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New Energy Solar

31 August 2021

NEW ENERGY SOLAR (ASX:NEW) 2021 HALF YEAR RESULTS

ASSET SALES AND CAPITAL MANAGEMENT INITIATIVES TO POSITION BUSINESS WELL IN U.S. MARKET

HALF YEAR HIGHLIGHTS

- Revenue from underlying operations of US$33.8 million and EBITDA of US$24.9 million with US$15.3 million attributable to NEW
- Revenue from electricity sales includes proceeds from Rosamond business interruption insurance claims and compensation for economic curtailment at MS2
- Sale of MS2 interest completes and Australian assets sale announced on 7 June and completed subsequent to 30 June
- Proceeds from assets sale to fund capital management including paying down of debt and share buybacks
- NEW securities unstapled to simplify corporate structure and streamline corporate governance
- US solar plants intact and performing well despite unprecedented fires on US west coast
- Dividend of three cents per share paid for first half of 2021

1HFY21 STATUTORY RESULT (REPORTING AS AN 'INVESTMENT ENTITY')

- Asset valuations decline on lower-than-expected realised value for Manildra as NSW grid issues worsen and continued subdued outlook for long-term US electricity prices, although improved USD/AUD exchange rate had a positive impact
- Reflecting costs associated with asset sales and lower asset valuations, statutory result of A$35.1 million loss after tax, compared to A$55.6 million loss after tax in the previous corresponding period (PCP)
- Net asset value (NAV) per share as at 30 June 2021 of $1.12
- External 'look-through' gearing of 60.3% as at 30 June 2021, but current level close to 50% after debt reduction following Australian assets sale completion

1HFY21 OPERATING RESULT (UNDERLYING SOLAR POWER PLANTS)

- Portfolio achieved gross generation of 614 GWh, equivalent to displacing 389,000 tonnes of CO_2[1]
- Portfolio generation below expectations as remediation of Rosamond continues, Australian plants experienced curtailment by market operator and MS2 experienced economic curtailment

[1] US CO_2 emissions calculated using the US Environmental Protection Agency's AVoided Emissions geneRation Tool (**AVERT**) and Australian CO_2 emissions displacement is calculated using data from the Australian Government – Department of the Environment and Energy.

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- Revenue of US$33.8 million comprising electricity sales revenue, proceeds from Rosamond business interruption insurance claims and economic curtailment compensation at MS2, flat on US$33.8 million in the PCP
- Underlying operating earnings before interest, tax depreciation and amortization (EBITDA) of US$24.9 million compared to US$23.8 million in the PCP and EBITDA attributable to NEW of US$15.3 million, compared to US$16.4 million in the PCP

New Energy Solar (NEW or the Business) released its half-year results for the six months to 30 June 2021 as well as its 2021 Half Year Report. A results presentation has also been made available on the NEW website (http://www.newenergysolar.com.au).

John Martin, CEO of New Energy Solar, said "We have made significant progress this half implementing the Board's strategic review initiatives aimed at improving NEW's trading price. The sale of an interest in MS2 completed and the assets at Beryl and Manildra were also sold. This sale marks NEW's exit from the Australian electricity market, with the portfolio now wholly located in the U.S.. Proceeds from the sale will be used to reduce debt and to conduct off and on-market buybacks through the final quarter of 2021. NEW is in a solid position in the U.S. market which is experiencing strong growth in renewables and progress toward decarbonizing the electricity grid."

OPERATING AND STATUTORY RESULTS

NEW's operating portfolio produced total underlying revenues consistent with the same period last year. Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 4.6% over the PCP as operating expenses were reduced, while the sale of an interest in MS2 resulted in lower EBITDA attributable to NEW.

The statutory results reflect the classification of the listed NEW entity as an 'Investment Entity' under Australian Accounting Standards. As a result of this classification, revenues of the listed entity primarily comprise income received from subsidiaries and movements in the fair value of NEW's investment in its operating subsidiaries – which in this period primarily includes the movement in net asset values, as well as the impact of foreign exchange movements for investments or subsidiaries located outside Australia.

In 1H 2021 NEW recorded a statutory net loss before expenses and tax of A$21.0 million, total expenses of A$9.7 million, and an income tax expense of A$4.4 million, resulting in a net loss after tax of A$35.1 million. Recognised in the statutory net loss are changes in the value of the underlying solar plants of $28.3 million. The decline in net asset values reflects the lower-than-expected realised value for Manildra resulting from emerging congestion in the New South Wales transmission network, the continuation of subdued expectations for long-term electricity prices and the positive impact of an improved USD/AUD exchange rate.

ASSET PERFORMANCE

U.S. Portfolio

The U.S. portfolio performed below expectations for the 6 months to 30 June 2021 as a result of reduced output from the fire-damaged Stanford plants and economic curtailment at MS2. However, the receipt of proceeds from business interruption insurance for Rosamond and compensation for curtailment at MS2 has meant the revenue performance of the US portfolio was not materially adversely impacted.

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Australian Portfolio

The Australian plants performed below weather-adjusted expectations for the six-month period to 30 June 2021 as generation, particularly at Manildra, was curtailed frequently in the early part of the year by the Australian Electricity Market Operator (AEMO). This curtailment reflected the emergence of significant transmission constraints around the plants due to maintenance work and additional capacity connecting to the grid in the central-west of NSW. With the completion of the sale of the Australian assets, NEW ceased to be exposed to generation and revenue risks from 31 March 2021 and will not be impacted by future curtailment at these sites.

OUTLOOK

NEW's solar power plants in the United States continue to operate under their respective power purchase agreements, unimpeded by measures to manage the spread of COVID-19. The U.S. renewables market enjoys strong support across federal and state government and clear progress to meet the U.S. federal government's target of decarbonising the electricity grid by 2035 is evident.

On completion of NEW's share buybacks and the reduction of debt anticipated in this second half of 2021, NEW will update the market on its resulting capital structure.

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Authorised for release by New Energy Solar Limited.

About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and provide investors with exposure to the global shift to renewable energy. The Business acquires large scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors.

Since establishment, New Energy Solar has raised over A$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the United States. New Energy Solar's shares trade on the Australian Securities Exchange under the ticker, NEW.

For more information, visit: www.newenergysolar.com.au

New Energy Solar



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New Energy Solar
1H 2021 Financial Results

31 August 2021

Disclaimer

This presentation is prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645) (**Investment Manager**), a corporate authorised representative (CAR No. 1237667) of E&P Funds Management Pty Limited (ACN 159 902 708, AFSL 450 257), and investment manager for New Energy Solar Fund (ARSN 609 154 298) (Trust), and New Energy Solar Limited (ACN 609 396 983) (**Company**). The Trust and the Company (together with their controlled entities) are referred to as the '**Business**', '**NEW**' or '**New Energy Solar**'.

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Agenda

1. **Operational performance and conditions**
2. **Operational and financial results for 1H 2021**
3. **Conclusion**

Presenters

Liam Thomas, incoming Chief Executive Officer, NESM

Warwick Keneally, Chief Financial Officer, NESM

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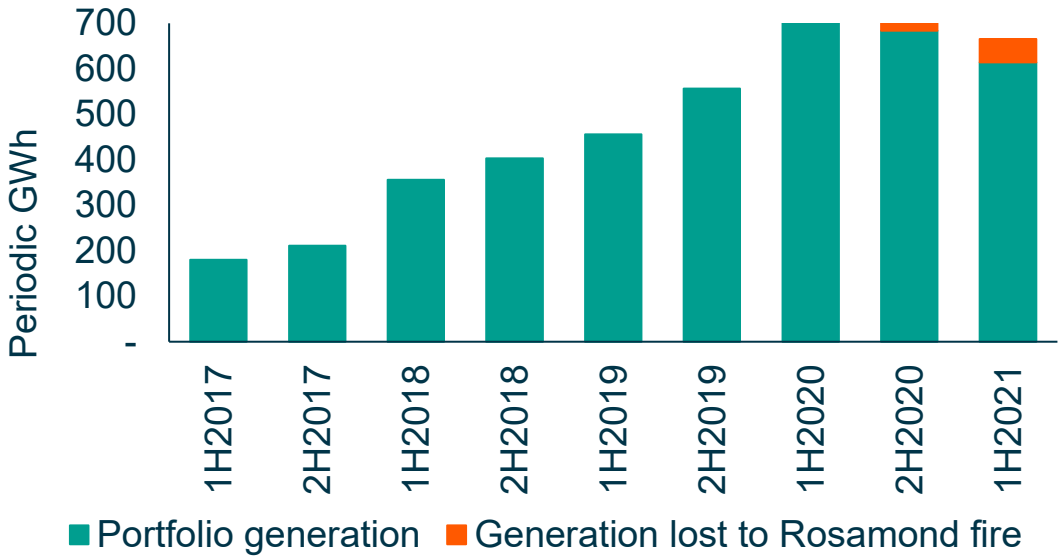
1 Operational performance and conditions

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1H 2021 generation output

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Portfolio generation output[1]



Key 1H 2021 result metrics

US$33.8m

Revenue from sale of electricity, flat compared to H1 2020[2]

US$15.3m

Underlying EBITDA attributable to NEW[2]

3.0c

Per share in distributions and dividends

389,000

Tonnes of CO_2 displaced from H1 2021 operations[3]

Note: Portfolio underlying financial performance including underlying earnings, underlying revenues and EBITDA are non-IFRS measures employed by NEW to provide investors with additional information on the performance of NEW. Since NEW is treated as an Investment Entity for accounting purposes, the portfolio underlying financial performance is not presented in the statutory results. Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, the NEW's statutory results.

