New Energy Solar

Consisting of:

New Energy Solar Limited
ACN 609 396 983

New Energy Solar Fund
ARSN 609 154 298

HALF-YEAR FINANCIAL REPORT

30 June 2020

**Renewable energy.
Sustainable investments.**

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Chairmens' Letter

FOR THE HALF-YEAR ENDED 30 JUNE 2020

On behalf of New Energy Solar Limited (**NEW**) and Walsh & Company Investments Limited (**Responsible Entity** or **Walsh & Company**), we present the half year report for the six months ended 30 June 2020.

The half-year to 30 June 2020, has been challenging for everyone. The global COVID-19 virus pandemic has had a very significant impact on both the health and economic activity of communities globally. With respect to NEW's business, it has also impacted energy and capital markets.

Energy market consultants and advisers have indicated that the recent material declines in electricity demand and in the prices of energy commodities, like oil and gas, are likely to have a longer-term impact on future electricity prices.

NEW benefits from having long-term power purchase agreements (PPA) with an average term remaining of 15.4 years; with over 96% of NEW's revenue contracted for the next five years. The price that NEW receives for power sold under these PPAs is fixed at the time the PPA is signed and does not vary based on power price fluctuations over the PPA term.

These agreements largely insulate NEW from the drop in power prices for the periods that the agreements are in place. However, we are impacted by the changes in the electricity price forecasts for the period beyond the life of these PPAs. Electricity price forecasts are used by NEW's independent valuers to estimate the value of uncontracted cashflows after the PPA term for the remainder of each asset's useful life. The values of the uncontracted cashflows are required to be recognised in NEW's portfolio valuations and the auditor-reviewed net asset value per stapled security (**NAV**) for 30 June 2020.

NEW has recorded a reduction in net asset value per security of 12.6% from 31 December 2019, of which 8.6% is attributable to the reduction in the equity value of solar assets resulting primarily from these market changes.

In capital markets, the significant uncertainty as to the duration of the pandemic and its final economic cost has heightened caution and impacted the pricing and availability of debt and equity.

OPERATIONAL PERFORMANCE

The pandemic has had little impact on the physical day-to-day operation of NEW's solar power plants. However, NEW recorded a worse than expected operational performance during the half because of record rainfall in North Carolina and in north-west New South Wales and commissioning issues at two of its recently commissioned power plants, Mount Signal 2 (**MS2**) and Beryl. The initial commissioning issues were largely addressed by the end of the half. However, further equipment performance issues were subsequently identified at MS2. These issues are the subject of a warranty claim.

On 17 June 2020, the plants at Rosamond California, TID and Stanford sustained damage following a grass fire in the area which has reduced their availability to approximately 68% of name plate capacity. The sites have been stabilised and quotes are being obtained to repair the sites, currently anticipated to be complete by mid- 2021. The insurance claim process and repairs will take some time, however, our expectation remains that these projects are insured for both business interruption and property damage, less deductibles.

ASSET SALE PROCESS

As you are aware, the Boards of NEW have sought to address the persistent trading discount of NEW securities to its net asset value. To this end, NEW announced at the end of 2019, that it had embarked on a process to sell an equity interest in one of its assets or in either its US or Australian asset holding companies to demonstrate the value of these assets.

Conducting the sale process has been complicated by performance issues at MS2 and then, the emergence of COVID- 19 in early 2020. Despite these challenges, a conditional agreement was reached in June 2020 to sell a 50% interest in MS2 to NextPowerIII, a private solar fund established to invest in the international solar sector and managed by UK- based NextEnergy Capital Group.

Both parties are working toward completion of due diligence, but NEW has determined to extend the negotiation of final agreements to ensure that the outstanding equipment warranty claims for MS2 are resolved before finalising the transaction. Accordingly, if the sale proceeds, it is now likely to be completed in the fourth quarter of 2020.

Completion of the asset sale will assist NEW to undertake capital management initiatives including security buy-backs, special distributions and/or repayment of shorter-term debt. Further details on the nature of the initiatives will be provided if, and when, the transaction negotiations are completed.

ENVIRONMENTAL AND SOCIAL IMPACT

NEW is working to contribute to a low carbon electricity sector and the better management of the world's resources for both present and future generations. The COVID-19 crisis has highlighted the low-cost nature of renewable energy. The International Energy Agency in its Tracking Clean Energy Progress[1] shows that the mix of energy has changed during the crisis with renewables making up a larger share of the electricity supply because their output is largely unaffected by the fall in demand, while demand for electricity generated from all other sources (coal, gas and nuclear power) has fallen.

1. The COVID-19 Crisis and Clean Energy Progress – https://www.iea.org/reports/the-covid-19-crisis-and-clean-energy-progress/power#abstract.

During the six-month period ended 30 June 2020, NEW's portfolio generated over 748.1 GWh of electricity[2]. This production is equivalent to an annual CO_2 displacement rate of 1,000,000 tonnes of CO_2 emissions[3], powering 126,000 US and Australian equivalent homes[4], or removing 102,000 cars[5] from the road.

FINANCIAL RESULTS

UNDERLYING EARNINGS

Weather and commissioning issues have contributed to operational underperformance of the portfolio during the first half of 2020. Also, the significantly lower wholesale electricity spot prices in the California market this year as a result of government mandated shut-downs resulted in revenues from the newly-commissioned MS2 plant for this half year that were lower than anticipated. Total underlying revenues of US$33.8 million were recorded with earnings before interest, tax, depreciation and amortisation (**EBITDA**) of US$23.8 million, of which US$16.4 million was attributable to NEW.

STATUTORY EARNINGS

During the half-year, the Business generated total net loss of $52.7 million, while operating expenses for the half-year totalled $3.7 million, and an income tax benefit of $0.8 million arose, resulting in an after-tax net loss of $55.6 million.

As NEW is treated as an Investment Entity for accounting purposes, all revaluation gains and losses are passed through the profit and loss statement. As at 30 June 2020, NEW had net assets of $466.3 million (31 December 2019: $529.5 million), representing a net asset value (**NAV**) of $1.32 per stapled security (31 December 2019: $1.51), a decrease of 19 cents per stapled security from 31 December 2019. In addition to the payment of a three cent distribution and ongoing operating costs of the fund, the NAV was negatively impacted by approximately 13 cents due to a reduction in portfolio valuations resulting primarily from a drop in long-term electricity price forecasts over the period.

GEARING

NEW targets a long-term gearing level of 50% of gross assets but as at 30 June 2020, NEW's external 'lookthrough' gearing[6] was 62.1%. The impact of the pandemic on expectations of future electricity prices and the consequent reduction in net asset values discussed above and recognized this period have contributed to the increase in gearing. Debt is scheduled to be progressively repaid over time – with the aim of bringing long-term average gearing below 50%.

2. Generation accounts for solar plants on a 100% ownership basis. NEW's proportionate share of generation was 670.7 GWh.
3. Calculated using the United States Environmental Protection Agency's "Avoided Emissions and Generation Tool", data from the Australian Department of the Environment and Energy.
4. Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System) and the Australian Energy Regulator.
5. Calculated using data from the US Energy Protection Agency and the Australian Bureau of Statistics.
6. Gearing = gross debt / gross asset value.

While NEW has some short-term debt maturing in 2021 which it had hoped to re-finance given the favourable debt conditions prevailing before the emergence of COVID-19, the changed circumstances and increasing economic uncertainty have delayed the re-financing of this debt.

NEW has a weighted average debt maturity of over 7.4 years as at 30 June 2020.

BUSINESS OUTLOOK

The outlook for low-carbon energy remains positive. Continued declines in the cost of renewable energy and improvements in storage technology are fostering increased uptake of renewable power at the expense of fossil fuel- based generation. In 2019, in NEW's largest market, the United States, renewables accounted for 17.5% of utility-scale electricity generation, less than the contribution of coal and the contribution of nuclear energy[7]. In 2020, the contribution of renewables to electricity generation in the US is expected to surpass that of coal and approach that of nuclear[8].

On behalf of the Boards, we thank you for your ongoing support of NEW and hope that you and your family remain safe and well. We also thank the Investment Management team for its contribution to establishing the diversified portfolio of operating solar farms, for their professionalism and ongoing hard work.

