not measured at fair value

Cash and cash equivalents are level 1 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short-term items

13. Debt facilities

The Partnership had no debt facilities as at the period end.

14. Ultimate controlling party

In the opinion of the Manager, there is no ultimate controlling party of the Partnership.

Notes to the Financial Statements

For the period ended 31 December 2018

15. Subsequent events

On 7 February 2019, a holding company and subsidiary of the Partnership, NextPower III US Holdco Inc. was incorporated to hold PV investments in the United State of America.

On 19 March 2019, USD 8.2m was drawn down from the Limited Partners.

There are no other significant subsequent events to disclose.

APPLICATION FORM FOR THE OFFER FOR SUBSCRIPTION

NextEnergy Renewables Limited

SECTION A

For official use only

Important: before completing this form, you should read the accompanying notes.

To: Link Group
Corporate Actions
The Registry, 34 Beckenham Road
Beckenham, Kent BR3 4TU

1 Application

I/We the person(s) detailed in section 3 below offer to subscribe for the amount shown in Box 1 subject to the Terms and Conditions set out in Part 11 of the Prospectus dated 12 February 2021 and subject to the Articles of Incorporation of the Company.

Box 1 (write in figures, the aggregate value, at the Issue Price (being £1.00 per Ordinary Share), of the New Ordinary Shares that you wish to apply for – a minimum of 1,000 New Ordinary Shares (being a minimum subscription amount of £1,000 and thereafter in multiples of 1,000 New Ordinary Shares).

£	Payment Method (Tick appropriate box)		
	Cheque/Banker's draft	Bank transfer	CREST Settlement (DvP)
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Details of Holder(s) in whose name(s) New Ordinary Shares will be issued (BLOCK CAPITALS)

Mr, Mrs, Ms or Title:	Forenames (in full):
-----------------------	----------------------

Surname:

Address (in full):

Designation (if any):

Date of Birth:

Mr, Mrs, Ms or Title:	Forenames (in full):
-----------------------	----------------------

Surname/Company name:

Address (in full):

Designation (if any):

Date of Birth:



Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:	
Address (in full):	
Designation (if any):	
Date of Birth:	

Mr, Mrs, Ms or Title:	Forenames (in full):
Surname/Company name:	
Address (in full):	
Designation (if any):	
Date of Birth:	

3 CREST details

(Only complete this section if New Ordinary Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2).

CREST Participant ID:

CREST Member Account ID:

4 Signature(s) all holders must sign

Execution by individuals:

First Applicant Signature:		Date	
Second Applicant Signature:		Date	
Third Applicant Signature:		Date	
Fourth Applicant Signature:		Date	

Execution by a company:

Executed by (Name of Company):		Date	
Name of Director:	Signature:	Date	
Name of Director/Secretary:	Signature:	Date	
If you are affixing a company seal, please mark a cross here: <input type="checkbox"/>	Affix Company Seal here:		

5 Settlement details

(a) *Cheque/Banker's Draft*

If you are subscribing for New Ordinary Shares and paying by cheque or banker's draft, attach to this form your cheque or banker's draft for the exact amount shown in Box 1 made payable to "**Link Market Services Limited Re: NextEnergy Renewables Limited 2021 OS CHQ A/C**". Cheques and banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom and must bear the appropriate sort code in the top right hand corner. You should tick the relevant payment method box in section 1

(b) *Bank transfer*

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 4 March 2021 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910

Bank: Lloyds Bank plc

Sort Code: 30-80-12

Account No: 21112060

Account Name: Link Market Services Limited Re: NextEnergy Renewables Limited 2021 OFS CHAPS A/C

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted Box 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds may also be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant's name, the value of the debit (equal to the application value) and the crediting account details or application reference. If this evidence is required Link will request such documents from you. PDF copies of such documents, sent by email will be accepted if relevant.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.

(c) *CREST Settlement*

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian's CREST account must allow for the delivery and acceptance of New Ordinary Shares to be made against payment of the Issue Price per ordinary share using the CREST matching criteria set out below:

Trade date: 5 March 2021
Settlement date: 10 March 2021
Company: NextEnergy Renewables Limited
Security description: Ordinary Shares of no par value
SEDOL: BMT6488
ISIN: GG00BMT64883
CREST message type: DEL



Should you wish to settle by DvP, you will need to input your CREST DEL instructions to the Link Group Participant account **RA06** by no later than 11.00 a.m. on 4 March 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the 11.00 a.m. deadline. You should tick the relevant payment method box in section 1.