Notes: 1. Output calculated on 100% ownership basis **2.** Revenue calculated on 100% ownership basis including generation revenue and proceeds from business interruption insurance **3.** Calculated using the US Environmental Protection Agency's "AVoided Emissions and geneRation Tool" (AVERT), data from the Australian Department of the Environment and Energy

Sale of Australian assets

Assets sale to fund capital management initiatives recommended by strategic review

- Performance of Australian assets impacted by congestion issues as new generation surges ahead of investment to upgrade NSW transmission
- Generation from Beryl was below expectations, while Manildra was frequently curtailed by AEMO resulting in generation more than 40% below expectations
- Sale of assets to Banpu Energy, an international energy provider listed in Thailand and operating in ten countries, announced on 7 June 2021 with settlement occurring on 30 July 2021
- Net of transaction costs, approximately $88 million available for the repayment of debt and the conduct of on and off-market buybacks
- Gearing reduced to 50.6% subsequent to half-year end, near the Fund's long-term target of 50%
- Format and timing of buybacks announced on 30 July 2021 with off-market buyback booklet to be dispatched to investors in early September
- Assets sale represents exit from Australian market with portfolio now focused on United States

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NEW looks ahead

A quality solar portfolio in the progressive United States market offers opportunity

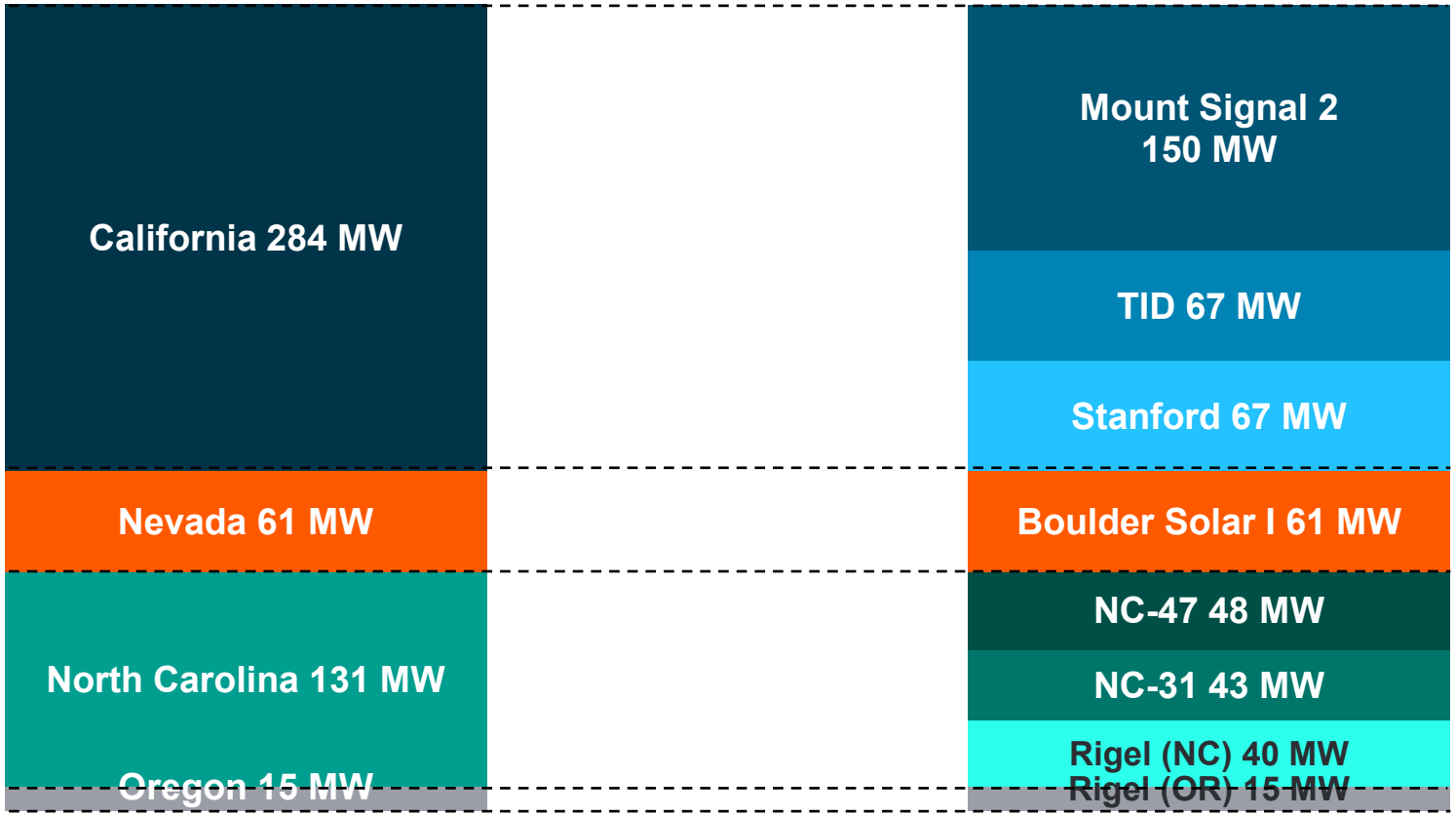
- NEW's 14 U.S. based solar assets represent a quality portfolio in a market where the energy transition is supported by policy and investment
- The strategic review capital management initiatives in 2H 2021 will provide liquidity for shareholders and strengthen NEW's capital structure
- Improved capital structure and remediation of Rosamond plants underpins sustainability of income for shareholders
- Post balance date, long-term electricity price forecasts from energy consultants Wood Mackenzie show electricity prices increasing to 2050 in response to U.S. federal government policy implemented to ensure investment in zero-emissions generation to replace retiring thermal generation[1]
- Opportunities for asset owners include collaboration with utilities to 'firm up' renewables, including storage solutions

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Note: 1. North America power markets 2021 outlook to 2050: Base case, Executive Summary July 2021

NEW portfolio focused on United States markets

Portfolio diversification by capacity[1]

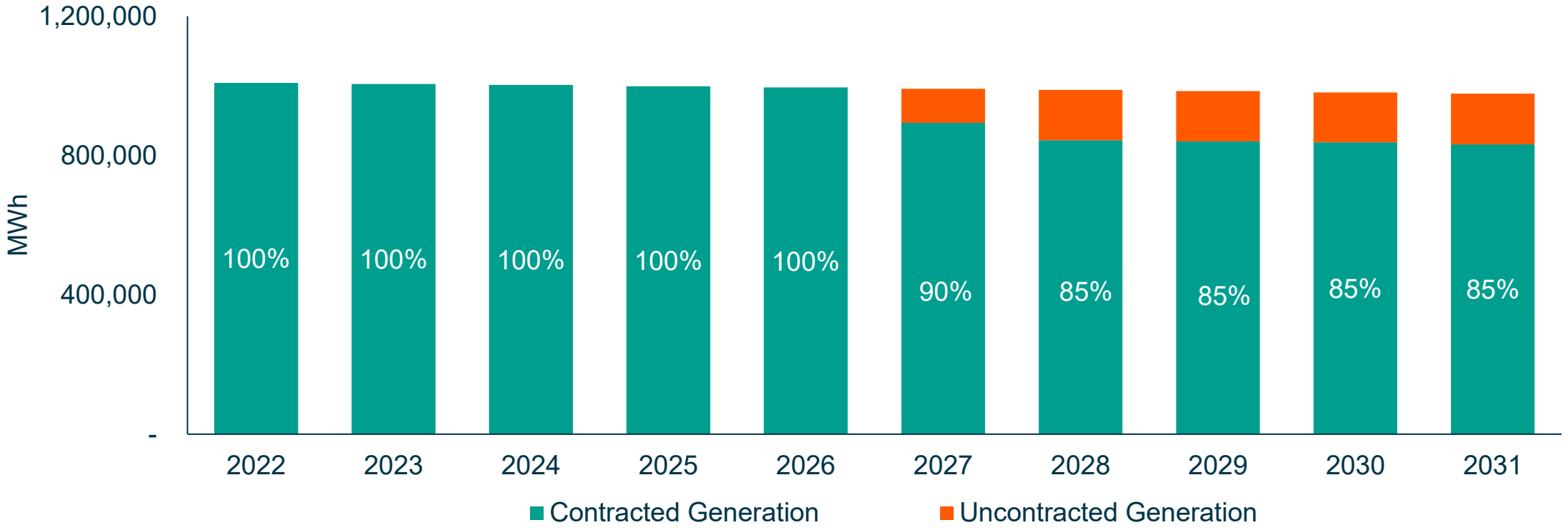


Note: 1. Accounts for capacity on an ownership basis, that is, MS2 at 75% and Boulder at 49%

