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Octopus and Lightsource secure £76 million refinancing facility from Barclays for solar portfolio

Octopus Investments (“Octopus”) and Lightsource Renewable Energy (“Lightsource”) have closed the project refinancing of a portfolio of solar farms managed by Octopus, with a total installed capacity of 76.4 megawatts. Barclays provided the £76m term facility.

These projects are among the largest solar photovoltaic systems that supply power into the UK national grid. Octopus originally acquired the solar farms from Lightsource in April 2014, and subsequently engaged Lightsource to advise on the senior debt refinancing.

The solar farms in the portfolio have been built under the Renewables Obligation (RO) subsidy regime, and include Abbots Ripton (24.7MW), Mingay Farm (19.3MW) and Ermine Street (32.4MW). This transaction represents the first refinancing between Octopus and Barclays and provides encouraging signs for future large-scale debt refinancings in the UK solar market.

Barclays acted as sole mandated lead arranger on this transaction. The bank has a growing presence in the UK solar market, having funded in excess of c.200MW over the last three years. The refinancing included a long term Power Purchase Agreement (PPA) signed with npower.

Paul McCartie, Structured Finance Director at Lightsource, said: *“The trust and support we have garnered in recent years from key financial institutions like Barclays has allowed us to grow and develop into the leading solar energy portfolio holder in the UK. It is our ambition to achieve more than 1GW of installed capacity by March 2015 and refinancing is an essential component in helping us reach this important industry milestone. We look forward to working with Barclays in future on further financings.”*

Giuseppe La Loggia, Portfolio Director at Octopus Investments, said: *“The support we have received from Barclays has been outstanding. The portfolio contains high quality assets and it’s great to have Barclays’ backing as we continue to invest in solar on behalf of our investors and look to realise returns for them. There remains a significant opportunity for further growth in the UK solar market and we are delighted that Barclays is lending its support to us and the solar industry as a whole. We look forward to developing our relationship with them.”*

Neil Fleming, Director of Infrastructure and Project Finance, Barclays, said: *“Octopus and Lightsource are leading the way in the UK solar market so it is only natural that we would look to support them in achieving their ambitions. As a business, Barclays is a huge advocate of the UK market and is committed to assisting the transition to a low carbon economy and increasing the number of green jobs in the UK.”*

Jodie Eaton, Director npower Business Solutions, said: *“We are delighted to have signed this long term Power Purchase Arrangement with Octopus and Lightsource, one of the leading solar developers in the UK. One of our key aims is to become the partner of choice when it comes to providing support for renewable projects, further demonstrating our commitment to sourcing renewable power for our business customers.”*

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About Octopus

Octopus is a fast-growing UK fund management business with leading positions in several specialist sectors including energy, healthcare and smaller company investing. Founded in 2000, Octopus manages more than £4.7 billion of funds on behalf of 50,000 investors.

For more information please visit www.octopusinvestments.com

About Lightsource Renewable Energy Limited

Founded in 2010, Lightsource Renewable Energy has achieved an unrivalled track record in the deployment of solar farms and commercial rooftop installations across the UK. The company develop, operate and maintain the largest portfolio of utility scale solar PV plants in the country with a total installed capacity of more than 750MWp and a very significant pipeline currently under construction. A British domiciled company, its 350 full time staff are based across offices in London, Bath, Scotland and Belfast.

For more details on the competition or Lightsource Renewable Energy please visit www.lightsource-re.co.uk



About Barclays Infrastructure and Project Finance

Barclays Infrastructure and Project Finance team focuses on arranging senior debt solutions in the infrastructure and renewable energy sector. Since 1998 the team has financed more than £5 billion of under-writing across more than 230 projects with a strong focus on renewables, public private partnership / private finance initiative projects and offshore transmission .In the renewable energy sector the team financed 39 transactions with total installed capacity of more than 2GW in UK & Europe to date.

About npower Business Solutions

For more information about npower Business Solutions, please contact the Generation Services Team on 08450268833 or generation.services@npower.com

