

New Energy
Solar

RENEWABLE ENERGY. SUSTAINABLE INVESTING

NEW expands its Australian portfolio with acquisition of Beryl Solar Power Plant

23 July 2018

Disclaimer



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About New Energy Solar (ASX: NEW)



NEW is Australia's largest listed owner of solar infrastructure

Key achievements

Successful IPO with A\$200m raised

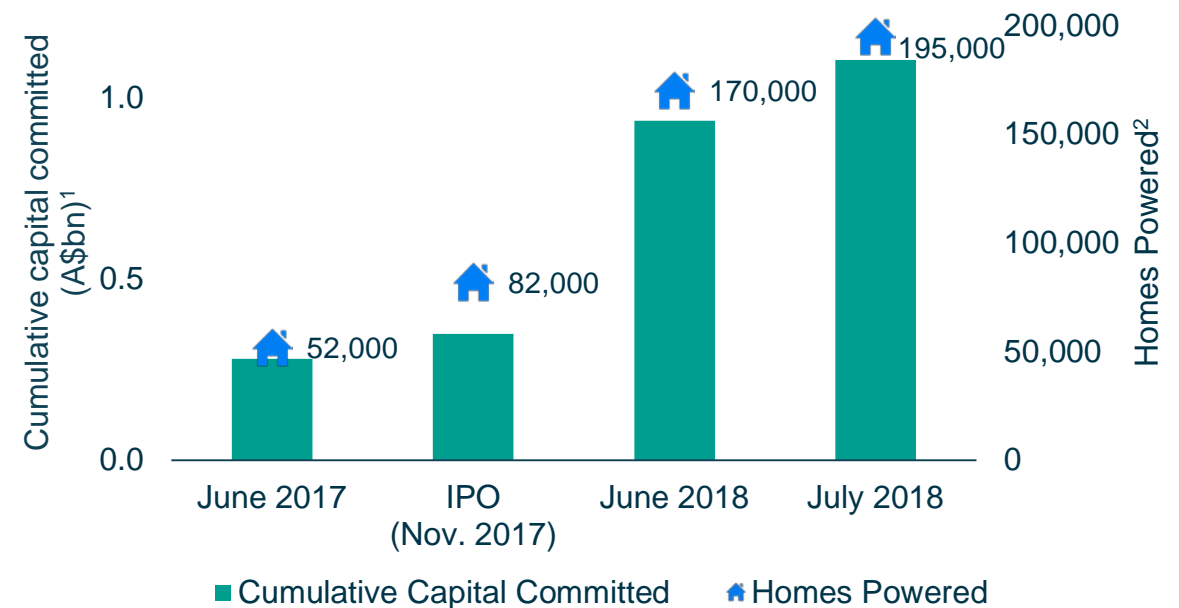
High-quality acquisitions totalling A\$1.1bn

Tripled business size in one year

Diversified portfolio across 22 power plants

A globally significant solar investor

Business growth



Notes: 1. For US\$ assets, the acquisition prices are converted into A\$ using the FX conversion rates on the dates that binding agreements were executed. 2. Based on full year expected production assuming committed MW_{DC} is operational and average household consumption of approximately 8,375KWh per annum.

US portfolio reflects favourable market conditions



20 plants with blue-chip offtake and capacity weighted remaining PPA term of 17.3 years^{1,2}

Oregon Plants

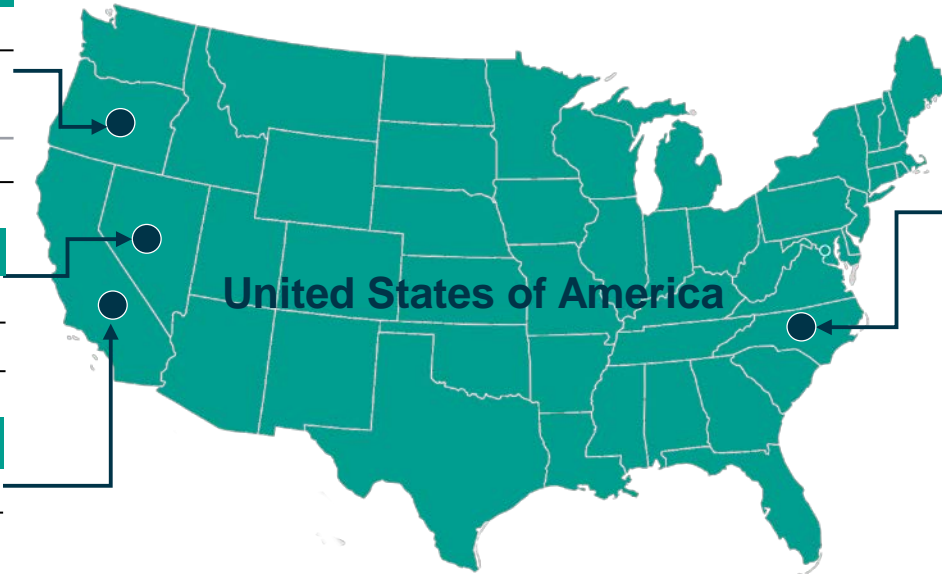
Name	Capacity (MW _{DC})	Offtaker
Bonanza	6.8	PacifiCorp
Pendleton	8.4	PacifiCorp
Total	15.2	

Nevada Plants

Name	Capacity (MW _{DC})	Offtaker
Boulder Solar 1	124.9	NV Energy

California Plants

Name	Capacity (MW _{DC})	Offtaker
Mount Signal 2	199.6	Southern California Edison
Stanford SGS	67.4	Stanford University
TID SGS	67.4	Turlock Irrigation District
Total	334.4	