Note: Link Group will not take any action until a valid DEL message has been alleged to the Participant account by the applicant. No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver New Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.

6 Anti-money Laundering

Anti-money laundering checks are required by law to be performed on certain financial transactions. The checks are undertaken to make sure investors are genuinely who they say they are and that any application monies have not been acquired illegally or that Link itself is not being used as part of criminal activity, most commonly the placement, layering and integration of illegally obtained money.

Whist Link may carry out checks on any application, they are usually only performed when dealing with application values above a certain threshold, commonly referred to as the anti-money laundering threshold which is the Sterling equivalent of €15,000 (currently approximately £13,000).

Link will make enquiries to credit reference agencies to meet its anti-money laundering obligations and the applicant may be required to provide an original or certified copy of their passport, driving licence and recent bank statements to support such enquiries. Anti-money laundering checks do not mean the investor is suspected of anything illegal and there is nothing to worry about.

The checks made at credit reference agencies leave an ‘enquiry footprint’ – an indelible record so that the investor can see who has checked them out. The enquiry footprint does not have any impact on their credit score or on their ability to get credit. Anti-Money Laundering Checks appear as an enquiry/soft search on the investors credit report. The report may contain a note saying “Identity Check to comply with Anti Money Laundering Regulations”

7 Contact details

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. If no details are provided this may delay obtaining the additional information required and may result in your application being rejected or revoked.

Email address:

Telephone No:

8 Queries

If you have any queries on how to complete this Form or if you wish to confirm your final allotment of shares, please call the Link Group help line on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Proposals nor give any financial, legal or tax advice.

Notes on how to complete the Offer for Subscription Application Form

Applications should be returned so as to be received by Link Group no later than 11.00 a.m. on 4 March 2021.

In addition to completing and returning the Application Form to Link Group, you will also need to complete and return a Tax Residency Self Certification Form. The “individual tax residency self-certification – sole holding” form can be found at the end of this document (Section B). Further copies of this form and the relevant form for joint holdings or corporate entity holdings can be requested from Link Group by calling the Helpline number below.

It is a condition of application that (where applicable) a completed version of the Tax Residency Self Certification Form is provided with the Application Form before any application can be accepted.

Helpline: If you have a query concerning the completion of this Application Form, please telephone Link Group on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Group cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

1 Application

Fill in (in figures) in Box 1 the aggregate value, at the Issue Price (being £1.00 per New Ordinary Share), of the number of New Ordinary Shares being subscribed for. The number being subscribed for must be a minimum of 1,000 New Ordinary Shares (being a minimum subscription amount of £1,000) and thereafter in multiples of 1,000 New Ordinary Shares. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2 Payment method

Mark in the relevant box to confirm your payment method, i.e. cheque/banker's draft, bank transfer or settlement via CREST.

3 Holder details

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 5.

4 CREST

If you wish your New Ordinary Shares to be deposited in a CREST account in the name of the holders given in section 2, enter in section 3 the details of that CREST account. Where it is requested that New Ordinary Shares be deposited into a CREST account, please note that payment for such New Ordinary Shares must be made prior to the day such New Ordinary Shares might be allotted and issued, unless settling by DvP in CREST.

5 Signature

All holders named in section 2 must sign section 4 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

6 Settlement details

(a) Cheque/Banker's draft

All payments by cheque or banker's draft must accompany your application and be for the exact amount inserted in Box 1 of the Application Form. Your cheque or banker's draft must be made payable to “**Link Market Services Limited Re: NextEnergy Renewables Limited 2021 OFS CHQ A/C**” in respect of an



Application and crossed “**A/C Payee Only**”. Applications accompanied by a post-dated cheque will not be accepted.

Cheques or banker’s drafts must be drawn on an account where the applicant has sole or joint-title to the funds and on an account at a branch of a bank or building society in the United Kingdom which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner.

Third party cheques may not be accepted, with the exception of building society cheques or banker’s drafts where the building society or bank has inserted on the back of the cheque the full name of the building society or bank account holder and have added the building society or bank branch stamp. The name of the building society or bank account holder must be the same as the name of the current shareholder or prospective investor. Please do not send cash. Cheques or banker’s drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker’s drafts to allow the Company to obtain value for remittances at the earliest opportunity.

(b) Bank transfer

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 4 March 2021 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, **for example**, MJ SMITH 01234 567 8910.