Yours faithfully,

STUART NISBETT
Chairman of the Responsible Entity
20 August 2020

JEFFREY WHALAN
Chairman of the Company

7. U.S. Energy Information Administration, U.S. Utility-scale electricity generation by source, amount, and share of total in 2019 https://www.eia.gov/tools/faqs/faq.php?id=427&t=3

8. U.S. Energy Information Administration Monthly Energy Review Data Category Electricity https://www.eia.gov/totalenergy/data/monthly/pdf/sec7.pdf

Business Highlights

Manildra ground view - August 2018

Beryl ground view - February 2019

Business Highlights

BUSINESS ACHIEVEMENTS

To deliver on its objectives, and produce its key investment benefits, the Business has a well-defined investment strategy and clear criteria by which to measure success.

Table 1: New Energy Solar's business achievements to date

Global portfolio across 16 solar power plants	Total portfolio capacity of over $772MW_{DC}$	Fully operational portfolio of 16 sites
Capacity-weighted average PPA term of 15.4 years	Distributions totalling A$78m to investors since IPO	Generating more than 1,500,000 MWh of electricity annually [12]
Annual rate of CO_2 displacement of 1,000,000 tonnes of CO_2 [9,10]	Equivalent to removing 102,000 US & Australian cars from the road [9,11]	... or powering 126,000 US and Australian homes [9,12]

9. Estimates utilise the first year of each plant's electricity production once operational or acquired by the Investment Manager. Assumes all plants are owned by NEW on a 100% basis.

10. Calculated using the United States Environmental Protection Agency's "Avoided Emissions and Generation Tool", data from the Australian Department of the Environment and Energy.

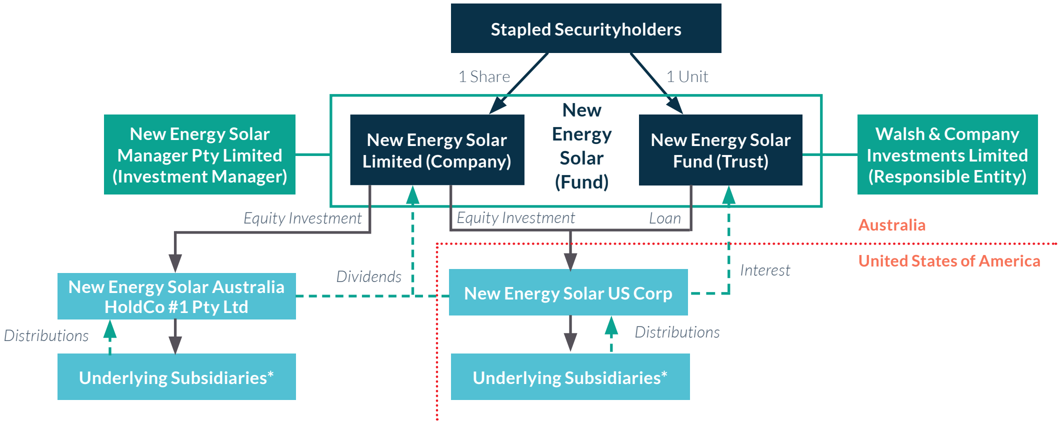
11. Calculated using the US Energy Information Administration (principal agency of the US Federal Statistical System) and the Australian Energy Regulator.

12. Calculated using data from the US Energy Protection Agency and the Australian Bureau of Statistics.

NEW ENERGY SOLAR STRUCTURE

The following diagram is provided to assist with understanding the financial statements set out in this half-year financial report.

Figure 2: New Energy Solar's structure



* Underlying plants are held by subsidiaries via various structures including trusts and partnerships.

The financial statements of both entities in the stapled structure are shown alongside one another as permitted by ASIC Corporations (Stapled Group Reports) Instrument 2015/838. The column headed "Fund" has been shown to reflect the combined financial statements of the Company and its subsidiaries and the Trust and its subsidiaries, together representing the Fund. It reflects the stapled securityholders' combined interest in the Company and the Trust by combining the Company and the Trust financial information after eliminating transactions and balances between the Company and the Trust.

The Company and the Trust invest in solar plants via the Company's wholly owned subsidiaries New Energy Solar US Corp (**NES US Corp**) and New Energy Solar Australia HoldCo #1 Pty Limited (**NESAH1**). NES US Corp is funded by a combination of equity from the Company and a loan from the Trust, both of which are denominated in US dollars. NESAH1 is funded by equity from the Company.

As the Company and the Trust are considered to meet the definition of an 'Investment Entity' (refer '*Summary of significant accounting policies*' in the annual financial report), NES US Corp and NESAH1 are not consolidated and are required to be held at fair value in the Company's financial statements. Furthermore, as the combined accounts reflect the net investment of the Company and the Trust in the underlying subsidiaries via equity investment and loans receivable, the loans receivable are also shown at fair value. The total investment (equity investment and loans receivable together) in NES US Corp and NESAH1 is presented on the statement of financial position as "financial assets held at fair value through profit or loss".

The impact of this "Investment Entity" classification on the presentation of the financial statements is that the main operating revenues of the Fund consist of either dividends from NES US Corp and NESAH1, fair value movements in the value of the Company's equity holding in NES US Corp and NESAH1 and the Trust's loan receivable to NES US Corp, and interest income on the loan from the Trust to NES US Corp. Underlying subsidiaries net operating income and other expenses are reflected through the fair value movement in the profit or loss statement.

The underlying earnings of solar plants, being revenues from the sale of energy under the PPA less operating expenses, are distributed on a periodic basis from the underlying plants through to NES US Corp and NESAH1, and underpin the ability to pay interest on the loan to the Trust and dividends to the Company as noted above. These funds ultimately underpin the Fund's distributions/dividends to securityholders.

Additionally, as the Company's equity investment in NES US Corp and the Trust loan to NES US Corp are denominated in US dollars, the Fund is also exposed to valuation movements associated with foreign exchange rate movements.

Investment Manager's Report

NC-31 site inspection – October 2017

Church Road PV module closeup - May 2018

Investment Manager's Report

FOR THE HALF-YEAR ENDED 30 JUNE 2020

OVERVIEW OF THE NEW PORTFOLIO

INTERESTS IN 16 OPERATING PLANTS WITH 772MW_{DC} CAPACITY AS AT 30 JUNE 2020

NEW's portfolio as at 30 June 2020 comprised 16 operating solar power plants in the US and Australia, which are described below.

Figure 3: NEW portfolio summary: Over 772MW_{DC} operating solar plant capacity across two continents[13]

PORTFOLIO SUMMARY

OREGON PLANTS

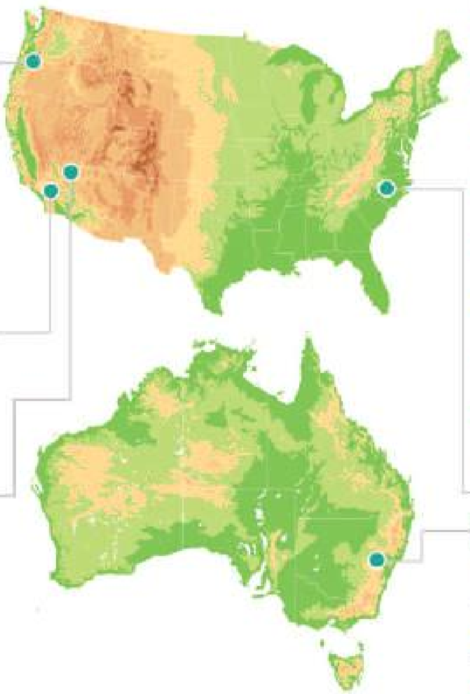
Name	Capacity (MW_{DC})	Offtaker
Bonanza	6.8	PacifiCorp
Pendleton	8.4	PacifiCorp
Total	15.2	