North Carolina Plants

Name	Capacity (MW _{DC})	Offtaker
NC-31	43.2	Duke Energy Progress
NC-47	47.6	Duke Energy Progress
Hanover	7.5	Duke Energy Progress
Arthur	7.5	Duke Energy Progress
Church Road	5.2	Duke Energy Progress
Heedeh	5.4	Duke Energy Progress
Organ Church	7.5	Duke Energy Carolinas
County Home	7.2	Duke Energy Progress
Total	131.1	

Additional Committed US Projects

Name	Capacity (MW _{DC})	Location	Expected Offtaker
Rigel Portfolio ³	73.8	North Carolina and Oregon	Duke Energy Progress and PacifiCorp

Key
Operational
Acquired / under construction
Committed

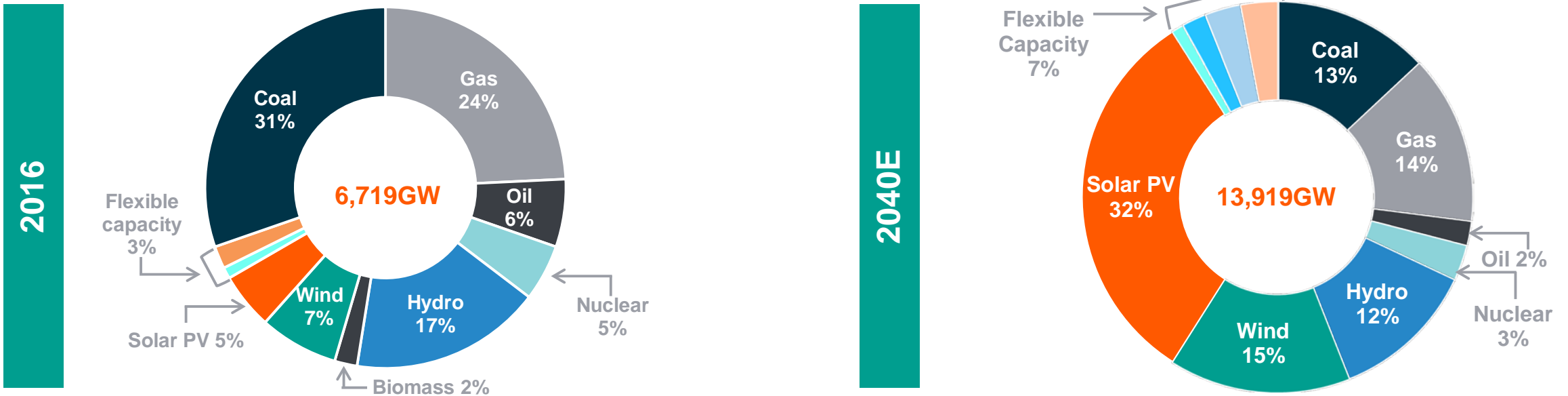
Notes: 1. Includes plants that are wholly or partly owned by NEW. Total US portfolio of 680MW_{DC} includes plants that are operational, acquired and under construction or committed. 2. PPA terms of committed projects have been determined from their expected commercial operation date. 3. Rigel Portfolio refers to portfolio of assets NEW has committed to acquire from Cypress Creek Renewables if certain conditions are met.

Solar energy is gaining ground globally



By 2040, solar PV is projected to represent 32% of global installed electricity generation capacity, up from 5% in 2016 – more than a 6x increase