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NEW portfolio is secured by PPAs

With sale of Beryl, 100% of revenue is contracted under long-term PPAs until 2027

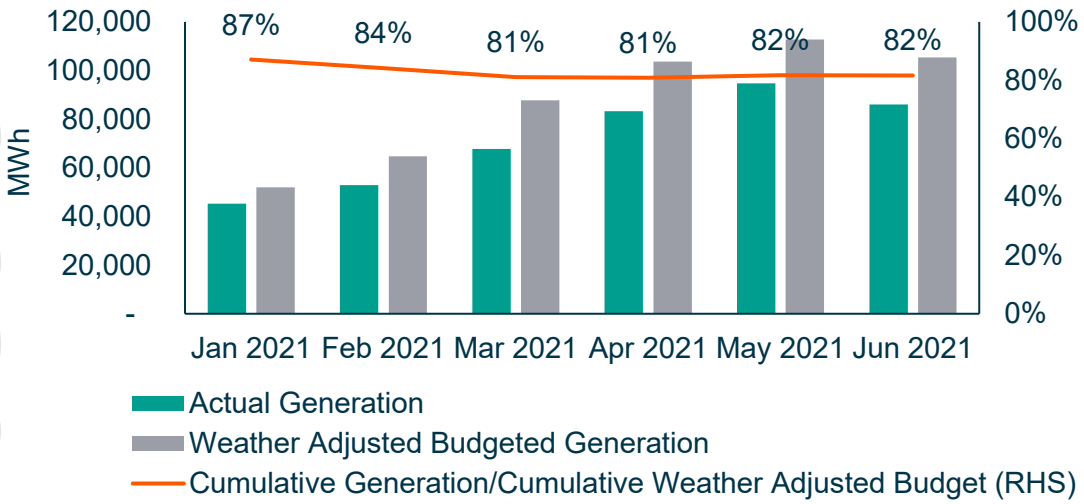


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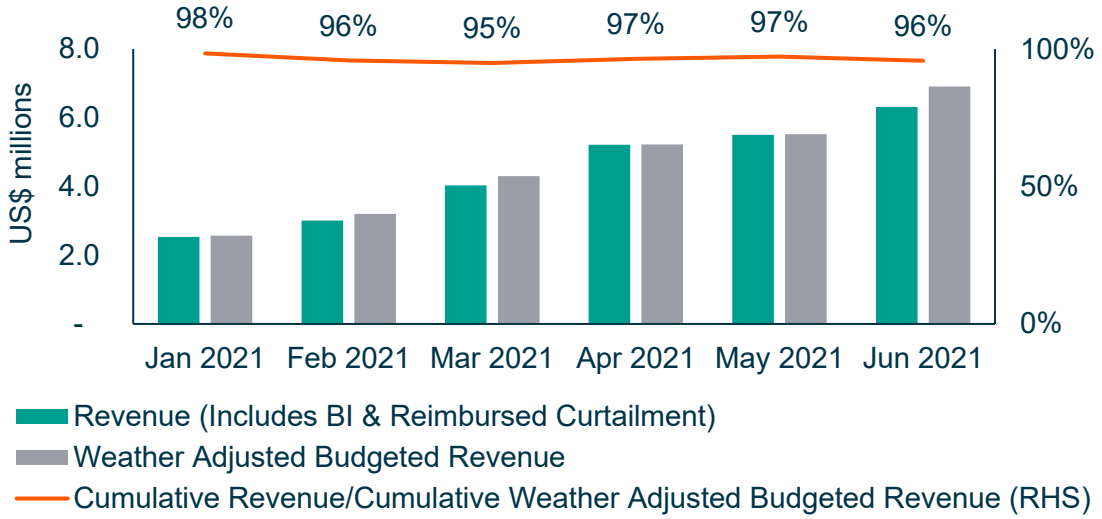
Portfolio performance of US assets

Portfolio performance[1]

US Portfolio Generation Performance



US Portfolio Revenue Performance



- US assets are intact and performing well despite widespread US fire season
- Generation deficit primarily from Rosamond fire damage and curtailment at MS2
- Insurance coverage at Rosamond and compensation for economic curtailment under terms of MS2 PPA have resulted in immaterial impact on revenue

Note: 1. Generation and forecasts are shown on an equity ownership basis

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Managing plant performance issues

Progressing Rosamond remediation, the key to better performance

Rosamond – in progress

- NEW working with insurers to progress remediation as quickly as possible
- Over 44,000 modules have been delivered to site and more than 15,000 have been installed
- As at mid-August, approximately 80% capacity is online, with a further 2% expected by end of August/early September
- Insurance proceeds have covered cost of site restoration and business interruption has been paid for 12 months as per the terms of the policy
- Any potential shortfall may still be recovered but is not expected to be material

MS2 – improved performance

- Work done in the latter part of 2020 has greatly improved the performance of MS2 in 2021
- Equipment optimisation work is ongoing; supported by NEW's independent engineer, equipment manufacturers and the O&M contractor

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Movement of asset values in 1H 2021

Key factors:

- The realised prices for the Australian assets after accounting for transaction costs impacted net asset values, reflecting the poor performance of those assets in 2021 as congestion in the transmission networks necessitated regular curtailment by the Australian Electricity Market Operator (AEMO) to maintain grid function
- The valuation of the U.S. portfolio assets for the half year to 30 June 2021 incorporated long-term electricity forecasts averaged over recent periods which continue to reflect the subdued outlook for electricity prices, accordingly values were down from 31 December 2020
  - Very recent commentary appears to suggest that the outlook for long-term electricity prices may be improving as the market seeks to meet the U.S. federal government targets to decarbonize the electricity sector by 2035
- The depreciation of the Australian dollar over the six-month period had a positive impact on U.S. asset values

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Strategic review implementation

Key actions completed; capital management proposal announced

Strategic Initiative	Status
Sale of shares in US Solar Fund Plc	✓
Sale of up to a 50% interest in Mount Signal 2 (MS2) solar power plant	✓
Sale of the two Australian assets/exit from Australian electricity market	✓
Unstapling to simplify NEW's corporate structure and streamline its corporate governance[1]	✓
Use of asset sale proceeds to reduce debt and the cost of debt	✓
Implementation of capital management initiatives	Announced

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Note: 1. The Notice of Meeting for the Trust Winding Up Resolution which resulted in the unstapling is dated 3 June 2021 and is available on the NEW website under ASX announcements



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2 Operational and financial results for 1H 2021

Statutory result reflects portfolio valuations

Realised values of NSW assets and continued subdued outlook for long-term electricity prices reduce portfolio fair value

A$(21.0)m
Statutory revenue

A$(30.7)m
Loss before tax

A$(35.1)m
Loss after tax

1H 2021 earnings composition[1]

A$m	1H 2021
Fair value movement	(28.3)
Foreign exchange gain/(loss)	(0.1)
Finance income	1.4
MSA fee income	6.0
Total revenue	**(21.0)**
Other operating expenses	(9.7)
Total expenses	**(9.7)**
Profit/(loss) before tax	**(30.7)**
Income tax benefit/(expense)	(4.4)
Profit/(loss) after tax	**(35.1)**

Notes: 1. Earnings may not be additive due to rounding. **2**. FX loss on cash balances and USD receivables

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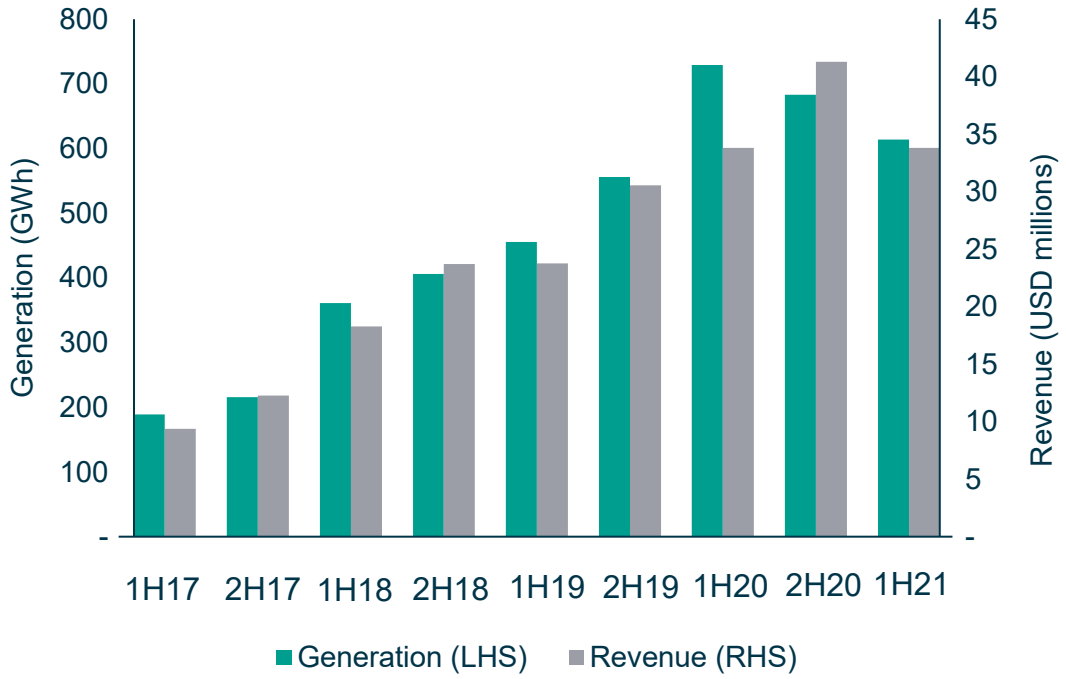
Underlying cashflows remain robust