CALIFORNIA PLANTS

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

NEVADA PLANTS

Name	Capacity (MW_{DC})	Offtaker
Boulder Solar 1	124.8	NV Energy



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	

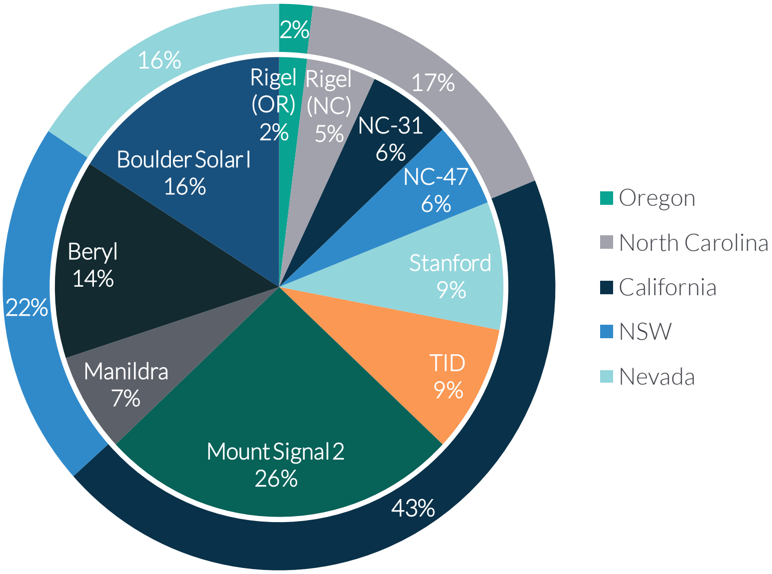
NEW SOUTH WALES PLANTS

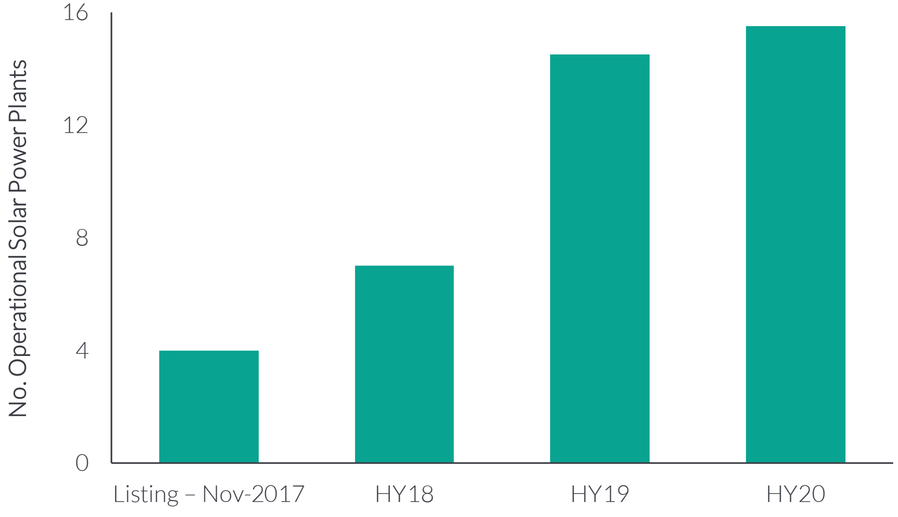
Name	Capacity (MW_{DC})	Offtaker
Manildra	55.9	EnergyAustralia
Beryl	110.9	Sydney Metro, and Kellogg's
Total	166.8	

KEY
- Operational

13. Includes plants that are wholly or partly owned by NEW.

Figure 4: NEW portfolio composition (772MW_{DC}) as at 30 June 2020[14, 15]





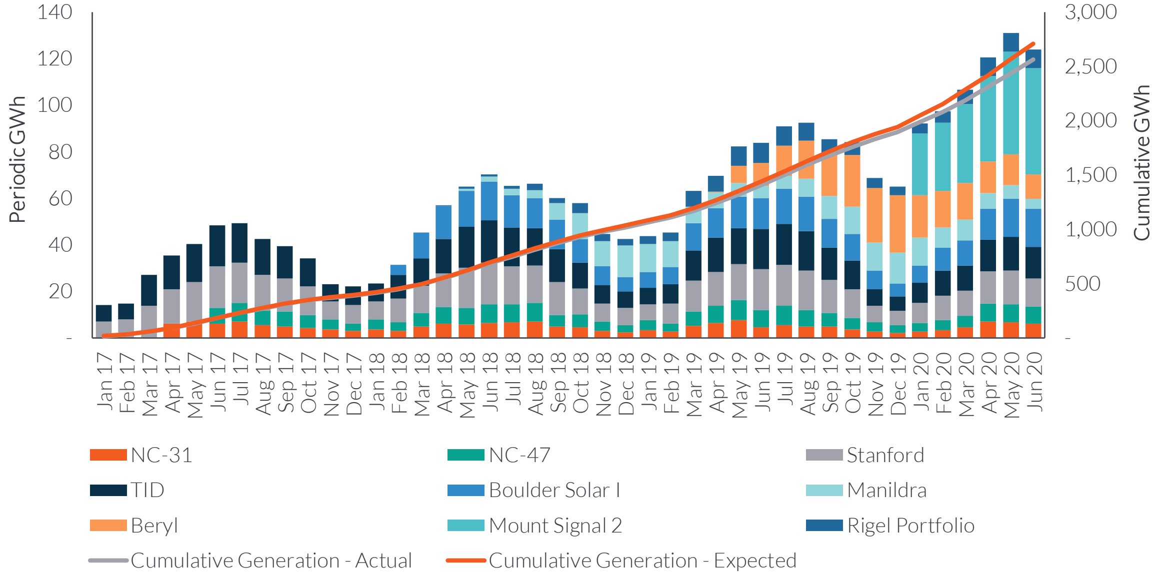
14. Includes plants that are wholly or partly owned by NEW and accounts for capacity on a 100% ownership basis.

15. Rigel portfolio refers to the eight solar plants – Arthur, Bonanza, Church Road, County Home, Hanover, Heedeh, Organ Church, and Pendleton – that NEW has acquired from CCR.

NEW'S OPERATING PORTFOLIO PERFORMANCE

INTERESTS IN 16 PLANTS WITH 772MW_{DC} CAPACITY AS AT 30 JUNE 2020

Figure 5: Operating Portfolio monthly generation[16]



16. Production included for all solar power plants on a NEW proportionate interest basis.

OPERATING PORTFOLIO PERFORMANCE

Table 2 shows the underlying generation and PPA terms of the operating projects in NEW's Portfolio for the six months ended 30 June 2020. Generation has increased from prior periods due to the commissioning of Mount Signal 2 and the addition of full six-month periods of operation from Beryl and Organ Church, increasing the Portfolio's generation by 64% when compared to the H1 2019 period.

Table 2: NEW portfolio

PLANT	PLANT CAPACITY (MW_{DC})	H1 2020 GENERATION (GWH)		PPA TERM REMAINING (YEARS)	PPA EXPIRY DATE
		GROSS	NEW PROPORTIONATE SHARE		
NC-31	43.2	30.0	30.0	6.7	2027
NC-47	47.6	35.5	35.5	6.9	2027
Stanford	67.4	70.7	70.6	21.5	2041
TID	67.4	71.8	71.8	16.7	2037
Boulder Solar 1	124.8	151.4	74.2	16.5	2036
Manildra	55.9	46.6	46.6	10.5[17]	2030
Beryl	110.9	86.6	86.6	12.6[18]	2034
Rigel Portfolio	55.6	39.2	39.2	12.7	2033
Mount Signal 2	199.6	216.3	216.3	19.9	2040
Total	**772.4**	**748.1**	**670.8**	**15.4[19]**	

The margins and profit generating characteristics of the Portfolio are illustrated by its underlying earnings shown in Table 3 below.

Table 3: Portfolio underlying financial performance for the six-month period ended 30 June 2020. Comparison to prior periods.[20]

US$M	1H 2017	2H 2017	1H 2018	2H 2018	1H 2019	2H 2019	1H 2020
Revenue	9.4	12.3	18.3	23.7	23.8	30.6	33.8
Less: Operating expenses	(1.9)	(2.5)	(4.3)	(5.1)	(7.3)	(6.8)	(10.0)
EBITDA	**7.5**	**9.8**	**14.0**	**18.6**	**16.5**	**23.8**	**23.8**
Less: Distributions to tax equity investors and EBITDA attributable to minority investors	(3.0)	(3.6)	(5.2)	(5.0)	(5.3)	(5.4)	(7.4)
EBITDA attributable to NEW	**4.5**	**6.2**	**8.8**	**13.6**	**11.2**	**18.4**	**16.4**

17. Assumes the option to extend the Manildra PPA is exercised.

18. Weighted average of the PPA with Sydney Metro for 69% of Beryl's generation and the PPA with Kellogg's for 29% of Beryl's generation. Assumes that Kellogg's exercises their PPA extension option and the option expires on 31 December 2029.