Global installed generation capacity

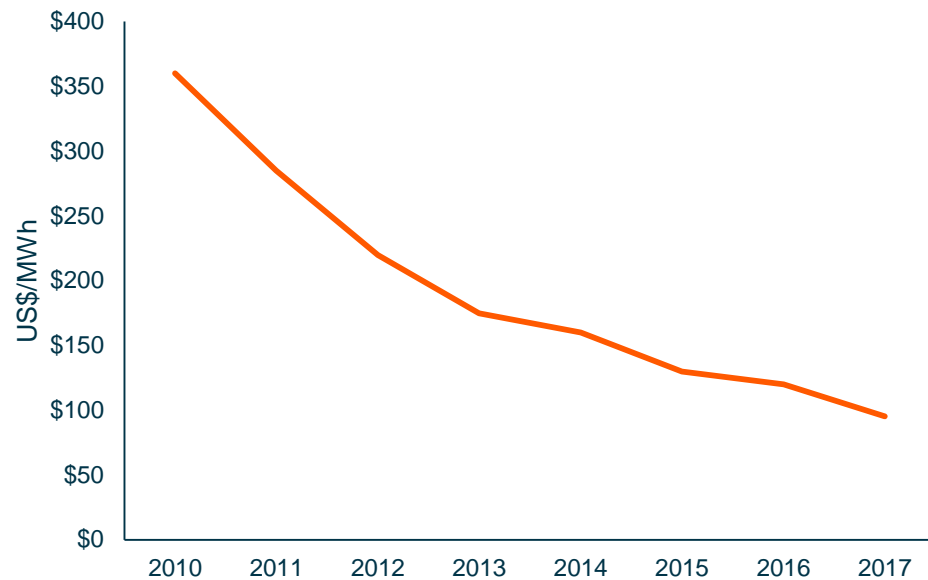


Cost is driving the transition to renewables

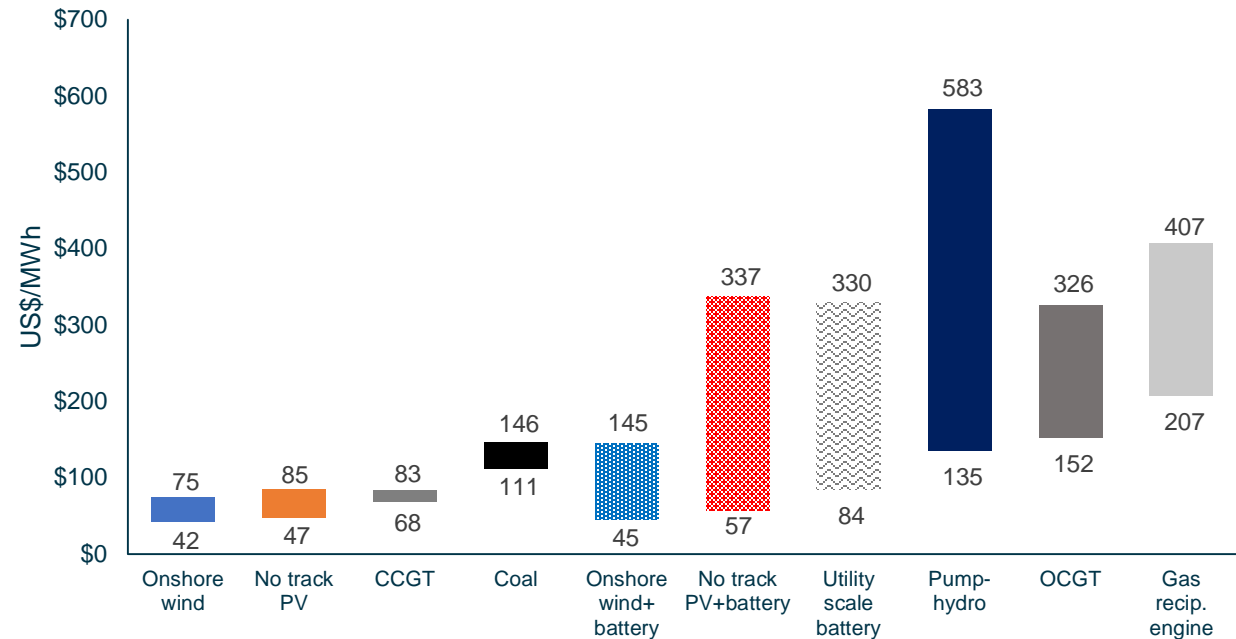


Renewable technology is becoming the most cost-effective source of electricity

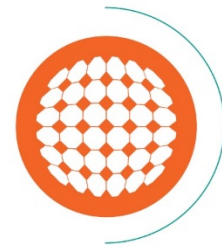
Global weighted levelized cost of solar PV¹ US\$/MWh



Levelised cost of electricity 1H 2018 Australia² US\$/MWh



Notes: 1. IRENA Renewable Power Generation Costs in 2017. 2. Bloomberg New Energy Finance, 1H 2018 LCOE Update – Global.



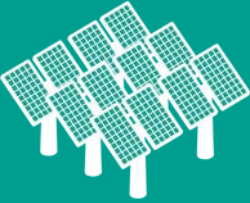
1 Beryl Solar Power Plant Acquisition




Beryl Solar Power Plant



A high-quality asset that complements the existing portfolio and further expands NEW's Australian footprint




108.4MW_{DC}
Solar Power Plant located in Central West NSW



Target
unlevered five-year average gross yield of 8.2%



Powering the
Sydney Metro Northwest railway




Approximately
69% contracted volume, with 31% exposed to NEM³ spot prices



Expected
~A\$187m construction cost



15-year
PPA with Transport for NSW¹



Accretive to
current operating portfolio yield of 6.8%²

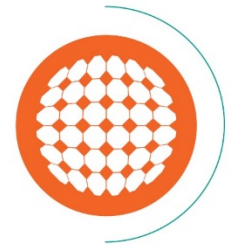


Full
commercial operations expected in mid-2019



Notes: 1. A NSW Government statutory body. 2. The operating portfolio gross yield reflects the expected average gross yield during 2018 of the five assets currently operating in the US and one asset (Manildra) in Australia. 3. National Electricity Market (NEM)

PPA and merchant generation

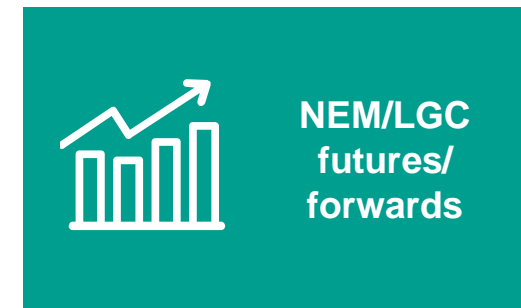


69% contracted generation provides revenue stability, and remaining 31% uncontracted generation provides opportunities to enhance returns and manage risk

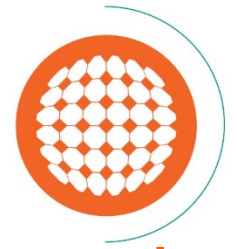
Transport for NSW PPA details

- 15 year tenor
- 134,000MWh contracted electricity per annum, with defined volume obligations over certain time intervals
- 134,000 contracted LGCs¹ per annum
- Represents approximately 69% of expected generation over PPA tenor

Uncontracted generation opportunities

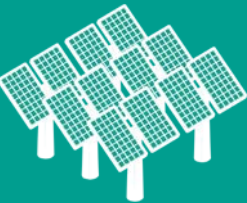


Australian portfolio environmental impact



Once Beryl commences commercial operations, NEW's Australian portfolio is expected to have a significant, positive impact on Australian emissions


