

22 August 2022

## **NEW ENERGY SOLAR (ASX:NEW)**

### **SALE OF 14 U.S. SOLAR ASSETS TO MN8 ENERGY**

New Energy Solar Limited (**ASX:NEW, the Company**) announces that it has reached a binding agreement to sell its portfolio of 14 U.S. solar assets to a subsidiary of MN8 Energy LLC. (**MN8**), formerly known as Goldman Sachs Renewable Power LLC., for a gross purchase price<sup>1</sup> of US\$244.5 million (A\$352 million)<sup>2</sup> (**Purchase Price**) (**Proposed Transaction**). This is expected to result in net proceeds (after transaction costs, allowances for future U.S. tax, and the disposal fee payable to the Investment Manager) of US\$224 million (A\$322 million) (**Net Proceeds**).

The Purchase Price is consistent with the net asset value of NEW's U.S. portfolio which was US\$242 million at 31 December 2021 and US\$244.7m on a pro-forma basis at 30 June 2022. It is expected that NEW shareholders will receive:

- An initial return of capital of \$A0.82 per share, expected to be paid approximately six Business Days after completion of the Proposed Transaction; and
- A further return or returns of capital estimated to total between \$A0.13 and \$A0.16<sup>3</sup> per share on winding up of NEW<sup>4</sup>, expected to take place prior to the end of 2023.

The combined initial and expected future returns of capital represent a 20-24% premium to the share price of \$0.79 per share on 8 August 2022 before preferred acquirer exclusivity in respect of the Proposed Transaction was announced (**the Pre-Exclusivity Price**), and a 14-18% premium to NEW's volume weighted average trading price of \$0.83 per share over the previous 12 months.

As previously announced, the Board of NEW implemented a series of strategic initiatives through 2021, including the sale of its Australian assets; a share buyback; and a return of capital, to address the discount at which NEW has traded on the ASX. Despite these measures, the trading discount persisted, and in February 2022 the NEW Board announced a comprehensive sale process for its U.S. asset portfolio. The process resulted in the Board recommending that NEW proceed with the Proposed Transaction which will enable all shareholders to achieve a significant premium to the Pre-Exclusivity Price and represents the most attractive course of action for NEW.

<sup>1</sup> Subject to working capital adjustments at close of the Proposed Transaction.

<sup>2</sup> Currency conversions are based on AUD/USD = 0.6950. It is important to note that the Net Proceeds will be received in US\$ and the actual amount of A\$ proceeds received will depend on the exchange rate at the time of conversion subject to a future hedging arrangement that the Company intends to establish.

<sup>3</sup> Based on an AUD/USD range of 0.69 to 0.72.

<sup>4</sup> An additional meeting of NEW shareholders may be required to consider the further capital return(s) and will be required to consider the winding up of NEW.

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The Proposed Transaction remains subject to conditions set out in the transaction documents including NEW shareholder approval, customary financier and offtaker consents, and customary U.S. regulatory approvals. The Proposed Transaction represents the sale of NEW's main undertaking and, if approved by shareholders and if the transaction conditions are met, will eventually result in the de-listing of NEW from the ASX and the winding up of the Company.

#### EGM to Approve the Proposed Transaction and Distribution of Net Proceeds

NEW is releasing a Notice of Meeting today providing more details on the Proposed Transaction and setting out the resolutions to effect shareholder approval of the Proposed Transaction and the initial distribution of Net Proceeds by way of capital return. The Board of NEW unanimously recommends that shareholders vote in favour of all the resolutions, in the absence of a superior proposal. The meeting will be a hybrid meeting at 11.00am (AEST) on Monday, 26 September 2022 held as a physical meeting at Level 32, 1 O'Connell Street, Sydney NSW 2000 and a virtual meeting at <https://meetings.linkgroup.com/NEWEGM22>.

The Notice of Meeting will be dispatched on Wednesday 24 August 2022 to all registered shareholders.

#### Distribution of Net Proceeds

Subject to completion of the Proposed Transaction and shareholder approval, the Net Proceeds will fund an initial return of capital of A\$0.82 per share expected to be paid on or around six Business Days after completion of the Proposed Transaction. The balance of the Net Proceeds will be retained to discharge all the Company's liabilities and to meet the costs of administration until that process is complete, which is expected to occur by the end of 2023. At that time, subject to a further shareholder approval, a further capital return or returns will occur in respect of the cash balance remaining in NEW, estimated to be between \$0.13 and \$0.16 per share.

#### De-listing from the ASX

Following completion of the Proposed Transaction and the initial \$0.82 per share return of capital, NEW intends to seek in-principle advice from ASX and shareholder approval to de-list from the Official List of the ASX. De-listing will assist in reducing administration costs pending the winding up of the Company.

NEW is advised by RBC Capital Markets, Ashurst, and Foley & Lardner.

For investor and media inquiries please contact:

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*Authorised for release by the Board of 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 financial returns, this strategy generates significant positive environmental impacts for investors.

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

For more information, visit: [www.newenergysolar.com.au](http://www.newenergysolar.com.au)