US$33.8 million underlying revenue[1] includes Rosamond insurance proceeds and MS2 curtailment compensation

Underlying earnings[2]

	1H 2021 (US$m)	1H 2020 (US$m)	Growth (%)
Gross revenue[1]	33.8	33.8	-
Less: operating expenses	(8.9)	(10.0)	
EBITDA	**24.9**	**23.8**	**4.6%**
Less: Distributions to tax equity and EBITDA attributed to co-investors	(9.6)	(7.4)	
EBITDA attributable to NEW	**15.3**	**16.4**	**(6.6%)**

Underlying revenue and generation



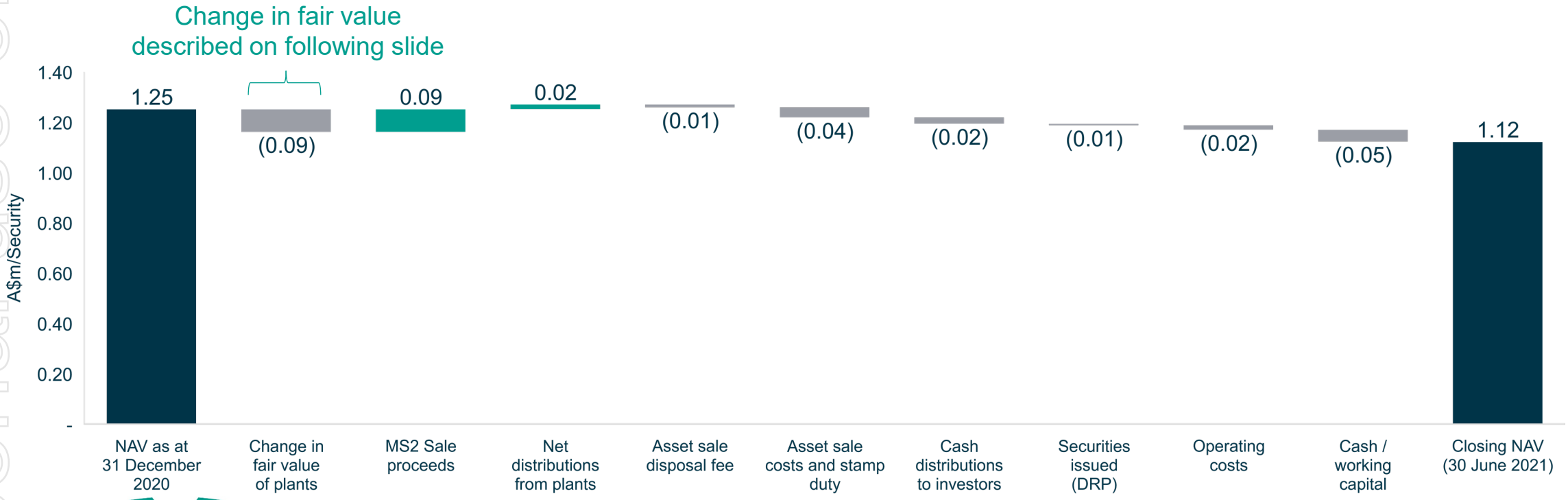
Notes: 1. Calculated on 100% ownership basis including revenue from generation and business interruption insurance proceeds **2.** Underlying earnings calculated based on unaudited financial statements and management reports. Manildra and Beryl underlying earnings converted from AUD to USD at FX rate of 1AUD:0.7498USD. Historical performance is not a reliable indicator of future performance. Numbers may not be additive due to rounding

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Net asset value bridge

Net Asset Value (NAV) per security of A$1.12 at 30 June 2021

Change in NAV since 31 December 2020[1]



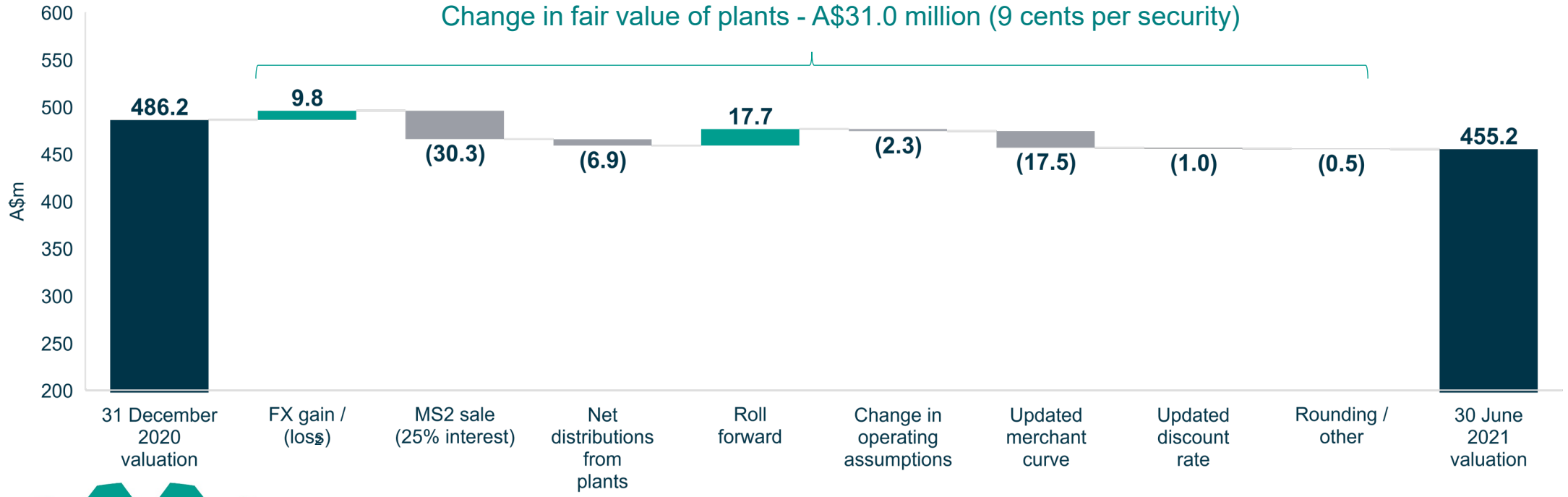
Notes: 1. Movements may not be additive due to rounding

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Fair value bridge

Fair value impacted by realised values for Australian assets and continued subdued outlook for long-term electricity prices

Change in fair value since 31 December 2020[1]



Notes: 1. Movements may not be additive due to rounding **2.** Foreign exchange gains on the A$ value of operating plants over the period

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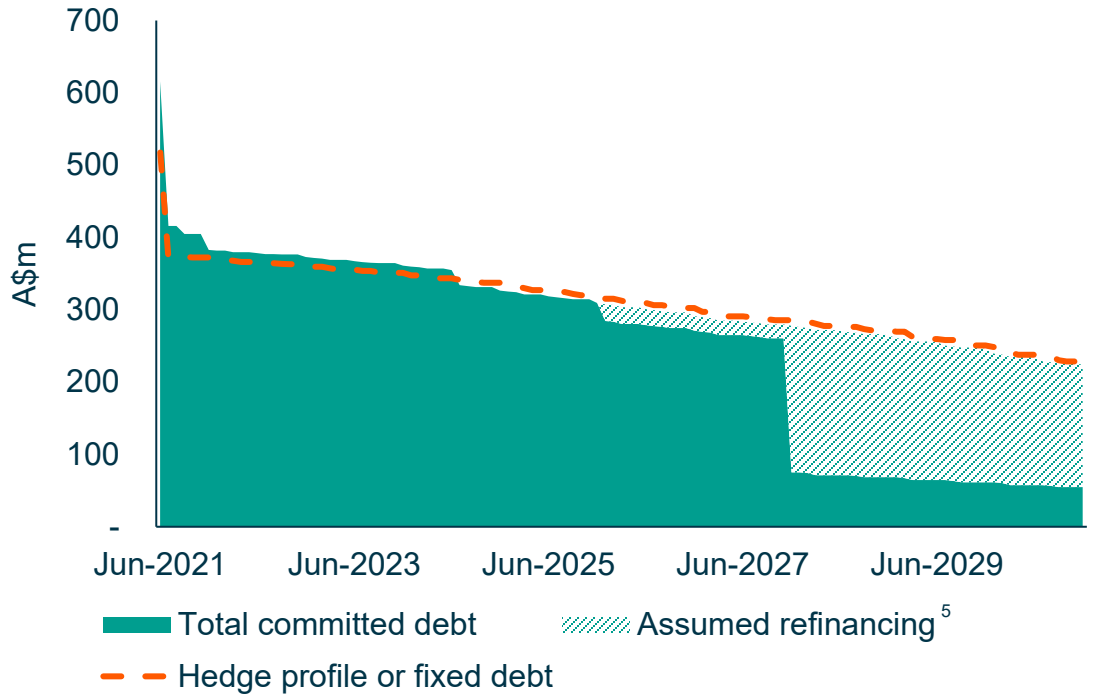
Capital structure and financing