Key metrics




Expected to generate 335,700 MWh of emissions-free electricity



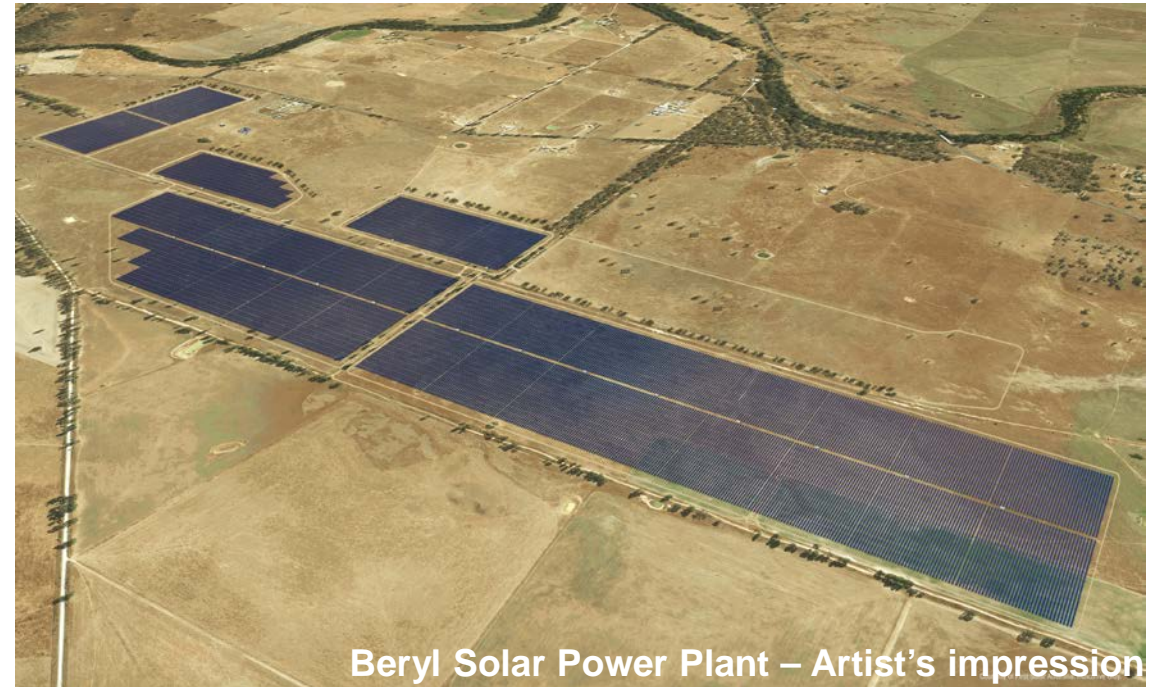
Equivalent to removing 69,000 cars from the road...



Displacing an estimated 258,000 tonnes of CO₂



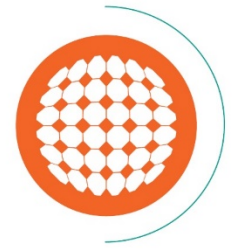
...or powering 39,000 homes



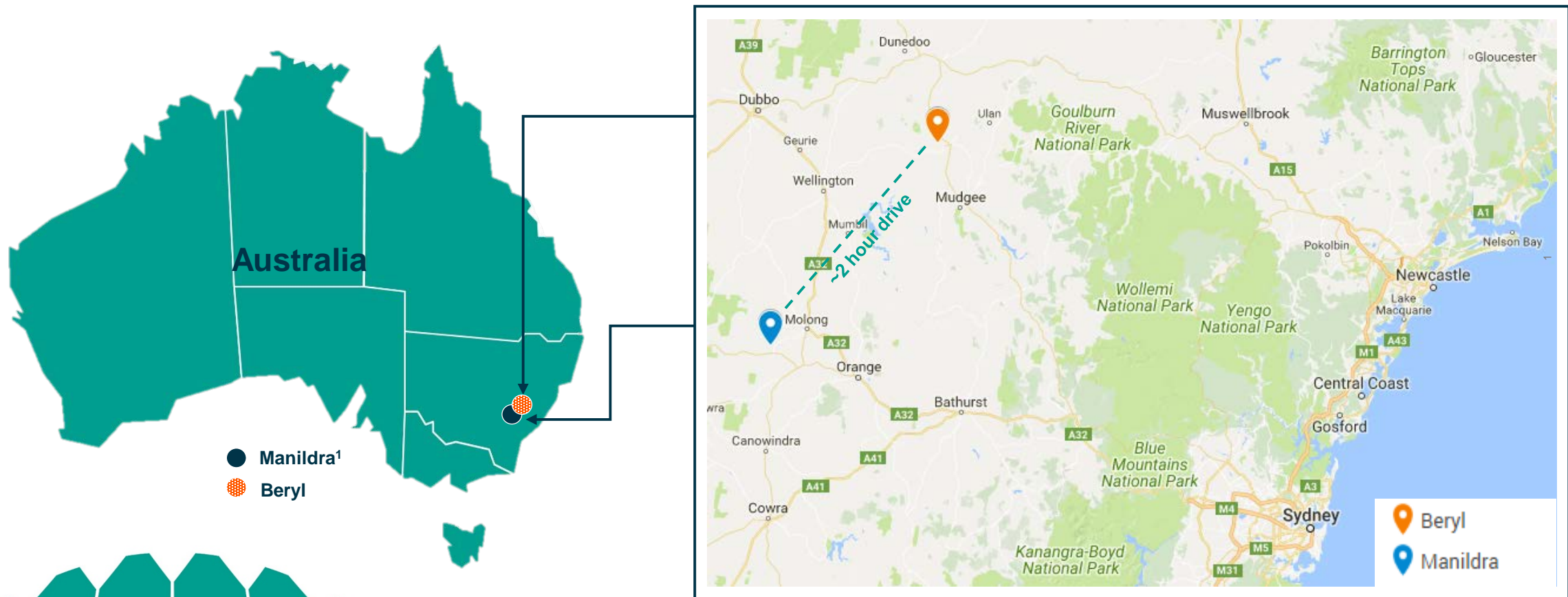
Beryl Solar Power Plant – Artist's impression



