

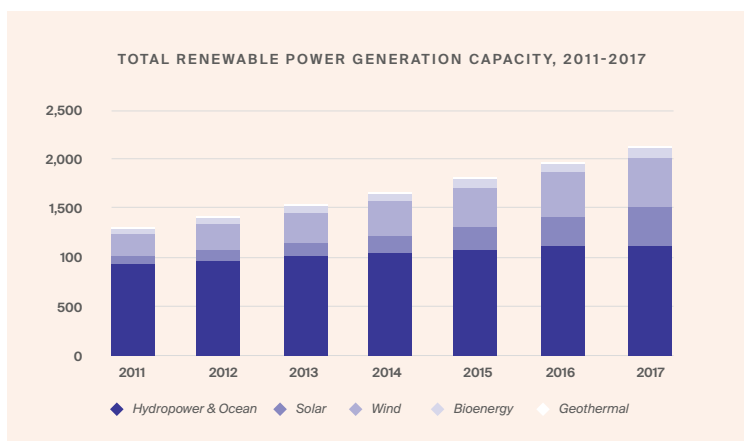
RENEWABLES





MARKET OVERVIEW

Renewables are predicted to be the fastest-growing energy source globally over the next 20 years, with the sector boosted by falling costs for wind and solar power, and the energy market approaching 'peak coal'.



In 2007 renewable technologies accounted for 23% of new power capacity in the UK.

Last year, this figure reached 61%, setting a new record of 157GW, dwarfing the 70GW of net fossil fuel generating capacity added in 2017. Latest figures from the National Grid show that around half of the UK's electricity last summer was generated from non-fossil fuel sources.

The falling price of renewables and growing demand for these alternative energy sources signals a "new era" for UK energy, which presents opportunities for investors. The UK Government has confirmed that it is committed to cutting carbon emissions to combat climate change and last October said that up to £557m would be made available for less established renewable electricity projects as part of its 'Clean Growth Strategy' to drive economic growth and clean up the energy system.

The UK is bound by the national Climate Change Act, which demands an 80% reduction in greenhouse gas pollution by 2050. The Office for Budget Responsibility, the independent watchdog which provides analysis of the UK's public finances, recently projected that £8.4bn will be spent on renewable projects in the UK in 2020/21.

September 2017 saw the opening of the

UK's first subsidy-free solar farm, demonstrating that solar can remain a commercially viable technology despite earlier government cuts to subsidies. The UK has a target to meet 15% of its energy needs from renewable sources by 2020, up from 8% in 2015.

There are also encouraging advances in the clean technology behind renewable energy production. For example, improvements in renewable energy and battery technologies could see energy generated from renewable sources such as solar panels stored for future use and fed into the grid when needed.

The battery storage market is growing substantially in the UK with many existing solar farms and on-shore wind turbines looking to add battery storage in order to increase revenues and provide 'grid services'. This market dynamic has become particularly evident since the introduction by the UK Government of the Capacity Market in 2016. The Capacity Market (CM) is a mechanism introduced by the Government to ensure that electricity supply continues to meet demand as more volatile and unpredictable renewable generation plants come on stream. Providers of back-up power plants and energy storage facilities are paid by the National Grid via CM contracts.