External look-through gearing of 60.3%[1] reducing to close to 50% long-term target

Key debt metrics

	As at 30 June 2021
Weighted average cost of debt	4.70%
Weighted average debt maturity	6.5 years
Weighted average fixed debt term	19.0 years
Fixed rate proportion (10 years)	93%[2]
Gearing	60.3%[1]
Gross drawn debt	A$609.4m[3]

Projected gross external debt maturity profile[4]



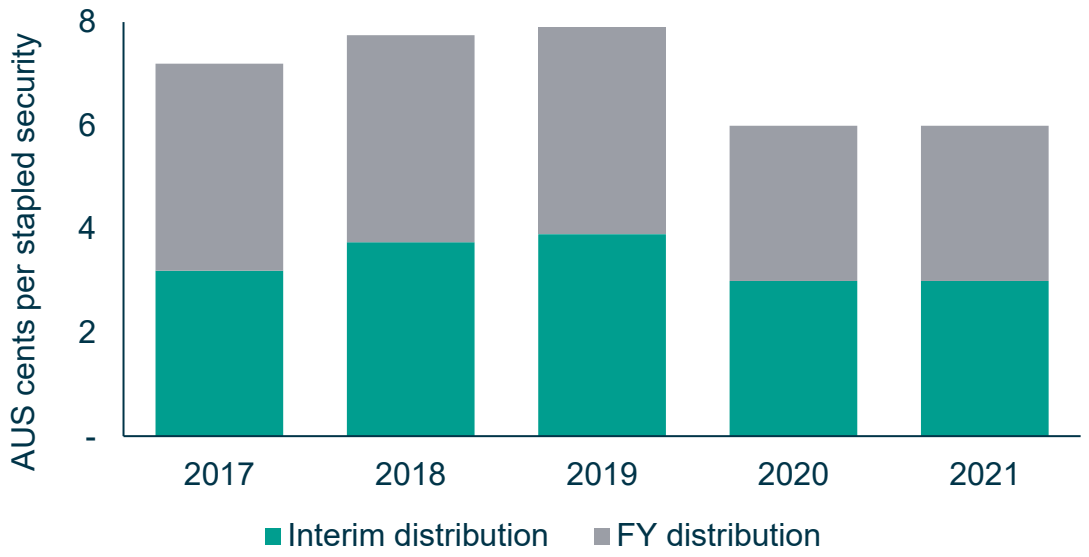
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Notes: 1. Gearing = Gross Debt / Gross Asset Value **2.** Refers to proportion of debt service costs that are fixed **3.** US$ values converted to A$ at the 30 June 2021 exchange rate of 1AUD:0.7498USD **4.** The chart is a projection only assuming no debt refinancing. Actual debt balances will be dependent on exchange rates, future acquisitions and operating cash flows. **5.** 'Assumed Refinancing' represents future refinanced debt as implied by NEW's total funding requirements and the existing committed debt facilities and securities

Distributions

- 1H 2021 dividend of 3.0 cents per share paid 26 August 2021
- Cash generation over the life of the assets supports investor dividends
- Operational issues and debt amortisation have led to short-term dividend cash coverage of less than 1x
- NEW is focused on rectifying asset performance issues and optimising the debt structure to improve cash coverage

Distributions since IPO



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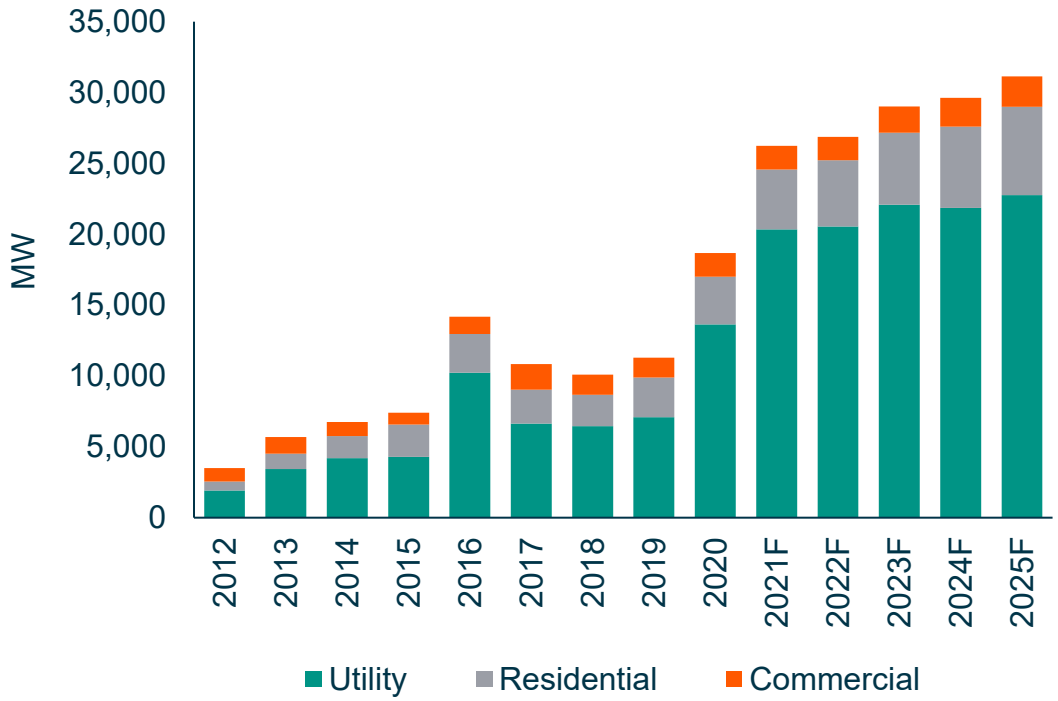
3 Conclusion

U.S. market conditions for renewables

Critical political and economic momentum behind climate action and investment

- 2020 saw record wind and solar additions in the U.S., exceeding previous highs in all categories – residential, commercial, utility[1]
- Momentum continued into Q1 2021 with 3.63GW$_{DC}$ of utility installations completed, the largest first quarter on record[2]
- BloombergNEF expects the U.S. wind and solar fleet to triple in the next ten years
- U.S. federal administration target of full decarbonization of the electricity sector by 2035 requires even more significant growth[1]

U.S. solar capacity additions[1]



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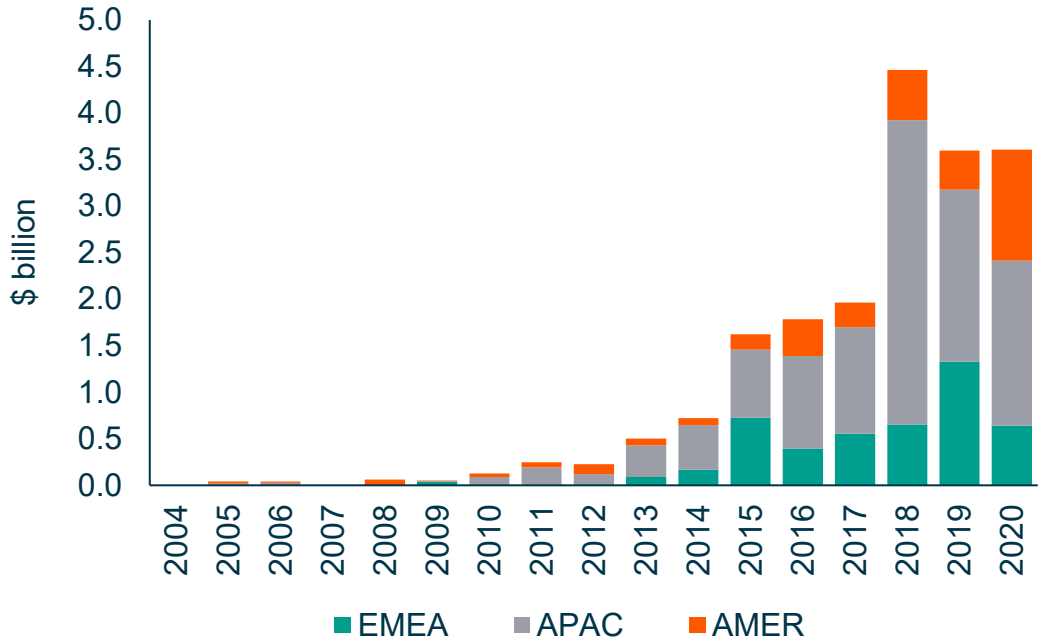
Notes: 1. BloombergNEF 1H 2021 U.S. Renewable Energy Market Outlook, Strong years ahead but more needs to be done April 9, 2021
2. SEIA and Wood Mackenzie U.S. Solar Market Insight Q2 2021 June 2021