Plant location



Located approximately 240km north-west of Sydney, NSW, in one of the three priority renewable energy zones identified by the NSW Government

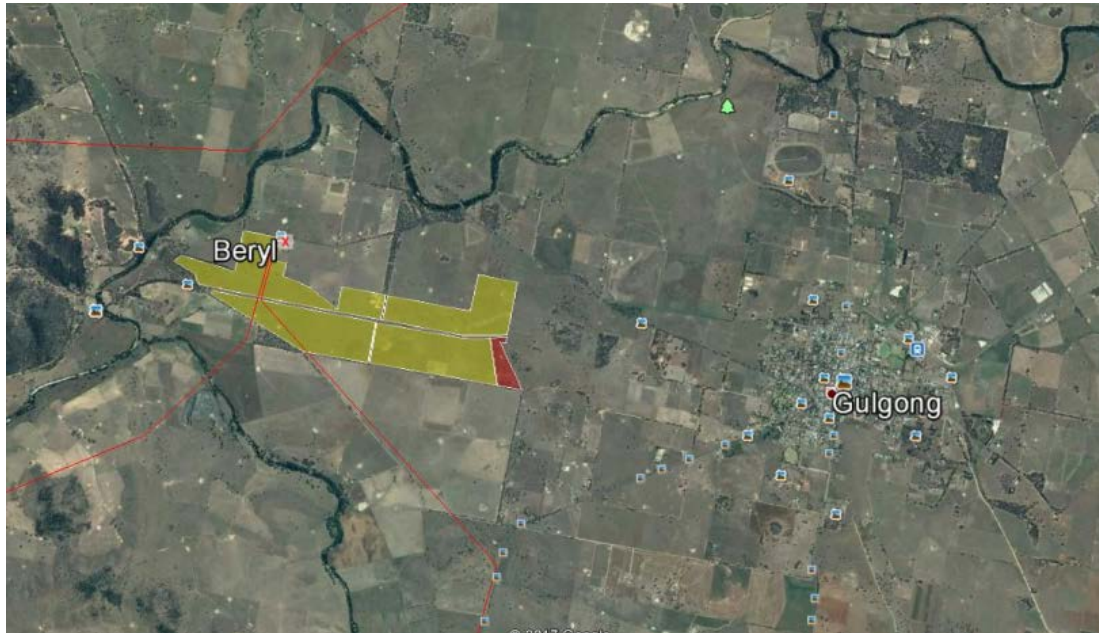


Notes: Map image sourced from Google Maps. 1. NEW announced its intention to acquire the Manildra Solar Power Plant on 25 June 2018.

Plant details



Strong solar resource underpinned by long-term offtake contract with a NSW State Government statutory body



TECHNICAL INFORMATION

Location	Beryl, New South Wales, Australia
Capacity	108.4MW _{DC} / 87.0MW _{AC}
Asset Description	Located on a 332 Ha site approximately 5km west of Gulgong
EPC Contractor	Downer Utilities Australia (ASX:DOW) ¹
PPA Offtaker	Transport for NSW (TfNSW)
PPA Term	15 years
PPA Proportion of Expected Generation	~69%
Estimated AC Capacity Factor	28.6%
PV Panels	First Solar Series 6
Inverters	Ingeteam
Trackers	Exosun

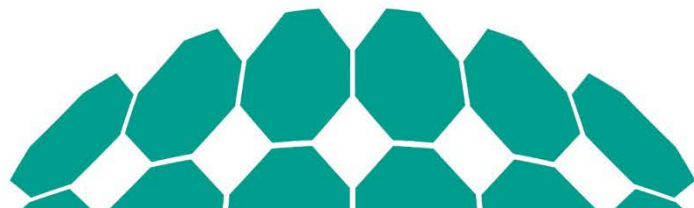
Notes: Map image sourced from google Maps. 1. Downer Utilities Australia Pty Ltd is a subsidiary of Downer EDI Limited (ASX:DOW). 2. Site area includes yellow shaded area but excludes the red shaded area.

Beryl, a complementary addition to NEW's portfolio



Investment highlights and strategic rationale

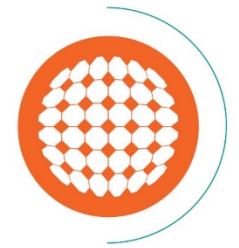
- ✓ **High-quality offtaker** → TfNSW, a statutory body of the NSW Government
- ✓ **Revenue stability** → 15 year PPA for 69% of expected generation
- ✓ **Building on strategic partnerships** → NEW has acquired three assets developed and/or operated by First Solar
- ✓ **Accretive to portfolio yield** → Unlevered 5-year average cash yield represents a 1.4% premium to current operating portfolio yield
- ✓ **Portfolio diversification** → Increases Australian asset weighting to comprise 20% of total portfolio
- ✓ **High-quality equipment** → Uses First Solar's industry-leading Series 6 modules