19. Total average PPA term remaining is the capacity weighted term.

20. 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:0.6903USD.

The Business grew its underlying revenues by US$10.0 million (42.3%) and EBITDA attributable to it by US$5.2 million (46.4%) during the six months ending 30 June 2020 compared to the prior comparable period.

Portfolio generation was below the Investment Manager's expectations during the period, predominantly due to major weather events, grid operator curtailment, and commissioning phases. However, on a like-for-like basis, aggregated plant performance and availability improved when compared to the prior corresponding period in 2019. Production during the period was 748GWh, compared to 456GWh for H1 2019[21]. This result represented an increase in generation of 292GWh or 64% from the prior corresponding period. The increase is attributable to this half-year period representing the first such period with a fully operational portfolio including:

- the first half-year period of production from MS2
- the first half-year period of production from Beryl
- the first half-year period of production from Organ Church.

The additional plants have materially increased the positive environmental impact of the NEW Portfolio, with electricity generation from the Portfolio during the half-year ended 30 June 2020:

- displacing an estimated 482,000 tonnes of carbon emissions[22]
- removing nearly 102,000 US and Australian equivalent cars from the road[23]
- powering almost 126,000 US and Australian equivalent houses.[24]

On 17 June 2020, the plants in Rosamond California, TID and Stanford sustained damage following a grass fire that spread onto the projects' property which has reduced their availability to approximately 68% of name plate capacity. An insurance claim has commenced and while the Investment Manager can make no guarantees prior to the conclusion of the claim investigation, the Investment Manager believes that the Projects should receive coverage for lost revenue through our business interruption claim and property damage at replacement cost, less deductibles.

21. Generation calculated on a 100% ownership basis.

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

23. Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System) and the Australian Energy Regulator.

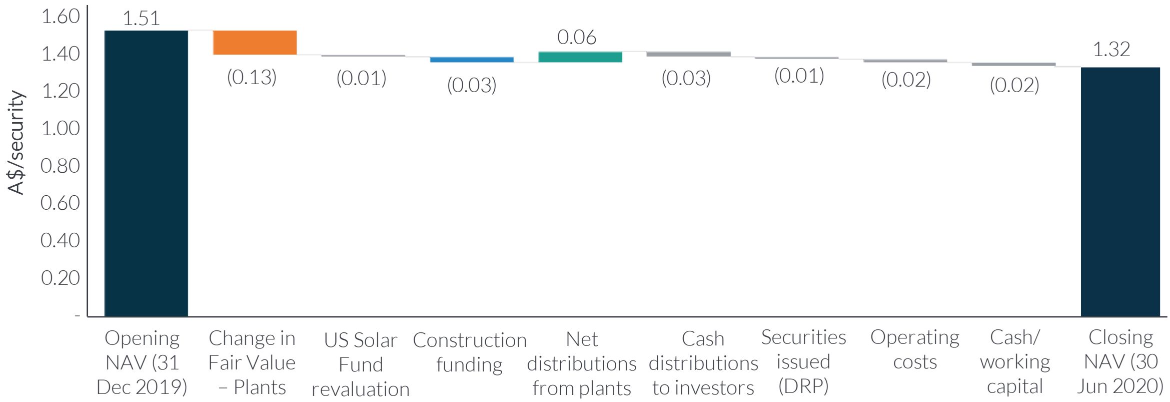
24. Calculated using data from the US Environmental Protection Agency and the Australian Bureau of Statistics.

INVESTMENTS & GEARING

NET ASSET VALUE

Over the six-month period to 30 June 2020, NEW's NAV declined A$63.2 million, equivalent to 19 cents per stapled security. A summary of the items contributing to the decline are set out in Figure 6.

Figure 6: Change in NAV since 31 December 2019

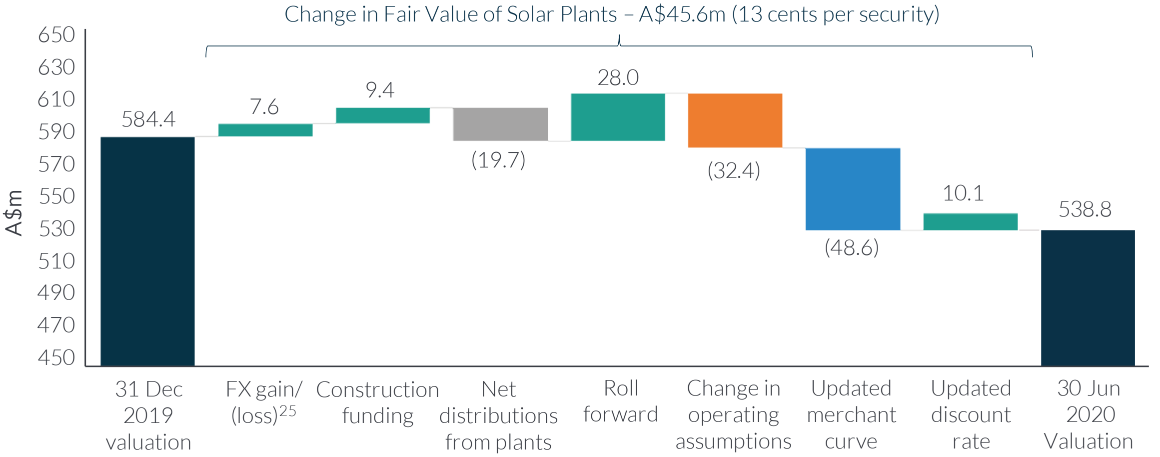


The main contributors include:

- A 13 cent per security decline in the fair value of NEW's solar power plants.
  - The primary contributor to the reduction in fair value of NEW's solar power plants is a reduction in long-term average expected electricity prices. Whilst NEW is largely protected from price declines in the short to medium term with its weighted average PPA term of 15.4 years, a portion of its NAV is exposed to changes in price forecasts that impact its post-PPA revenue expectations.
  - The decrease in long-term electricity price forecasts that NEW has experienced is consistent with that reported by many global energy companies. In the wake of the COVID-19 pandemic, global oil majors and renewable energy funds alike have advised of material decreases, ranging from 5-25%, in their energy-related forecasts and assumptions from the prior period.
  - In addition to the decline attributable to the decrease in long-term expected electricity prices, the value of NEW's plants also decreased by the aggregate distributions made from the plants to the listed parent entities (reflecting the transfer of value from the individual plants to the Business), amounting to six cents per security.
  - Partially offsetting these declines was the benefit of a lower foreign exchange rate from the prior period and a slight decrease in discount rate applied to the valuation of plants which have recently become operational, reflecting the relatively lower risks associated with the assets as they complete the transition from construction.

- A decline of one cent per security attributable to the revaluation of NEW's shareholding in US Solar Fund (based on listed market price movement);
- A decrease of three cents per security reflecting a contribution to Mount Signal 2 as the remainder of its construction funding;
- Six cents per security received in distributions from plants (offsetting the corresponding decrease in value experienced at the individual plants);
- A decline of three cents per security reflecting the cash distributions to investors net of distribution reinvestment;
- A decline of one cent per security attributable to the issuance of additional securities as part of the distribution reinvestment plan;
- A decrease of two cents per security comprising the operating costs of the Business, including fees paid to the Investment Manager and legal and other costs;
- A decline of two cents per security in working capital movement, largely reflecting a change in the value of deferred tax assets.

Figure 7: Change in Fair Value of Solar Plants since 31 December 2019



25. Foreign exchange gains on the A$ value of operating plants over the period, and fair value loss of forward foreign currency derivatives.