U.S. market conditions for renewables

Investment in storage projects in the Americas comprises a third of global investment[1]

- Energy storage is complementary to renewable capacity and the Americas achieved record level of investment in storage in 2020 of $1.2 billion[1]
- Unit cost of energy storage declined 10% from 2019 to 2020, resulting in more megawatt hours installed for less capital[1]
- Large battery projects in 2020 included:
  - 300MW/1200MWh Vistra Moss Landing, California
  - 250MW LS Power Gateway, California

Global investment in energy storage[1]



Note: stationary energy storage projects only; excludes pumped hydro, compressed air energy storage and hydrogen projects.

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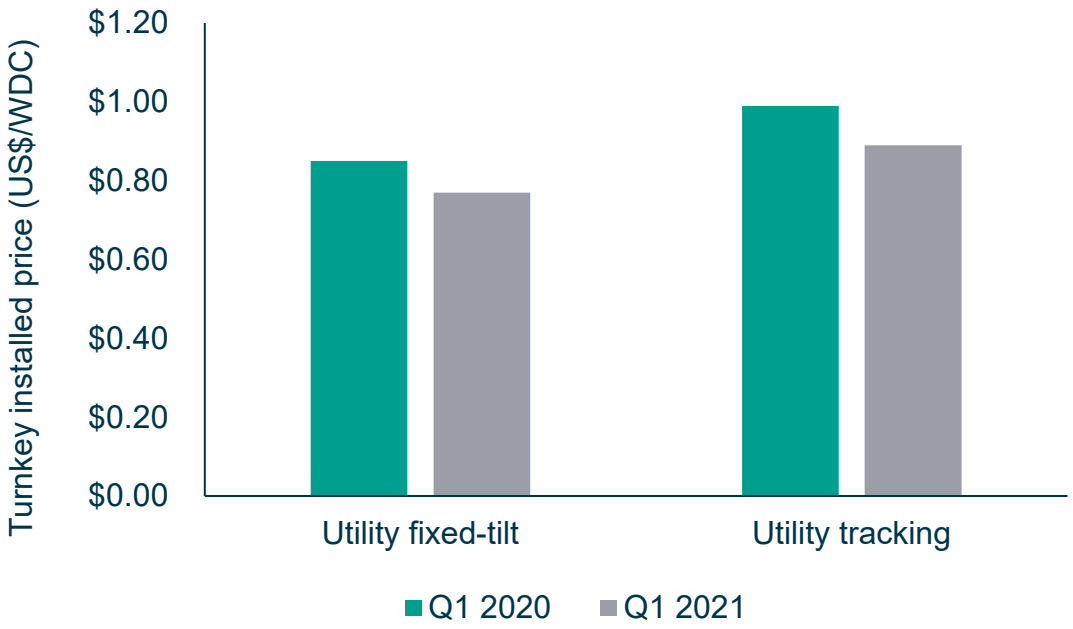
Notes: 1. BloombergNEF Energy Transition Investment Trends, Tracking global investment in the low-carbon energy transition, January 2021

U.S. market conditions for renewables

Demand appears unaffected but record low solar electricity pricing may not persist

- For the first time in over a decade, solar module prices are expected to increase[1]
- Other costs in solar builds, steel, aluminium, copper and freight, are under pressure from global construction boom
- Impact not evident in Q1 and demand at record-breaking levels with 17.9GW[2] of additional utility-scale solar expected to be built in 2021 in the U.S.
- Era of record low solar bids may be over

Modeled U.S. national average system prices[2]



Note: includes PV module; electrical BOS; direct labour; supply chain, overhead, margin; PV inverter; structural BOS; design, engineering and permitting.

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Notes: 1. BloombergNEF 2Q 2021 Global PV Market Outlook, Yes, solar prices can rise, May 21, 2021. **2.** SEIA and Wood Mackenzie U.S. Solar Market Insight Q2 2021 June 2021.



Thank you

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Appendix

Statutory earnings

NEW is an 'Investment Entity' under AASB 10 and therefore does not consolidate its subsidiaries but recognises income and fair value movements from its investments

	A$	1H 2021
1	Fair Value movement	(28,297,550)
3	Foreign exchange gain/(loss)	(123,777)
2	Finance and other income	1,404,964
	MSA fee income	6,000,000
	Total Revenue	**(21,016,363)**
	Finance Expenses	(592)
	Responsible entity fees	(23,171)
	Investment management fees	(1,015,541)
4	Other operating expenses	(8,610,557)
	Total Expenses	**(9,649,861)**
	Profit/(loss) before tax	**(30,666,224)**
	Income tax benefit/(expense)	(4,384,056)
	Profit/(loss) after tax	**(35,050,280)**

1. Fair value movements in investments
2. Primarily interest income on the loan from New Energy Solar Fund to NES US Corp., a subsidiary of New Energy Solar Limited
3. Foreign exchange gain on cash balances and USD receivables
4. Operating costs of the stapled structure, includes disposal and advisory fees on Australian assets sale

Notes: Presented on a combined basis for New Energy Solar Limited and New Energy Solar Fund.

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Net asset value build-up

NEW's portfolio is valued semi-annually – net asset value at 30 June 2021 was A$401.0m

Asset	Equity	Debt (Fair Value)	Debt (Outstanding balance)	Enterprise Value
US PLANTS				
Stanford TID	US$72.7m	US$65.7m	US$58.7m	US$138.4m
NC-31 NC-47	US$63.0m	US$22.1m	US$21.3m	US$85.1m
Boulder Solar 1	US$32.3m	US$26.2m	US$22.7m	US$58.5m
Rigel portfolio	US$24.0m	US$24.0m	US$21.7m	US$48.0m
MS2	US$70.2m	US$181.4m	US$151.7m	US$251.6m
Subtotal (US$)	**US$262.3m**	**US$319.4m**	**US$276.2m**	**US$581.7m**
Subtotal (A$ equivalent)[2]	**A$349.8m**	**A$426.0m**	**A$368.4m**	**A$775.8m**
AUS PLANTS				
Manildra	A$42.9m	A$67.8m	A$62.1m	A$110.7m
Beryl	A$62.5m	A$127.3m	A$114.2m	A$189.8m
Subtotal	**A$105.4m**	**A$195.1m**	**A$176.4m**	**A$300.5m**
Subtotal All Plants	**A$455.2m**	**A$621.2m**	**A$544.8m**	**A$1,076.4m**
USF stake	-	-	-	-
Corporate Debt	(A$65.4m)	A$65.4m	A$64.7m	-
Working capital	A$11.2m	-	-	A$11.2m
Total	**A$401.0m**	**A$686.5m**	**A$609.4m**	**A$1,087.6m**

Notes: Totals may not be additive due to rounding. **1.** Enterprise Value = Equity + Debt (Fair Value). **2.** USD values converted to AUD at 30 June 2021 FX rate of 1AUD:0.7498USD

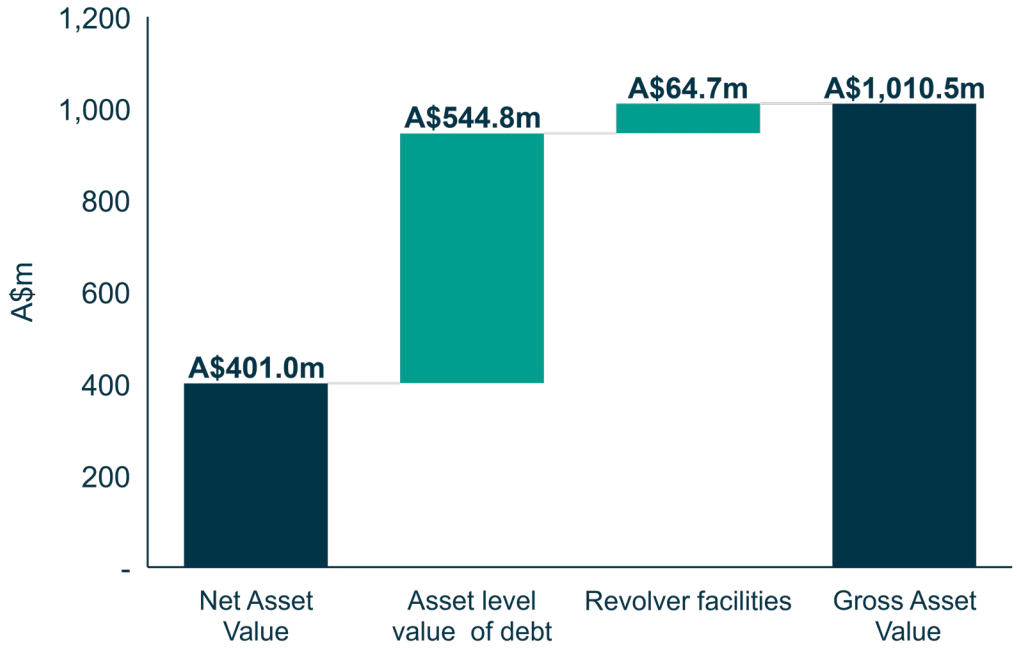
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Gross asset value reconciliation