2 Portfolio Impact

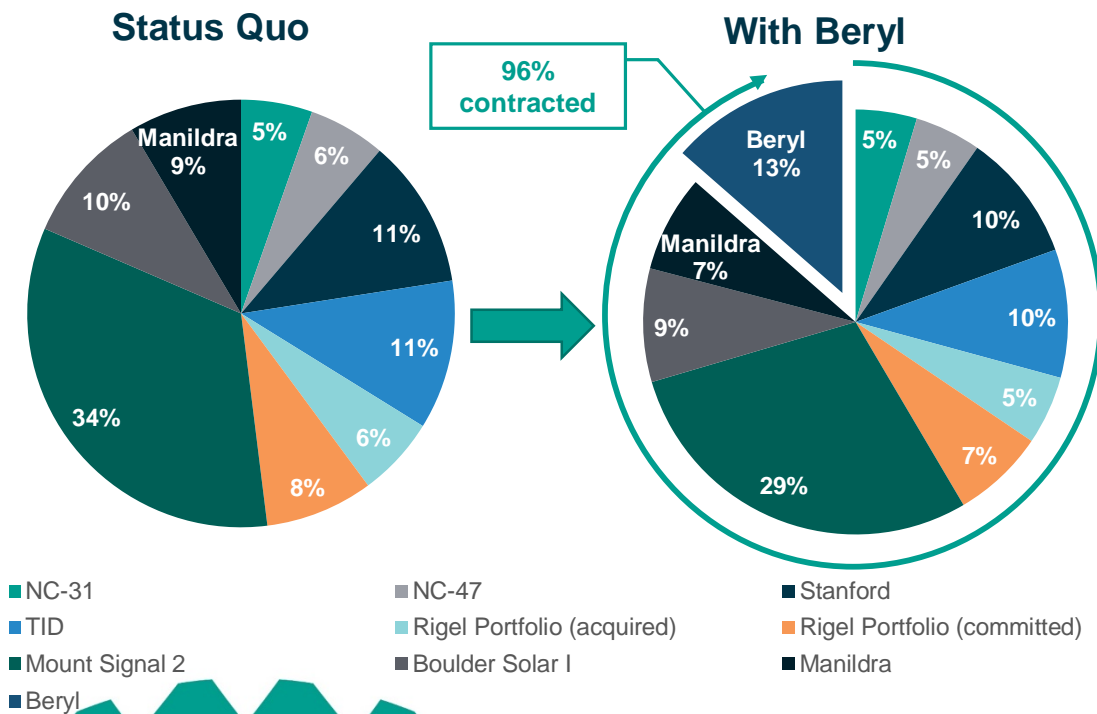




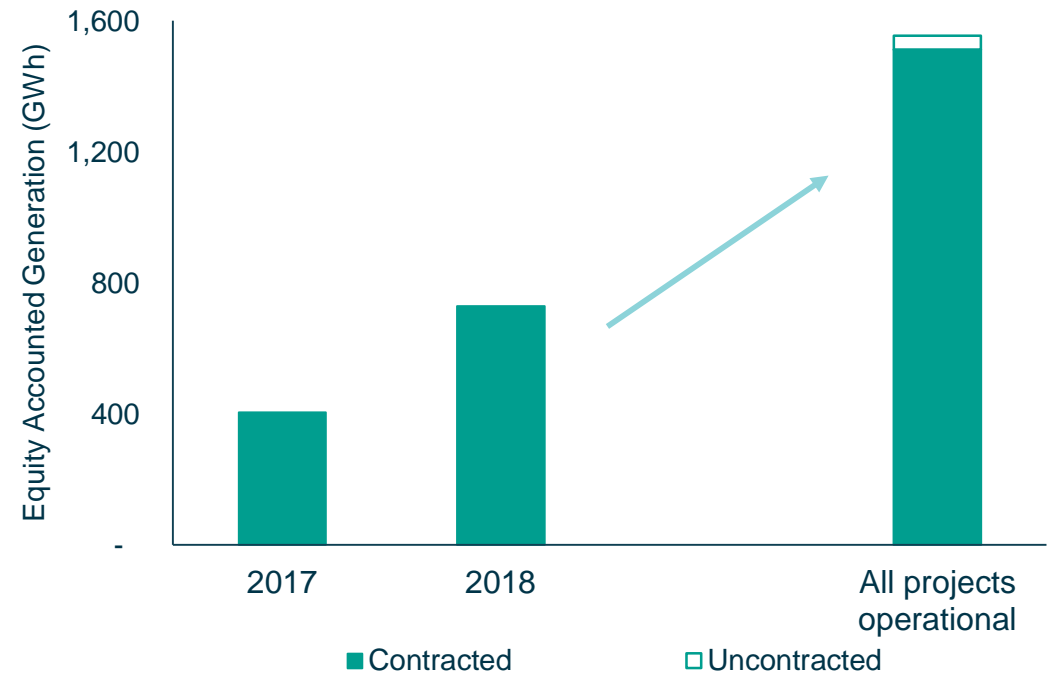
Portfolio Impact

Beryl acquisition will take NEW's portfolio to over 840MW of capacity¹, supporting strong growth in contracted generation and underlying cash earnings

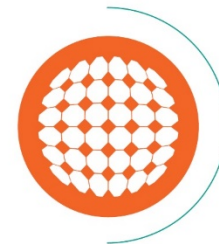
Portfolio Diversification by expected annual generation¹



Rapid Scaling of Operations²



Notes: 1. Figure includes assets which are operating, under construction or that NEW has committed to acquire. 2. Generation is illustrative based on NEW's effective equity interest in each asset, P50 forecasts and all projects being commissioned as expected.