Bank: Lloyds Bank plc
Sort Code: 30-80-12
Account No: 21112060
Account Name: Link Market Services Limited Re: NextEnergy Renewables Limited 2021 OFS CHAPS A/C

Electronic payments must come from a UK bank account and from a personal account in the name of the individual applicant where they have sole or joint title to the funds. The account name should be the same as that inserted Box 2 of the Application Form and payments must relate solely to your Application. You should tick the relevant payment method box in section 1. It is recommended that such transfers are actioned within 24 hours of posting your application.

Evidence of the source of funds will also be required. Typically this will be a copy of the remitting bank account statement clearly identifying the applicant’s name, the value of the debit (equal to the application value) and the crediting account details or application reference. If this evidence is required Link will request such documents from you. PDF copies of such documents, sent by email will be accepted if relevant.

Any delay in providing monies may affect acceptance of the application. If the Receiving Agent is unable to match your application with a bank payment, there is a risk that your application could be delayed or will not be treated as a valid application and may be rejected by the Company and/or the Receiving Agent.

Please Note – you should check with your bank regarding any limits imposed on the level and timing of transfers allowed from your account (for example, some banks apply a maximum transaction or daily limit, and you may need to make the transfer as more than one payment).

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference or where a payment has been received but without an accompanying application form.

(c) CREST settlement

The Company will apply for the New Ordinary Shares issued pursuant to the Offer for Subscription in uncertificated form to be enabled for CREST transfer and settlement with effect from Admission (the

“**Relevant Settlement Date**”). Accordingly, settlement of transactions in the New Ordinary Shares will normally take place within the CREST system.

The Application Form contains details of the information which the Company’s Receiving Agent, Link Group, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Link Group to match to your CREST account, Link Group will deliver your New Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your New Ordinary Shares in certificated form should the Company, having consulted with Link Group, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Link Group in connection with CREST.

The person named for registration purposes in your Application Form must be: (a) the person procured by you to subscribe for or acquire the New Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Link Group nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the delivery versus payment (“**DvP**”) instructions into the CREST system in accordance with your application. The input returned by Link Group of a matching or acceptance instruction to our CREST input will then allow the delivery of your New Ordinary Shares to your CREST account against payment of the Issue Price through the CREST system upon the Relevant Settlement Date.

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian’s CREST account allows for the delivery and acceptance of New Ordinary Shares to be made prior to 11.00 a.m. on 4 March 2021 against payment of the Issue Price. Failure by you to do so will result in you being charged interest at the rate of two percentage points above the then published bank base rate of a clearing bank selected by Link Group.

If you so choose to settle your application within CREST, that is by DvP, you or your settlement agent/custodian’s CREST account must allow for the delivery and acceptance of New Ordinary Shares to be made against payment of the Issue Price per ordinary share using the following CREST matching criteria set out below:

Trade date:	5 March 2021
Settlement date:	10 March 2021
Company:	NextEnergy Renewables Limited
Security description:	Ordinary Shares of no par value
SEDOL:	BMT6488
ISIN:	GG00BMT64883
CREST message type:	DEL

Should you wish to settle by DvP, you will need to input your CREST DEL instructions to the Link Group Participant account **RA06** by no later than 11.00 a.m. on 4 March 2021.

You must also ensure that you or your settlement agent/custodian has a sufficient “debit cap” within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Applicants wishing to settle by DvP will still need to complete and submit a valid Application Form by the 11.00 a.m. deadline. You should tick the relevant payment method box in section 1.

Note: Link Group will not take any action until a valid DEL message has been alleged to the Participant account by the applicant.

No acknowledgement of receipt or input will be provided.

In the event of late/non settlement the Company reserves the right to deliver New Ordinary Shares outside of CREST in certificated form provided that payment has been made in terms satisfactory to the Company and all other conditions of the Offer for Subscription have been satisfied.