OUR SERVICES

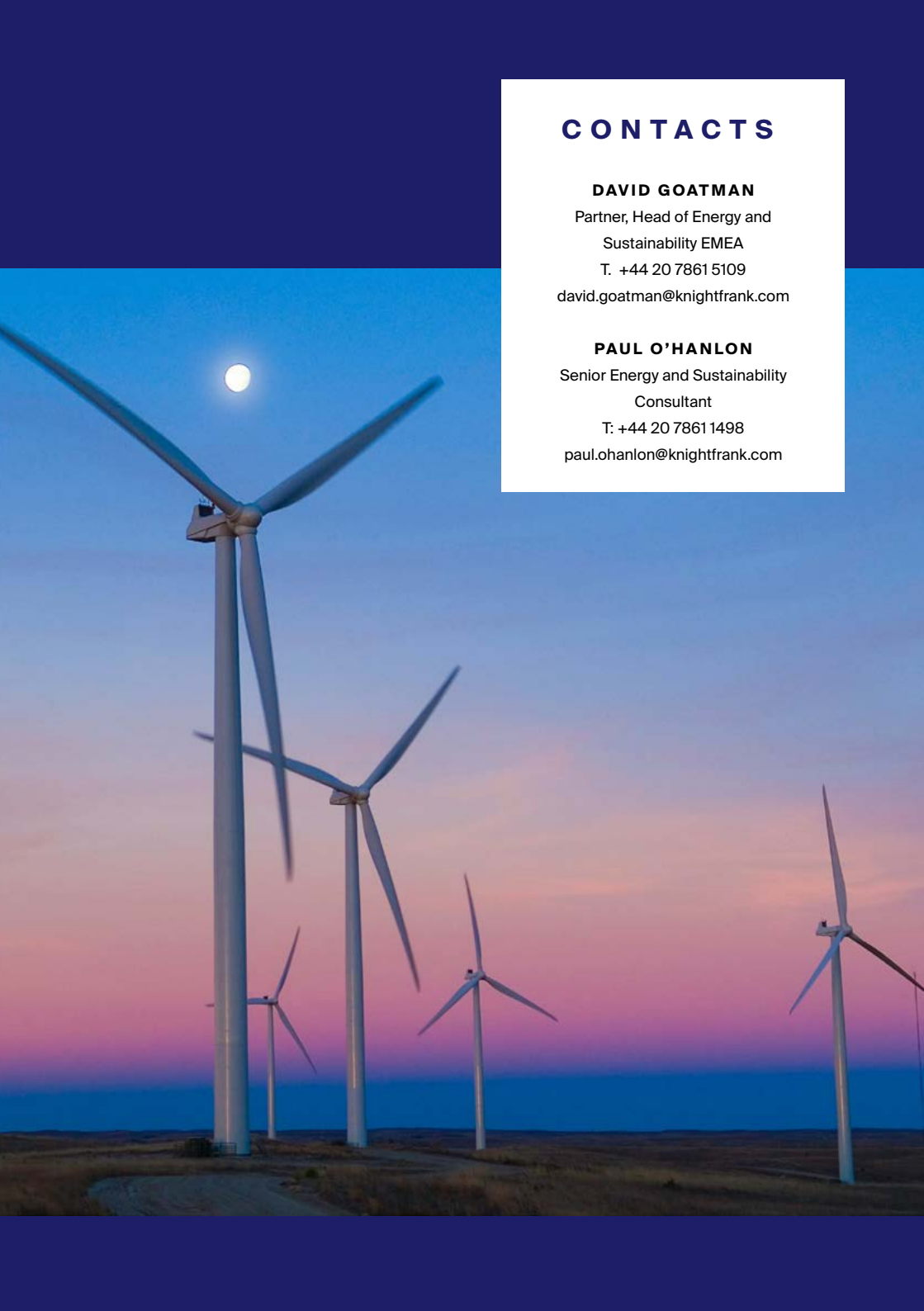
Our dedicated renewables team assists our clients with all aspects of the renewables asset lifecycle. We work for landowners, investors, developers, funders and asset managers.

OUR SERVICES

- Early stage market entry and feasibility advice
- Valuations of existing assets
- Financial modelling for new projects
- Capital raising
- Join venturing
- Acquisition and disposal of assets and projects

WHY KNIGHT FRANK?

- Unparalleled access to active investors in the sector
- Substantial experience of different investment structures
- Bringing the power of our global network to local markets
- Full service capabilities covering planning, valuation, fund raising, project development and management, and specialist energy and sustainability advice
- Industry leading experience and leadership to deliver results and value for our clients.



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