NEW's gross asset value (GAV) decreased to A$1.1bn over the period, largely due to currency movements

GAV reconciliation[1]

	Equity
Net Asset Value	**A$401.0m**
Asset level value of debt	A$544.8m
Corporate revolver balance outstanding	A$64.7m
Gross Asset Value	**A$1,010.5m**



Notes: 1. USD values converted to AUD at 30 June 2021 FX rate of 1AUD:0.7498USD

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Capital structure and financing

External look-through gearing was 60.3%[1], vs. target gearing of 50% of gross assets

NEW debt facilities as at 30 June 2021

Facility	Type	Available facility	Drawn	Security
North Carolina Facility	Loan	US$21.3m	US$21.3m	NC-31 and NC-47
US Private Placement 1	Bond	US$58.7m	US$58.7m	Stanford and TID
Mount Signal 2 Facility[2,3]	Loan	US$151.7m	US$151.7m	Mount Signal 2
US Revolving Credit Facility	Loan	US$45.0m	US$31.6m	Corporate
US Private Placement 2	Bond	US$22.7m	US$22.7m	Boulder Solar I
Rigel Facility	Loan	US$21.7m	US$21.7m	Rigel
KCI Loan	Loan	US$15.0m	-	Corporate
US Facilities Subtotal		**US$336.2m**	**US$307.9m**	
US Facilities Subtotal (A$ equivalent)[5]		**A$448.4m**	**A$410.6m**	
Manildra Facility	Loan	A$62.1m	A$62.1m	Manildra
Beryl Facility[4]	Loan	A$114.2m	A$114.2m	Beryl
Infradebt Facility	Loan	A$22.5m	A$22.5m	Corporate
AUS Facilities Subtotal		**A$198.9m**	**A$198.9m**	
Total Debt		**A$647.3m**	**A$609.4m**	
Gross Assets			**A$1010.5m**	
Gross Look Through Gearing (%)			**60.3%**	

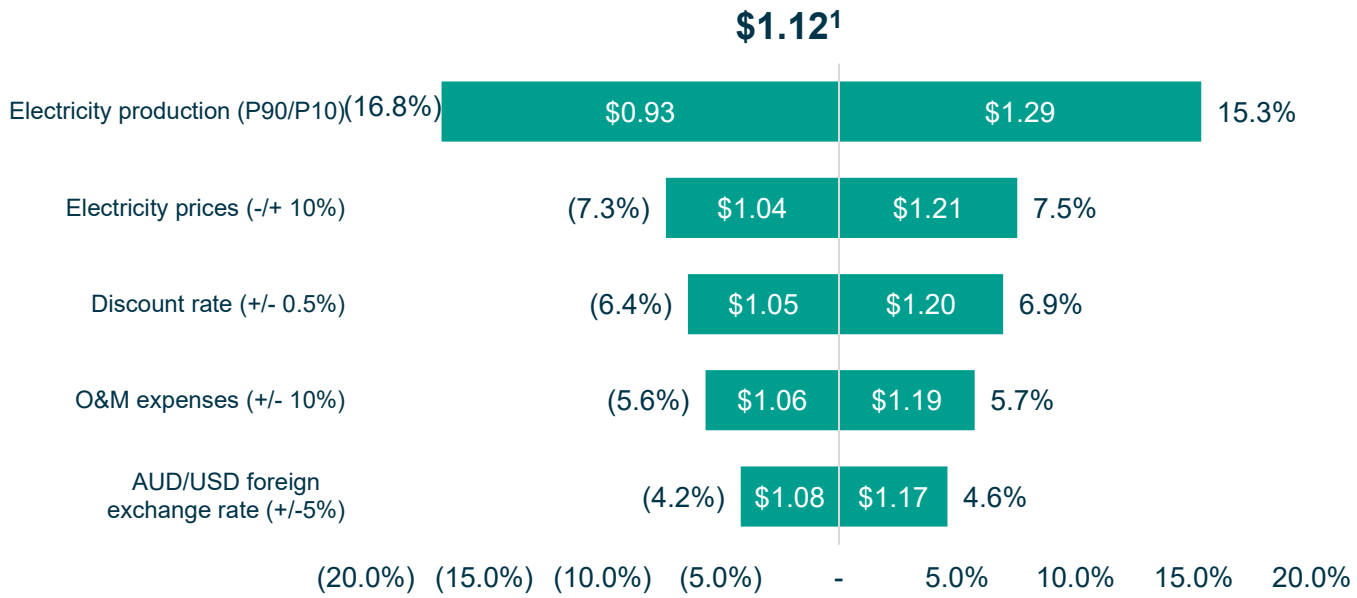
Notes: 1. Gearing calculated as Gross Debt / Gross Asset Value (GAV) **2.** Excluding US $8.5 million Mount Signal 2 revolving loan facility which was undrawn as at 30 June 2021. **3.** US$ values converted to A$ using 30 June 2021 FX rate of 1AUD:0.7498USD

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NAV sensitivity analysis

Variability in key parameters – production, pricing, cost and foreign exchange rates – are assessed in NEW's asset valuations

Change in NAV



Notes

- P90/P10 electricity production refers to forecast production volume at 90% and 10% probability of exceedance, a common measure of downside/upside levels for solar plants
- Changes in discount rates affect the fair value of NEW's investments, but do not effect cash flows generated by the plants
- All of NEW's assets have PPAs in place, with exposure to electricity prices prior to the expiry of PPAs limited to the period of uncontracted generation between MS2's commercial operations date and PPA start date. NEW's portfolio had a capacity weighted average remaining PPA term of 15.0 years as at 30 June 2021
- NEW has contracted Operations and Maintenance for terms ranging from 1 to 10 years across its plants, and may contract for terms that are more or less favourable upon contract expiry

Notes: 1. Net asset value per stapled security as at 30 June 2021

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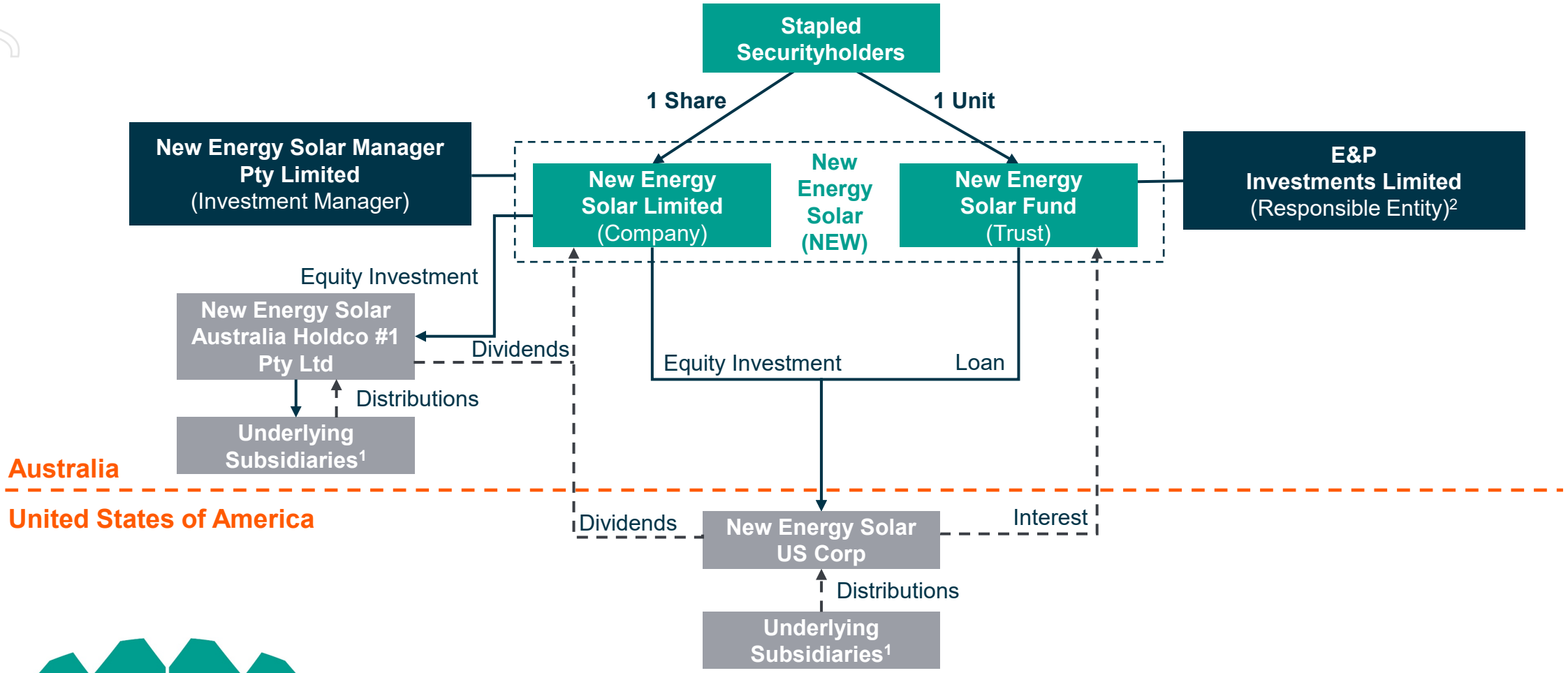
Operating portfolio