SECTION B

Tax residency self-certification form (individuals)

Company that shares are held in:*	NEXTENERGY RENEWABLES LIMITED
Investor code:*	
Name:*	
Registered Address:* If your address has changed, then you will need to notify us separately. See the questions and answers.	
Tax Residence Address Only if different to your registered address above	
Date of Birth* (DD/MM/YYYY)	
Country/Countries of Residence for Tax Purposes	
Country of residence for tax purposes	Tax Identification Number (In the UK this would be your NI number)
US Citizen Please mark the box ONLY if you are a US Citizen (see definition below) <input type="checkbox"/>	
<p>Declarations and Signature</p> <p>I acknowledge that the information contained in this form and information regarding my shares may be reported to the local tax authority and exchanged with tax authorities of another country or countries in which I may be tax resident where those countries have entered into Agreements to exchange Financial Account information.</p> <p>I undertake to advise the Company within 30 days of any change in circumstances which causes the information contained herein to become incorrect and to provide the Company with a suitably updated Declaration within 30 days of such change in circumstances.</p> <p>I certify that I am the shareholder (or I am authorised to sign for the shareholder**). If this relates to a joint holding, I also acknowledge that as a joint holder I may be reported to the relevant tax authority if all the other holders do not provide a Tax Residency Self-Certification.</p> <p>I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.</p>	
Signature:*	
Print Name:*	
Date:*	
Daytime telephone number/email address***	

* Mandatory field

** If signing under a power of attorney, please also attach a certified copy of the power of attorney

*** We will only contact you if there is a question around the completion of the self- certification form

“US Citizen”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

Introduction

The law requires that Financial Institutions collect, retain and report certain information about their account holders, including the account holder's tax residency.

Please complete the form above and provide any additional information requested.

If your declared country/countries of residence for tax purposes is not the same as that of the Financial Institution and is either the US or is on the OECD list of countries which have agreed to exchange information (<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>), the Financial Institution will be obliged to share this information with its local tax authority who may then share it with other relevant local tax authorities.

Failure to validly complete and return this form will result in you being reported onwards to the relevant local tax authority. Additionally, if this form has been issued in conjunction with an application for a new holding, then your application may be adversely impacted.

Definitions of terms used in this form can be found below.

If your registered address (or name) has changed, then you must advise us separately. Any details you enter in the "Tax Residence Address" will be used for tax purposes only and will not be used to update your registered details.

If any of the information about your tax residency changes, you are required to provide the Company with a new, updated, self-certification form within 30 days of such change in circumstances.

Joint holders (if relevant)

All joint holders are treated as separate holders for these tax purposes and every joint holder is required to give an Individual Tax Residency Self-Certification. If any one or more is reportable, the value of the whole shareholding will be reported for all joint shareholder(s).

If we do not receive the self-certification from each joint shareholder, then the whole holding will be treated as undocumented and all holders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

If you have any remaining questions about how to complete this form or about how to determine your tax residency status you should contact your tax adviser.

Definitions

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**The Common Reporting Standard**") <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/> contains definitions for the terms used within it. However, the following definitions are for general guidance only to help you in completing this form.

"Account Holder"

The Account Holder is either the person(s) whose name(s) appears on the share register of a Financial Institution. Or where Link holds the shares on your behalf, the person whose name appears on the register of entitlement that Link maintains.

"Country/Countries of residence for tax purposes"

You are required to list the country or countries in which you are resident for tax purposes, together with the tax reference number which has been allocated to you, often referred to as a tax identification number (TIN). Special circumstances (such as studying abroad, working overseas, or extended travel) may cause you to be resident elsewhere or resident in more than one country at the same time (dual residency). The country/countries in which you might be obliged to submit a tax return are likely to be your country/countries of tax residence. If you are a US citizen or hold a US passport or green card, you will also be considered tax resident in the US even if you live outside the US.



“Tax Identification Number or TIN”

The number used to identify the shareholder in the country of residence for tax purposes.

Different countries (or jurisdictions) have different terminology for this and could include such as a National Insurance number, social security number or resident registration number. Some jurisdictions that do issue TINs have domestic law that does not require the collection of the TIN for domestic reporting purposes so that a TIN is not required to be completed by a shareholder resident in such jurisdictions. Some jurisdictions do not issue a TIN or do not issue a TIN to all residents.

“US Citizen”

- All US citizens. An individual is a citizen if that person was born in the United States or if the individual has been naturalized as a US citizen.
- You can also be a US citizen, even if born outside the United States if one or both of your parents are US citizens.

If you have any questions about these definitions or require further details about how to complete this form then please contact your tax adviser.

NOTHING IN THIS DOCUMENT CAN BE CONSIDERED TO BE TAX ADVICE.

QUESTIONS & ANSWERS

Why are you writing to me and asking for a “Tax Residency Self Certification”?