Table 4: NEW NAV as at 30 June 2020[26]

ASSET	EQUITY	DEBT (FAIR VALUE)	DEBT (OUTSTANDNG BALANCE)	ENTERPRISE VALUE
US PLANTS				
Stanford TID	US$71.0m	US$65.8m	US$60.8m	US$136.8m
NC-31 NC-47	US$64.5m	US$25.8m	US$24.3m	US$90.3m
Boulder Solar 1	US$38.0m	US$25.4m	US$22.7m	US$63.4m
Rigel portfolio	US$23.5m	US$25.9m	US$22.1m	US$49.4m
MS2	US$89.5m	US$270.5m	US$205.6m	US$360.0m
Subtotal (US$)	**US$286.5m**	**US$413.4m**	**US$335.5m**	**US$699.9m**
Subtotal (A$ equivalent)	**A$415.0m**	**A$598.9m**	**A$486.1m**	**A$1,013.9m**
AUS PLANTS				
Manildra	A$57.3m	A$76.7m	A$68.0m	A$134.1m
Beryl	A$66.5m	A$141.7m	A$120.9m	A$208.2m
Subtotal	**A$123.8m**	**A$218.5m**	**A$188.9m**	**A$342.3m**
Subtotal All Plants	**A$538.8m**	**A$817.4m**	**A$675m**	**A$1,356.2m**
US Solar Fund stake	A$20.4m	-	-	A$20.4m
Corporate Debt	(A$88.3m)	A$88.3m	A$88.3m	-
Working capital	(A$4.7m)	-	-	(A$4.7m)
Total	**A$466.3m**	**A$905.6m**	**A$763.3m**	**A$1,371.9m**

GEARING

NEW had gross external look through debt outstanding of $763.3 million as at 30 June 2020, equivalent to a gearing ratio of 62.1%[27] as at 30 June 2020 (NEW has a target long-term gearing ratio of 50% of gross assets). This has increased 3.6% from the 31 December 2019 gearing ratio of 58.3%. The increase in gearing over the period is attributable to:

- An A$21.7 million increase in drawn debt comprising A$9.3 million due to the lower foreign exchange rate from the prior period and A$12.4 million reflecting the net of plant-level debt paid down over the period and draws from the corporate facility to fund corporate costs and final MS2 construction funding.
- The decline in NAV of A$63.2 million discussed in detail above, but primarily attributable to the impact of the COVID-19 pandemic on the outlook for long-term electricity prices.

NEW's weighted average debt maturity of over 7.4 years as at 30 June 2020 reflects the long-term contracted nature of the PPAs underpinning its solar power plants and NEW's diverse sources of debt funding.

26. US$ figures converted to AU$ at US$:AU$ exchange rate of 0.6903 as at 30 June 2020. Figures may not add due to rounding.

27. Gearing = total debt / Gross Asset Value.

NEW's group debt facilities outstanding as at 30 June 2020 are set out in Table 5 below:

Table 5: NEW debt facilities outstanding as at 30 June 2020

FACILITY	TYPE	FACILITY SIZE[28]	DRAWN	SECURITY	ESTIMATED AVG. DRAWN BALANCE OVER 1H 2020 NON-CAPITALISING FACILITIES
North Carolina Facility	Loan	US$27.3m	US$24.3m	NC-31 and NC-47	US$24.7m
US Private Placement 1	Bond	US$62.5m	US$60.8m	Stanford & TID	US$60.8m
Mount Signal 2 Facility[29]	Loan	US$211.9m	US$205.6m	Mount Signal 2	US$203.4m
US Revolving Credit Facility	Loan	US$55.0m	US$46.0m	Corporate	US$46.0m
US Private Placement 2	Bond	US$22.7m	US$22.7m	Boulder Solar I	US$22.7m
Rigel Facility	Loan	US$22.6m	US$22.1m	Rigel	US$22.2m
KCI Loan	Loan	US$15.0m	US$15.0m	Corporate	US$10.0m
US Facilities Subtotal		**US$417.0m**	**US$396.5m**		**US$389.8m**
US Facilities Subtotal (A$ equivalent)[30]		**A$604.1m**	**A$574.4m**		**A$564.7m**
Manildra Facility	Loan	A$68.0m	A$68.0m	Manildra	A$68.6m
Beryl Facility	Loan	A$120.9m	A$120.9m	Beryl	A$121.8m
Australian Facilities Subtotal		**A$188.9m**	**A$188.9m**		**A$190.5m**
Total Debt		**A$793.0m**	**A$763.3m**		**A$755.2m**
Gross assets			A$1,229.7m		
Gross Look Through Gearing (%)			**62.1%**		

28. Balance outstanding as at 30 June 2020. Facility face values adjusted for committed amortisation payments.

29. Includes US$2.2 million drawn on Mount Signal 2 revolving loan facility as at 30 June 2020.

30. US$ figures converted to AU$ at US$:AU$ exchange rate of 0.6903 as at 30 June 2020.

NEW ENERGY SOLAR'S INVESTMENTS

OPERATING SOLAR POWER PLANTS – UNITED STATES

Stanford Solar Power Plant (Stanford)

Stanford Aerial View – October 2017

Stanford Aerial View – October 2017

Location	Rosamond, Kern County, California, USA
Generating Capacity	67.4 MW_{DC}/54 MW_{AC}
Commercial Operation Date (COD)	December 2016
PPA Term	25 years from COD
PPA Offtaker	Stanford University
O&M Service Provider	SunPower Corporation, Systems
Description	Stanford is located on a 242-acre leased site in Rosamond, Kern County, California, which is approximately 120 kilometres north of Los Angeles. Stanford is located next to the TID solar power plant and commenced operations in December 2016. NEW acquired its substantial majority interest in Stanford in December 2016.

Turlock Irrigation District Power Plant (TID)

TID Aerial View – October 2017

TID Aerial View – October 2017

Location	Rosamond, Kern County, California, USA
Generating Capacity	67.4 MW_{DC}/54 MW_{AC}
COD	December 2016
PPA Term	20 years from COD
PPA Offtaker	Turlock Irrigation District
O&M Service Provider	SunPower Corporation, Systems
Description	TID is located on a 265-acre leased site in Rosamond, Kern County, California, approximately 120 kilometres north of Los Angeles. TID is located next to Stanford and commenced operations in December 2016. NEW acquired its substantial majority interest in TID in December 2016.

North Carolina 43 MW_{DC} Solar Power Plant (NC-31)


NC-31 Aerial View – May 2017


NC-31 Aerial View – October 2017`

Location	Bladenboro, Bladen County, North Carolina, USA
Generating Capacity	43.2 MW_{DC}/34.2 MW_{AC}
COD	March 2017
PPA Term	10 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	Miller Bros. Solar LLC
Description	NC-31 is located on a 196-acre leased site in Bladenboro, Bladen County, North Carolina, which is approximately 232 kilometres east of Charlotte, North Carolina. The plant commenced commercial operations in March 2017. NEW committed to acquiring a majority interest in NC-31 in August 2016 and acquired its interest in the plant in March 2017. NEW acquired the minority interests in NC-31 in July 2018.

North Carolina 48 MW_{DC} Solar Power Plant (NC-47)


NC-47 Aerial View – May 2017


NC-47 Aerial View – May 2017

Location	Maxton, Robeson County, North Carolina, USA
Generating Capacity	47.6 MW_{DC}/33.8 MW_{AC}
COD	May 2017
PPA Term	10 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	DEPCOM Power, Inc.
Description	NC-47 is located on a 260-acre leased site in Maxton, Robeson County, North Carolina, which is approximately 166 kilometres east of Charlotte. NC-47 commenced commercial operations in May 2017. NEW committed to acquiring a majority interest in the plant in October 2016 and acquired its interest in May 2017. NEW acquired the minority interests in NC-47 in July 2018.

Boulder Solar 1 Power Plant (Boulder Solar 1)

Boulder Solar 1 Ground View – January 2018

Boulder Solar 1 Aerial View – January 2018

Location	Boulder City, Nevada, USA
Generating Capacity	$124.8MW_{DC}$ / $100MW_{AC}$
COD	December 2016
PPA Term	20 years from 1 January 2017
PPA Offtaker	NV Energy (owned by Berkshire Hathaway)
O&M Service Provider	SunPower Corporation, Systems
Description	Boulder Solar 1 is located on a 542-acre leased site in Boulder City, Clark County, Nevada, approximately 50 kilometres south of Las Vegas. The plant commenced commercial operations in December 2016. NEW acquired a 49% minority interest in Boulder Solar 1 in February 2018.