Asset	EQUITY OWNERSHIP %	CAPACITY	LOCATION	COD	PPA OFFTAKER	PPA TERM (FROM COD)	O&M PROVIDER
Stanford	99.9%	67.4 MW_{DC}	Rosamond, California	Dec 2016	Stanford University	25 years	SunPower Corporation, Systems
TID	99.9%	67.4 MW_{DC}	Rosamond, California	Dec 2016	Turlock Irrigation District	20 years	SunPower Corporation, Systems
NC-31	100.0%	43.2 MW_{DC}	Bladenboro, North Carolina	Mar 2017	Duke Energy Progress	10 years	Miller Bros. Solar
NC-47	100.0%	47.6 MW_{DC}	Maxton, North Carolina	May 2017	Duke Energy Progress	10 years	DEPCOM Power, Inc
Boulder Solar I	49.0%	124.8 MW_{DC}	Boulder City, Nevada	Dec 2016	NV Energy	20 years	SunPower Corporation, Systems
Hanover	100.0%	7.5 MW_{DC}	Onslow, North Carolina	Jun 2018	Duke Energy Progress	15 years	CCR O&M
Arthur	100.0%	7.5 MW_{DC}	Columbus, North Carolina	Jul 2018	Duke Energy Progress	15 years	CCR O&M
Heedeh	100.0%	5.4 MW_{DC}	Columbus, North Carolina	Jul 2018	Duke Energy Progress	15 years	CCR O&M
Church Road	100.0%	5.2 MW_{DC}	Johnston, North Carolina	Aug 2018	Duke Energy Progress	15 years	CCR O&M
Pendleton	100.0%	8.4 MW_{DC}	Umatilla County, Oregon	Sep 2018	PacifiCorp	~13 years	CCR O&M
County Home	100.0%	7.2 MW_{DC}	Richmond, North Carolina	Sep 2018	Duke Energy Progress	15 years	CCR O&M
Bonanza	100.0%	6.8 MW_{DC}	Klamath, Oregon	Dec 2018	PacifiCorp	~13 years	CCR O&M
Organ Church	100.0%	7.5 MW_{DC}	Rowan, North Carolina	Feb 2019	Duke Energy Carolinas	15 years	CCR O&M
Mount Signal 2	75.0%[1]	199.6 MW_{DC}	Calexico, California	Dec 2019	Southern California Edison	20 years	First Solar

Notes: 1. Sale of 25% interest to US Solar Fund announced on 31 December 2020. US Solar Fund has the option to purchase another 25% in the following 12 months

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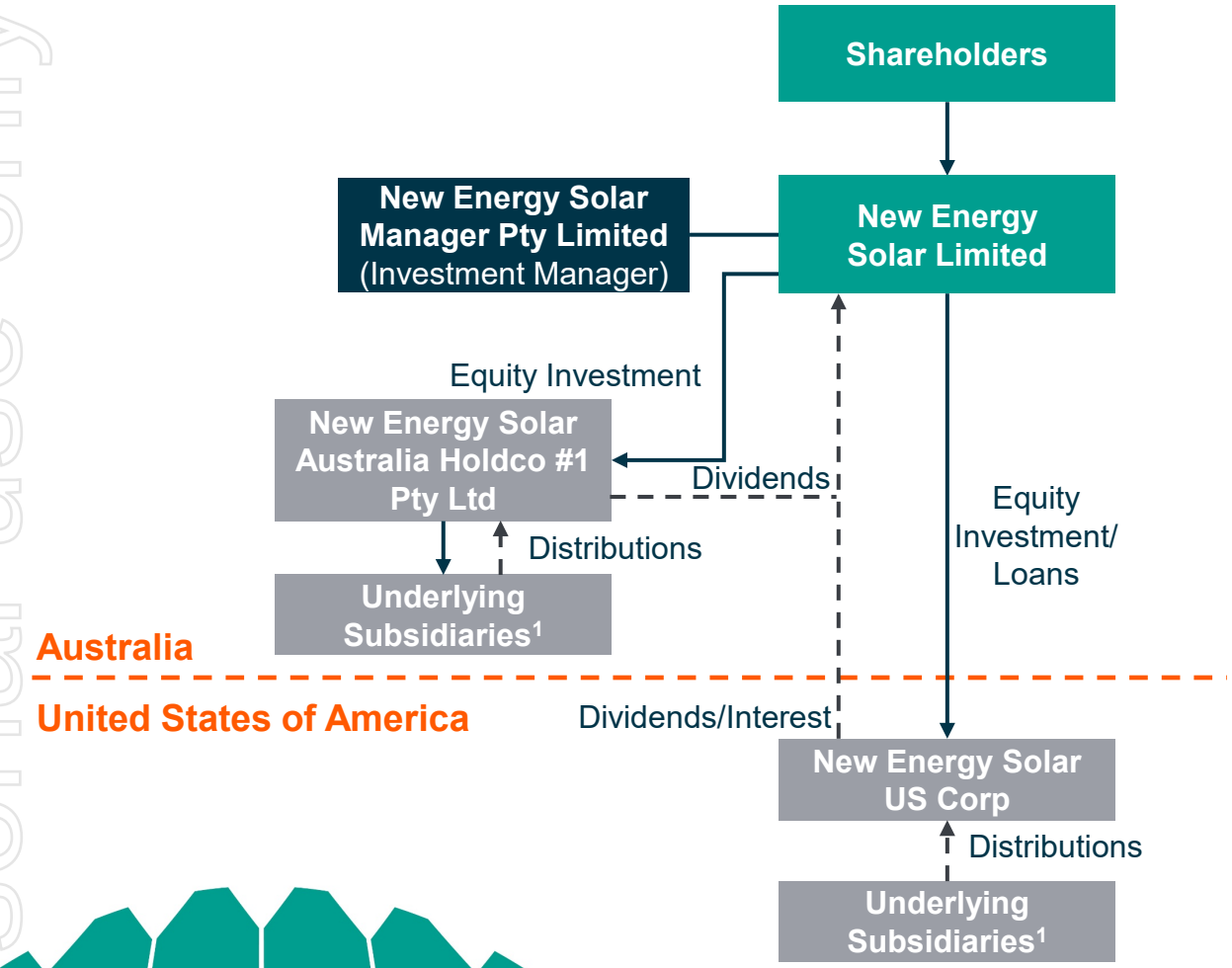
Structure overview – 30 June 2021



Notes: **1.** Underlying plants are held by subsidiaries via partnership structures **2.** AFSL 410 433

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Future structure



- Stapled structures are commonly used by infrastructure funds because of their advantages in attracting infrastructure investment from foreign investors.
- The benefits cited for stapled structures include:
  - Ability for investors to receive tax deferred distributions from the Trust or dividends from the Company.
  - Investors' income streams can be allocated between the Company and the Trust.
  - Foreign investors can access concessional rates on distributions under Australia's managed investment trust withholding tax rules.
- The Business no longer needs to have access to, or obtain, an AFSL and removing the Trust from the stapled structure has simplified New Energy Solar's corporate structure and streamlined its corporate governance by having a single listed corporate entity, New Energy Solar Limited.
- Changes to Australian tax rules since 2019 have eroded some of the benefits of a stapled structure and similarly, more recent changes to US tax rules on interest deductibility have limited the efficiency of a stapled structure.
- The trading activity of NEW on the ASX is sufficient for NEW to qualify as a "regularly traded" security which would allow NEW to access the US/Australian Double Tax Treaty, which facilitates tax efficient distributions from the US.

Notes: **1.** Underlying plants are held by subsidiaries via partnership structures

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