MERCOM CAPITAL GROUP

Executive Summary

Solar Funding and M&A

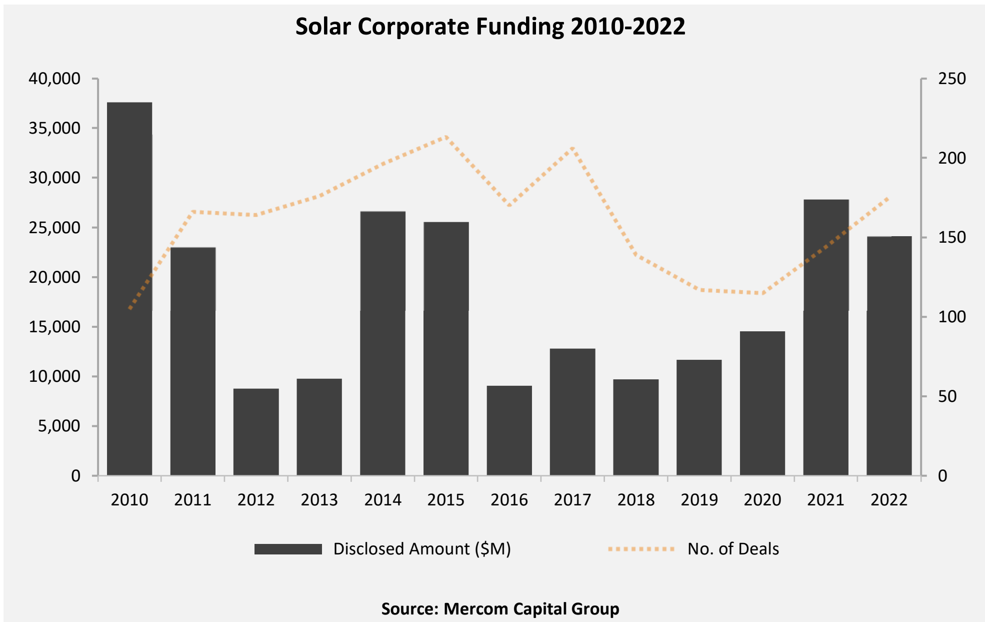
2022 Fourth Quarter and Annual Report

Funding and merger & acquisition activity for the solar sector

http://www.mercomcapital.com

KEY FINDINGS

- Total corporate funding—including venture capital (VC) funding, public market, and debt financing—into the solar sector declined 13% YoY in 2022, with $24.1 billion raised in 175 deals, compared to $27.8 in 144 deals in 2021.



- In 2022, Global VC funding for the solar sector came to $7 billion in 90 deals, a 56% increase compared to the $4.5 billion raised in 58 deals in 2021.

- The top VC-funded companies in 2022 were Intersect Power ($750 million), followed by Longroad Energy ($500 million), Yellow Door Energy ($400 million), Palmetto ($375 million), Aspen Power Partners ($350 million), and Agilitas Energy ($350 million).

- In 2022, 223 VC investors participated in funding deals, compared to 154 in 2021.

- Public market financing in 2022 totaled $5.1 billion in 16 deals, which was 32% lower than $7.5 billion in 27 deals in 2021.

- In 2022, announced debt financing came to $12 billion in 69 deals, a 24% decline compared to $15.8 billion raised in 59 deals during 2021.

Solar Top VC Funded Companies in 2022

Company	Amount ($M)	Investors
Intersect Power	750	TPG Rise Climate, Climate Adaptive Infrastructure, Trilantic Energy Partners North America
longroad ENERGY	500	MEAG, NZ Super Fund and Infratil
YELLOW DOOR ENERGY	400	Actis, International Finance Corporation (IFC), Mitsui, APICORP
Palmetto	375	Social Capital, ArcTern Ventures, Gaingels, Lerer Hippeau, MacKinnon, Bennett & Co
aspen POWER PARTNERS	350	Carlyle
AGILITAS ENERGY	350	CarVal Investors

Source: Mercom Capital Group

- There were 38 solar M&A transactions in Q4 2022, compared to 37 solar M&A transactions in Q3 2022.
- There were 268 large-scale solar project acquisitions in 2022 compared to 280 transactions in 2021.
- About 13.9 GW of solar projects were acquired in Q4 2022 compared to 14.2 GW in Q3 2022.
- Project developers and independent power producers were the most active acquirers in 2022, with almost 35.7 GW of solar projects. Utilities acquired 10.5 GW of projects, followed by investment firms and infrastructure funds, which acquired almost 9 GW of solar projects.

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