Arthur Solar Power Plant (Arthur)

Arthur Ground View – August 2018

Arthur Ground View – August 2018

Location	Tabor City, North Carolina, USA
Generating Capacity	$7.5MW_{DC}$ / $5.0MW_{AC}$
COD	July 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	Cypress Creek Renewables O&M (**CCR O&M**)
Description	Arthur is located on a 35-acre leased site in Tabor City, North Carolina. The plant commenced commercial operations in July 2018.

Bonanza Solar Power Plant (Bonanza)

Location	Bonanza, Oregon, USA
Generating Capacity	6.8MW_{DC} / 4.8 MW_{AC}
COD	December 2018
PPA Term	12.9 years from COD
PPA Offtaker	PacifiCorp
O&M Service Provider	CCR O&M
Description	Bonanza is located a 57-acre leased site located 30 kilometres east of Klamath Falls, Oregon. The plant commenced commercial operations in December 2018.

Church Road Solar Power Plant (Church Road)

Location	Angier, North Carolina, USA
Generating Capacity	5.2MW_{DC} / 5.0MW_{AC}
COD	August 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Description	Church Road is located on a 21-acre leased site in Angier, North Carolina. The plant commenced commercial operations in August 2018.

County Home Solar Power Plant (County Home)

County Home Ground View – August 2018

County Home Ground View – August 2018

Location	Rockingham, North Carolina, USA
Generating Capacity	7.5MW$_{DC}$ / 5.0 MW$_{AC}$
COD	September 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Description	County Home is located on a 30-acre leased site located 5 kilometres southeast of Rockingham, North Carolina. The plant commenced commercial operations in September 2018.

Hanover Solar Power Plant (Hanover)

Hanover Ground View – April 2018

Hanover Ground View – April 2018

Location	Maysville, North Carolina, USA
Generating Capacity	7.5MW$_{DC}$ / 5.0MW$_{AC}$
COD	April 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Description	Hanover is located on a 45-acre leased site in Maysville, North Carolina. The plant commenced commercial operations in April 2018.

Heedeh Solar Power Plant (Heedeh)


Heedeh Ground View – August 2018

Location	Delco, North Carolina, USA
Generating Capacity	5.4MW$_{DC}$ / 4.5MW$_{AC}$
COD	July 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Description	Heedeh is located on a 21-acre leased site in Delco, North Carolina. The plant commenced commercial operations in July 2018.


Heedeh Ground View – August 2018

Organ Church Solar Power Plant (Organ Church)


Organ Church Ground View – August 2018

Location	Organ Church, North Carolina, USA
Generating Capacity	7.5MW$_{DC}$ / 5.0 MW$_{AC}$
COD	February 2019
PPA Term	15.0 years from COD
PPA Offtaker	Duke Energy Carolinas
O&M Service Provider	CCR O&M
Description	Organ Church is located a 45-acre leased site located 15 kilometres northwest of Kannapolis, North Carolina. The plant commenced commercial operations in February 2019.


Organ Church Ground View – August 2018

Pendleton Solar Power Plant (Pendleton)

Pendleton Ground View – October 2018

Pendleton Ground View – October 2018

Location	Pendleton, Oregon, USA
Generating Capacity	8.4MW$_{DC}$ / 6.0 MW$_{AC}$
COD	September 2018
PPA Term	13.2 years from COD
PPA Offtaker	PacifiCorp
O&M Service Provider	CCR O&M
Description	Pendleton is located on a 44-acre leased site 5 kilometres west of Pendleton, Oregon. The plant commenced commercial operations in September 2018.

Mount Signal 2 Solar Power Plant (MS2)

MS2 Aerial View – December 2019

MS2 Aerial View – December 2019

Location	Imperial Valley, California, USA
Generating Capacity	199.6MW$_{DC}$ / 153.5MW$_{AC}$
COD	December 2019
PPA Term	20 years from June 2020
PPA Offtaker	Southern California Edison
O&M Service Provider	First Solar
Description	MS2 is located on a 1,314 acre leased site in the Imperial Valley, California. The plant commenced commercial operations in December 2019. MS2 will sell electricity to the wholesale market until the commencement of its 20-year PPA in June 2020.

OPERATING SOLAR POWER PLANTS – AUSTRALIA

Manildra Solar Power Plant (Manildra)

Manildra Aerial View – July 2018

Manildra Ground View – July 2018

Location	Manildra, New South Wales, Australia
Generating Capacity	55.9MW_{DC} / 46.7MW_{AC}
COD	December 2018
PPA Term	10 years from COD, with an option to extend to 2030
PPA Offtaker	EnergyAustralia
O&M Service Provider	First Solar
Description	Manildra is located on a 120-hectare leased site 1.5 kilometres north east of the Manildra town centre. Manildra is currently operating and delivering electricity into the National Electricity Market. The plant achieved full commercial operations in December 2018. NEW announced its agreement to acquire Manildra in June 2018.

Beryl Solar Power Plant (Beryl)

Beryl Ground View – February 2019

Beryl Aerial View – March 2019

Location	Beryl, New South Wales, Australia
Generating Capacity	110.9MW_{DC} / 87MW_{AC}
COD	June 2019
PPA Term	15 (Sydney Metro)[31] c. 7.5 years with an option to extend to December 2029 (Kellogg's)[32]
PPA Offtaker	Sydney Metro (69% of generation) Kellogg's (29% of generation)
O&M Service Provider	First Solar Australia
Description	Beryl is located in Central West NSW, approximately five kilometres west of Gulgong. The plant achieved full commercial operations in June 2019. NEW announced its agreement to acquire Beryl in June 2018.

31. The Sydney Metro PPA represents approximately 69% of Beryl's generation during the 15-year term.

32. The Kellogg's PPA represents approximately 29% of Beryl's generation during the ~7.5-year initial term. Kellogg's has an option to extend the term for three years until 31 December 2029.

INFORMATION ON THE INVESTMENT MANAGER

SENIOR MANAGEMENT TEAM

The senior members of the Investment Manager who are responsible for the management of New Energy Solar are set out below.

Each of the members of the senior management team are employed by a member of the Evans Dixon Group and provide services for the benefit of the Business. Further information on the Investment Manager team is provided at **www.newenergysolar.com.au**

JOHN MARTIN BEcon (USYD)

CHIEF EXECUTIVE OFFICER

John was appointed as New Energy Solar's Managing Director and CEO in May 2017. John brings a wealth of experience and capability to the role after more than two decades in corporate advisory and investment banking with a focus on the infrastructure, energy and utility sectors.

John previously led the Infrastructure and Utilities business at corporate advisory firm Aquasia where he advised on more than $10 billion of infrastructure and utility M&A and financing transactions. Prior to this John held various investment bank management positions including the Head of National Australia Bank Advisory and the Joint Head of Credit Markets and Head of Structured Finance at RBS/ABN AMRO.

During his time at ABN AMRO, John managed the Infrastructure Capital business which was viewed as a market leader in the development and financing of infrastructure and utility projects in Australia. John started his career as an economist with the Reserve Bank of Australia and then worked in various treasury and risk management positions, before moving to PwC as the partner responsible for financial risk management. At PwC John advised some of Australia's largest corporations on the management and valuation of currency, interest rate and commodity exposures – with a focus on advising energy companies trading in the Australian National Electricity Market.

John has a Bachelor of Economics (Honours) from the University of Sydney. John is a member of the Advisory Board for the Cordish Dixon Private Equity Fund III (**ASX:CD3**), and is a past board member of Infrastructure Partnerships Australia.

LIAM THOMAS BAgribus (Curtin), MSc (Curtin), MBA (MELB)

CHIEF INVESTMENT OFFICER

Liam joined New Energy Solar in March 2016 to lead transaction origination and execution activities. Liam has over 14 years' experience in M&A, corporate and business development, projects, and commercial management in the energy, infrastructure, mining and agribusiness sectors.

Prior to joining NES, Liam was a senior member of the International Development team at Origin Energy focused on the investment and development strategy for utility scale solar, hydro, and geothermal projects in Latin America and South-East Asia. Liam's previous roles have included General Manager of Commercial Development at Aurizon, Commercial Manager for the Northwest Infrastructure iron ore port joint venture, and Project Manager at Orica, focusing on large-scale mining-related infrastructure and manufacturing projects. Earlier in Liam's career, he worked in the agricultural commodities sector with AWB Limited.

Liam has a Bachelor of Agribusiness and Master of Science from Curtin University, and a Master of Business Administration from the University of Melbourne.