The governments of more than 90 countries around the world have agreed to exchange tax related information. These governments have passed similar sets of laws to enable the Automatic Exchange of Information (“**AEOI**”). The full list of countries involved can be seen at: www.oecd.org/tax/transparency/AEOI-commitments.pdf

Additionally, the United States has over 100 similar agreements with many countries referred to as the ‘Foreign Account Tax Compliance Act’.

The legislation can vary slightly from jurisdiction to jurisdiction, but at a high level, it requires Financial Institutions to:

- Identify existing Holders that may be resident (for tax purposes) in other participating jurisdictions. Then contact any such Holders and request that they complete a “Tax Residency Self Certification” form.
- Obtain a “Tax Residency Self Certification” form for all new Holders.
- Identify holders who move from one jurisdiction to another and request that they complete a “Tax Residency Self Certification” form.
- Identify Holders who have payments sent to a different jurisdiction.
- Submit a return to the Financial Institution’s “local” tax authority on an annual basis. As an example for a company incorporated in the UK, then the local tax authority would be HM Revenue & Customs (HMRC).
- Follow up on any non responders at least annually for at least 3 years.

The “local” tax authority will pass information onto the tax authority in the relevant jurisdiction. As an example the tax authority in the US is the Inland Revenue Service (“**IRS**”), so HMRC will exchange information with IRS.

Where can I find out more information about the legislation?

The legislation is quite complex and you may wish to speak to your tax adviser.

The web site of your local tax authority will contain more information e.g. HMRC for the UK; the IRS for the US; Jersey Income Tax Department for Jersey, etc.

Additionally, the web site of The Organisation for Economic Co-operation and Development (OECD) gives further information.

What happens if I do not complete the form?

In the annual report that the Financial Institution sends to their local tax authority you will be shown as 'Undocumented'.

The local tax authority will collate the responses from all of its financial institutions and pass that information onto the relevant local tax authority for the jurisdictions identified.

Link is not able to comment on what action the tax authority for the jurisdiction will take.

What if I am a Tax Resident in 2 or more countries?

The self-certification form allows for up to 4 tax residencies to be recorded.

I do not pay tax or I do not know which country I am tax resident in

Please refer to your local tax authority or tax adviser.

I do not have a tax identification number

Please refer to your local tax authority or tax adviser.

Note that different countries call their tax identification numbers using alternative terminology. As an example in the UK it would be a National Insurance number.

I have already completed a W8 or W9 form. Do I still need to complete a "Tax Residency Self Certification"?

Yes. The US legislation governing W8/W9 forms overlaps with US FATCA legislation.

What is classed as my Tax Residence Address?

Please refer to your local tax authority or tax adviser.

In addition, you may wish to consider: Where you are a citizen with a passport; your residential home address in a country and unrestricted right of entry back into that country once you depart.

Joint Holders

When there are multiple holders on an account, then every joint holder must complete a Tax Residency Self Certification and every joint holder will receive a letter in their own right. The letter will be sent to the registered address recorded for the holding.

Joint holders are treated as separate holders for these tax purposes. If any one of the joint holders is reportable, the value of the whole shareholding will be reported for all of the joint shareholder(s).

If we do not receive a validly completed self certification for each joint shareholder, the whole shareholding will be treated as "undocumented" and all shareholders (including those who have completed the self-certification form) will be reported to the relevant tax authorities.

Can I use the Self Certification Form to advise of a Change of Name?

No. You must advise Link Group separately. For more information, see www.linkgroup.eu

Can I use the Self Certification Form to advise of the death of a holder, or registration of a power of Attorney?

No. You must advise Link Group separately. For more information, see www.linkgroup.eu



How do I contact Link Group to advice of a change of address or any other changes to my account?

Share Holder Portal: www.linkgroup.eu

Telephone: +44 (0) 371 664 0300

Calls outside the United Kingdom will be charged at the applicable international rate. The help line is open between 9:00 am and 5.30 pm, Monday to Friday excluding public holidays in England and Wales.

By post to:

Link Group
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

I would like future dividends paid into a different bank account

Contact Link Group. For more information, see www.linkassetservices.com

I have given a different address for tax purpose – will the registered address of my shareholding be altered?

No. The details on the Self Certification form are for tax purposes only. If you want to alter any of the registered details relating to your investment then you need to inform Link Group. For more information, see www.linkassetservices.com

I have recently sold all of the shares – do I still need to complete a Self-Certification form?

Yes. Your account will be reportable in the current year, but will be cease to be reportable in subsequent years.