Capital structure and financing

NEW has increasing access to long-term project and private placement debt on attractive terms with limited interest rate exposure

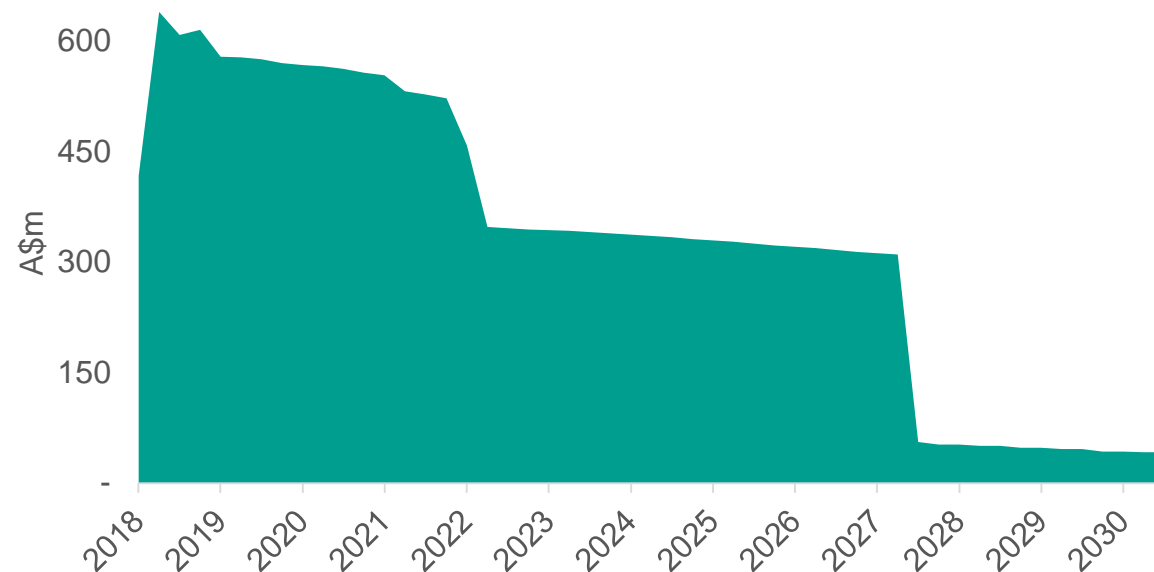
Beryl acquisition funding

- A\$125.4m project-level debt facility
- Equity funded with cash and corporate facilities

Long-term debt portfolio

- US\$62.5m US Private Placement in October 2017
- US\$438m equivalent bank debt raised in FY2018^{2,3}
- > 90% of debt service is fixed or hedged to end of 2030

External debt maturity and amortisation¹




NEW : A globally significant solar investor




NEW is now one of the largest listed global investors in large-scale solar generation


Key metrics



Total portfolio capacity of over 840MW_{DC}



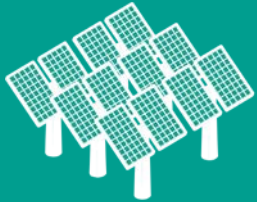
Capacity weighted average PPA term of 16.7² years



Generating more than 1,700,000 MWh of electricity annually




Equivalent to removing 282,000 cars from the road³...




22 sites across 1,900 hectares¹



Distributions totalling A\$25m to investors in Feb & August



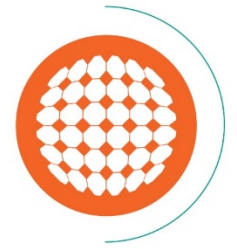
Displacing an estimated 1,153,000 tonnes of CO₂³



...or powering 195,000 homes⁴



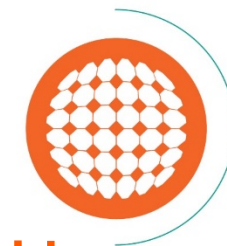
Notes: Estimates assume all construction and committed projects are operational and all projects and plants owned on a 100% basis. 1. Figure excludes Rigel portfolio. 2. As at 31 July 2018 and assuming the option to extend the Manildra PPA is exercised. 3. Calculated using the US Environmental Protection Agency's Avoided Emissions and generation Tool (AVERT). 4. Based upon an average house utilising approximately 8,375 KWh per annum.



3 Security Purchase Plan (SPP)



Security Purchase Plan



Opportunity for existing securityholders to acquire up to \$15,000 of new, fully-paid stapled securities

Security Purchase Plan details

- The proceeds of the SPP will partially fund the acquisition of Beryl and provide financial flexibility
- Issue price of the lower of:
 - The fixed price of \$1.416¹; and
 - The 10-day VWAP up to and including the Closing Date
- Securityholders will be eligible to participate in the SPP if they are a NEW securityholder with a registered address in either Australia or New Zealand²
- Participating in the SPP will incur no brokerage or other transactions costs
- Further details will be set out in the SPP booklet to be released Friday 27 July 2018

KEY DATES

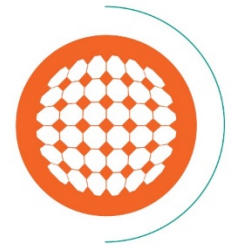
Record Date	Friday 20 July 2018
Opening Date	Friday 27 July 2018
Closing Date³	Friday 10 August 2018
New stapled securities expected to be issued	Friday 17 August 2018



Appendix



Investor benefits from the NEW portfolio



Attractive risk adjusted returns and positive social impact

- Expected distribution growth of 7.6% from 2017 to 2018
- Expected gross investor distribution yield of 5.3% in 2018¹
- Assisted more than 4,700 investors approach carbon neutrality in 2017

Exposure to the transformation to renewable energy

- Solar generation capacity forecast to increase from 5% to 32% of global electricity generation capacity by 2040²
- NEW is the largest ASX-listed investor in solar projects, with a total portfolio of over 840MW_{DC} of generation capacity across the US and Australia³

Operational portfolio and contracted cash flows to creditworthy counterparties

- All projects benefit from long-term offtake contracts with creditworthy counterparties
- Eight solar plants already operating and selling emissions-free power
- Eight⁴ projects under construction with six more committed but pre-construction

Investor benefits from the NEW portfolio (cont.)