WARWICK KENEALLY BEc (ANU), BCom (ANU), CA

HEAD OF FINANCE

Prior to joining New Energy Solar, Warwick was the interim CFO of the Investment Manager's parent, Evans Dixon Limited. Warwick has worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG working in their Canberra, Sydney and London offices – and has undertaken a range of complex restructuring and insolvency engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks.

Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management.

Warwick has a Bachelor of Economics and Bachelor of Commerce from Australian National University and is a Chartered Accountant.

Church Road ground view – May 2018

Directors’ Report

TID ground view – October 2017

Directors' Report

FOR THE HALF-YEAR ENDED 30 JUNE 2020

The directors of New Energy Solar Limited (the **Company**) and Walsh & Company Investments Limited, as Responsible Entity of New Energy Solar Fund (the **Trust**), together forming New Energy Solar, a listed stapled group, present their report together with the half-year financial report for New Energy Solar Limited and New Energy Solar Fund, (collectively referred to as the **Fund**), for the half-year ended 30 June 2020.

DIRECTORS

The directors of New Energy Solar Limited at any time during or since the end of the financial period are listed below:

Jeffrey Whalan	Non-Executive Chairperson
Maxine McKew	Non-Executive Director
James Davies	Non-Executive Director
John Holland	Non-Executive Director
Alan Dixon	Non-Executive Director (resigned on 17 May 2020)
John Martin	

The directors of Walsh & Company Investments Limited at any time during or since the end of the financial period are listed below:

Stuart Nisbett

Mike Adams

Warwick Keneally

Peter Shear

Directors were in office from the start of the half-year to the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company and the Trust during the half-year were pursuing and investing in large-scale solar plants that generate emissions-free power. There were no significant changes in the nature of these activities during the period.

DISTRIBUTIONS

Distributions paid or declared to securityholders during, or since the end of, the half-year were as follows:

- 3.00 cents per stapled security for the six months ended 30 June 2020 paid on 17 August 2020 amounting to $10,600,259.

REVIEW AND RESULTS OF OPERATIONS

Please refer to the Investment Manager's Report for details relating to the operations during the financial period.

For the half-year ended 30 June 2020, on a combined basis, the Fund's loss was $55.6 million (30 June 2019: $3.8 million loss). The Company reported a loss of $55.0 million (30 June 2019: $22.6 million loss) and the Trust reported a loss of $0.6 million (30 June 2019: $18.9 million profit).

The half-year to 30 June 2020 loss is driven by the fair value loss of financial assets at fair value. This is mainly driven by a $56.1 million decrease to the net asset value of NES US Corp, caused by the negative impact on investment fair value of the underlying solar assets. The decrease is partially offset by the positive impact on investment fair value movements of the loans payable in relation to New Energy Solar US Corp's loan from New Energy Solar Fund and an unrealised foreign exchange translation gain of $4.2 million. There was also a decrease in net asset value of $1.1 million in New Energy Solar Australia HoldCo #1. The Trust's loss of $0.6 million is largely due to the $7.2 million loan fair value decrease based on a revaluation at balance date with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of the loan receivables, $2.0 million loss in the fair value of its investment in US Solar Fund plc, and $2.6 million of foreign exchange gains during the period in relation to the US dollar denominated loan provided by the Trust to New Energy Solar US Corp.

At 30 June 2020, on a combined basis, the Fund's net assets are $466.3 million (31 December 2019: $529.5 million), representing a net asset value per stapled security of $1.32 (31 December 2019: $1.51).The Company's net assets are $303.7 million (31 December 2019: $356.7 million), representing a net asset value per stapled security of $0.86 (31 December 2019: $1.02) and the Trust's net assets are $162.6 million (31 December 2019: $172.8 million), representing a net asset value per stapled security of $0.46 (31 December 2019: $0.49).

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

A distribution of 3.0 cents per stapled security totaling $10,600,259 was declared on 24 June 2020 and was paid to securityholders on 17 August 2020. 1,927,957 stapled securities were issued under the Fund's Distribution Reinvestment Plan.

While the day-to-day physical operations of the solar power plant have continued relatively unimpeded by the effects of COVID-19, the Investment Manager has identified a number of potential longer-term risks to the business. The unfavourable macroeconomic impact of the pandemic, together with the high degree of uncertainty as to future economic conditions may impact the future availability and cost of equity and debt and more broadly volatility in the electricity market and related electricity pricing. These factors may impact the fair value of underlying solar plant values and therefore the value of the Funds investment in financial assets. Management is monitoring the energy market outlook closely and will take a cautious approach to all business decisions.

Other than the matters discussed above, no matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company or the Trust's operations, the results of those operations, or the Company or the Trust's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the directors

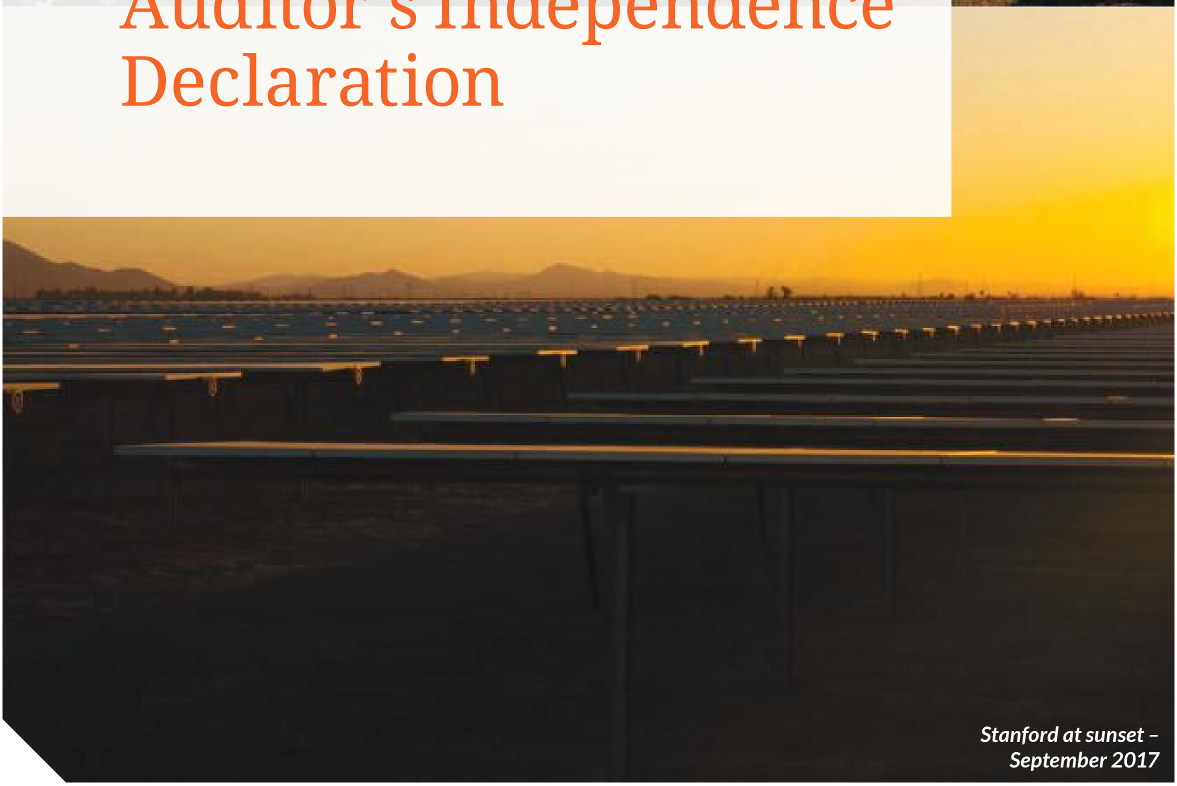
STUART NISBETT
Chairman of the Responsible Entity

JEFFREY WHALAN
Chairman of the Company

20 August 2020

Manildra ground view – August 2018

Auditor's Independence Declaration



Stanford at sunset – September 2017

Auditor’s Independence Declaration

FOR THE HALF-YEAR ENDED 30 JUNE 2020

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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www.deloitte.com.au

The Board of Directors
New Energy Solar Limited and
Walsh & Company Investments Limited
As Responsible Entity for
New Energy Solar Fund
Level 15, 100 Pacific Highway
North Sydney NSW 2060

20 August 2020

Dear Board Members

Auditor's Independence Declaration to New Energy Solar Limited and New Energy Solar Fund

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of New Energy Solar Limited and to the directors of the Responsible Entity of New Energy Solar Fund.