In 2017, average NEW investor held ~60,000 securities and received:

- A cash distribution of approximately A\$4,300
- An environmental dividend in the form of a 70 tonne reduction in CO₂ output, which is enough to:
 - Fill 15 Olympic swimming pools¹
 - Offset the annual carbon footprint of three people
- Both cash distributions and environmental dividends are expected to grow over time

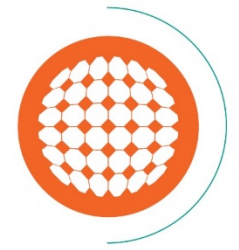
In 2018, an investor can offset their carbon footprint:

VALUE INVESTED ²	CO ₂ REDUCTION (TONNES) ²	CARBON FOOTPRINT OFFSET (NUMBER OF PEOPLE)
A\$25,000	22.5	1
A\$50,000	45	2
A\$100,000	90	4
A\$200,000	180	8

Notes: 1. Calculated based on 1 tonne of CO₂ having a volume of 556.2m³ at room temperature. 2. Based on estimated CO₂ displaced over the 2018 calendar year, NEW security price of A\$1.45 and 329,874,312 securities outstanding as at 24 May 2018. Average CO₂ emissions per capita in Australia calculated as 22.5t pa over 2016-17 by the Department of the Environment and Energy. This will also depend on assets acquired and capital raised or deployed during the period.



New Energy Solar – operating assets



	ASSET	EQUITY OWNERSHIP %	CAPACITY	LOCATION	ACTUAL/EST. COD	PPA OFFTAKER	PPA TERM (FROM COD)	O&M PROVIDER	PANEL MANUFACTURER
Operational	Stanford SGS	99.9%	67.4MW _{DC}	Rosamond, California	December 2016	Stanford University	25 Years	SunPower Corporation, Systems	SunPower
	TID SGS	99.9%	67.4MW _{DC}	Rosamond, California	December 2016	Turlock Irrigation District	20 Years	SunPower Corporation, Systems	SunPower
	NC-31	100.0%	43.2MW _{DC}	Bladenboro, North Carolina	March 2017	Duke Energy Progress	10 Years	Miller Bros. Solar	Canadian Solar
	NC-47	100.0%	47.6MW _{DC}	Maxton, North Carolina	May 2017	Duke Energy Progress	10 Years	DEPCOM Power, Inc	Canadian Solar
	Boulder Solar I	49.0%	124.9MW _{DC}	Boulder City, Nevada	December 2016	NV Energy	20 Years	SunPower Corporation, Systems	SunPower
	Hanover	99.0% ²	7.5MW _{DC}	Onslow, North Carolina	June 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Manildra	100.0% ¹	55.9MW _{DC}	Manildra, New South Wales	June 2018	EnergyAustralia	10+ Years ³	First Solar	First Solar
	Arthur	99.0% ²	7.5MW _{DC}	Columbus, North Carolina	July 2018	Duke Energy Progress	15 Years	CCR O&M	Solar Frontier

Notes: 1. Equity ownership % once acquisition has been completed. 2. NEW has acquired a 99% equity interest, with the remaining 1% equity interest in each project to be acquired once the final project is completed. 3. Both NEW and EA will have unilateral options to extend the PPA to December 2030.

New Energy Solar – construction assets



	ASSET	EQUITY OWNERSHIP %	CAPACITY	LOCATION	ACTUAL/EST. COD	PPA OFFTAKER	PPA TERM (FROM COD)	O&M PROVIDER	PANEL MANUFACTURER
Under Construction	Church Road	99.0% ¹	5.2MW _{DC}	Johnston, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	REC Solar
	Heedeh	99.0% ¹	5.4MW _{DC}	Columbus, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Organ Church	99.0% ¹	7.5MW _{DC}	Rowan, North Carolina	H2 2018	Duke Energy Carolinas	15 Years	CCR O&M	Solar Frontier
	County Home	99.0% ¹	7.2MW _{DC}	Richmond, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Bonanza	99.0% ¹	6.8MW _{DC}	Klamath, Oregon	H2 2018	PacifiCorp	~13 Years	CCR O&M	Golden Concord
	Pendleton	99.0% ¹	8.4MW _{DC}	Umatilla County, Oregon	H2 2018	PacifiCorp	~13 Years	CCR O&M	Golden Concord
	Mount Signal 2	100.0%	199.6MW _{DC}	Imperial Valley, California	H2 2019	Southern California Edison	20 Years	First Solar Electric (California), Inc.	First Solar
	Beryl	100.0% ²	108.4MW _{DC}	Beryl, New South Wales	Mid 2019	Transport for NSW	15 Years	First Solar	First Solar

Note: 1. NEW has acquired a 99% equity interest, with the remaining 1% equity interest in each project to be acquired once the final project is completed. **2.** Equity ownership % once acquisition has been completed.