As lead audit partner for the review of the half-year financial reports of New Energy Solar Limited and New Energy Solar Fund for the half-year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

TID ground view – September 2017

Financial Statements

TID PV module closeup – September 2017

Condensed Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 30 JUNE 2020

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Notes	30-Jun-20 $	30-Jun-19 $	30-Jun-20 $	30-Jun-19 $	30-Jun-20 $	30-Jun-19 $
Net income							
Fair value (loss)/gain of assets classified as held for sale	6	-	-	(2,006,800)	846,123	(2,006,800)	846,123
Fair value (loss)/gain of financial assets at fair value through profit or loss	8	(53,038,525)	(21,456,175)	(4,588,698)	13,384,381	(57,627,223)	(8,071,794)
Foreign exchange (loss)/gain		(33,092)	2	2,311,677	113,641	2,278,585	113,643
Finance income	2	5,248	23,340	4,424,053	5,664,918	4,429,301	5,688,258
Dividend income		-	-	227,439	-	227,439	-
Other income		36,468	-	-	-	36,468	-
Total net (loss)/income		**(53,029,901)**	**(21,432,833)**	**367,671**	**20,009,063**	**(52,662,230)**	**(1,423,770)**
Fair value movement of foreign currency derivatives		–	–	(167,900)	(158,764)	(167,900)	(158,764)
Finance expenses		(1,215,107)	(470,653)	(367)	(564)	(1,215,474)	(471,217)
Responsible entity fees	14	-	–	(78,782)	(100,291)	(78,782)	(100,291)
Investment management fees	14	(723,671)	(765,624)	(354,305)	(461,736)	(1,077,976)	(1,227,360)
Accounting and audit fees		(135,771)	(82,114)	(50,483)	(66,787)	(186,254)	(148,901)
Legal and advisory expenses		(504,723)	(119,662)	(96,157)	(102,825)	(600,880)	(222,487)
Director fees		(97,198)	(112,500)	(5,578)	–	(102,776)	(112,500)
Marketing expenses		(6,811)	(64,338)	(62,293)	(122,976)	(69,104)	(187,314)
Listing and registry expenses		(26,563)	(25,750)	(26,221)	(25,474)	(52,784)	(51,224)
Other operating expenses		(104,374)	(66,984)	(76,855)	(97,497)	(181,229)	(164,481)
Total expenses		**(2,814,218)**	**(1,707,625)**	**(918,941)**	**(1,136,914)**	**(3,733,159)**	**(2,844,539)**
(Loss)/profit before tax		**(55,844,119)**	**(23,140,458)**	**(551,270)**	**18,872,149**	**(56,395,389)**	**(4,268,309)**
Income tax benefit		838,640	512,803	-	–	838,640	512,803
(Loss)/profit after tax for the period		**(55,005,479)**	**(22,627,655)**	**(551,270)**	**18,872,149**	**(55,556,749)**	**(3,755,506)**
Other comprehensive income, net of income tax		**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive (loss)/ income for the period		**(55,005,479)**	**(22,627,655)**	**(551,270)**	**18,872,149**	**(55,556,749)**	**(3,755,506)**
Earnings per security							
Basic and diluted (loss)/ earnings (cents per security)	3	(15.59)	(6.49)	(0.15)	5.42	(15.75)	(1.08)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed Statement of Financial Position

AS AT 30 JUNE 2020

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Notes	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
ASSETS		$	$	$	$	$	$
Current assets							
Cash and cash equivalents		6,669,593	4,542	3,987,012	1,610,618	10,656,605	1,615,160
Trade and other receivables	5	39,984	516,262	493,271	5,008,594	473,025	5,047,334
Assets classified as held for sale	6	-	-	20,425,902	22,432,702	20,425,902	22,432,702
Derivative financial assets	7	-	-	192,100	-	192,100	-
Total current assets		**6,709,577**	**520,804**	**25,098,285**	**29,051,914**	**31,747,632**	**29,095,196**
Non-current assets							
Financial assets held at fair value through profit or loss	8	293,807,292	353,178,601	148,371,536	158,514,967	442,178,828	511,693,568
Deferred tax assets		3,773,558	2,934,918	-	-	3,773,558	2,934,918
Other assets – deferred borrowing costs		-	1,067,649	-	-	-	1,067,649
Total non-current assets		**297,580,850**	**357,181,168**	**148,371,536**	**158,514,967**	**445,952,386**	**515,696,135**
Total assets		**304,290,427**	**357,701,972**	**173,469,821**	**187,566,881**	**477,700,018**	**544,791,331**
LIABILITIES							
Current liabilities							
Trade and other payables	9	488,427	910,690	266,207	755,883	694,404	1,189,051
Current tax payable		68,459	54,713	-	-	68,459	54,713
Distribution payable	11	-	-	10,600,259	14,042,395	10,600,259	14,042,395
Total current liabilities		**556,886**	**965,403**	**10,866,466**	**14,798,278**	**11,363,122**	**15,286,159**
Total liabilities		**556,886**	**965,403**	**10,866,466**	**14,798,278**	**11,363,122**	**15,286,159**
Net assets		**303,733,541**	**356,736,569**	**162,603,355**	**172,768,603**	**466,336,896**	**529,505,172**
EQUITY							
Issued capital	4	341,375,225	339,372,774	130,265,867	134,313,666	471,641,092	473,686,440
Retained earnings		(37,641,684)	17,363,795	32,337,488	38,454,937	(5,304,196)	55,818,732
Total equity		**303,733,541**	**356,736,569**	**162,603,355**	**172,768,603**	**466,336,896**	**529,505,172**

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 30 JUNE 2020

			NEW ENERGY SOLAR LIMITED (COMPANY)	
	Notes	**Issued capital**	**Retained earnings/ (accumulated losses)**	**Total**
		$	**$**	**$**
Balance at 1 January 2019		**252,292,020**	**48,817,862**	**301,109,882**
Loss after tax for the period		–	(22,627,655)	(22,627,655)
Other comprehensive income, net of income tax		–	–	–
Total comprehensive loss for the period		**–**	**(22,627,655)**	**(22,627,655)**
Issue of securities		2,695,085	–	2,695,085
Capitalised issue costs, net of income tax		(55,928)	–	(55,928)
Share buy-backs		(1,179,359)	–	(1,179,359)
Buy-back costs, net of income tax		(2,115)	–	(2,115)
Capital reallocation		83,583,947	–	83,583,947
Balance at 30 June 2019		**337,333,650**	**26,190,207**	**363,523,857**

			NEW ENERGY SOLAR LIMITED (COMPANY)	
		Issued capital	**Retained earnings/ (accumulated losses)**	**Total**
		$	**$**	**$**
Balance at 1 January 2020		**339,372,774**	**17,363,795**	**356,736,569**
Loss after tax for the period		–	(55,005,479)	(55,005,479)
Other comprehensive income, net of income tax		–	–	–
Total comprehensive loss for the period		**–**	**(55,005,479)**	**(55,005,479)**
Issue of securities		2,002,451	–	2,002,451
Balance at 30 June 2020	**4**	**341,375,225**	**(37,641,684)**	**303,733,541**

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity Continued

FOR THE HALF-YEAR ENDED 30 JUNE 2020

		NEW ENERGY SOLAR FUND (TRUST)		
	Notes	Issued capital	Retained earnings/ (accumulated losses)	Total
		$	$	$
Balance at 1 January 2019		**233,667,317**	**20,899,024**	**254,566,341**
Profit after tax for the period		–	18,872,149	18,872,149
Other comprehensive income, net of income tax		–	–	–
Total comprehensive income for the period		**–**	**18,872,149**	**18,872,149**
Issue of securities		2,295,674	–	2,295,674
Capitalised issue costs, net of income tax		(59,241)	–	(59,241)
Unit buy-backs		(1,088,639)	–	(1,088,639)
Buy-back costs, net of income tax		(2,790)	–	(2,790)
Capital reallocation		(83,583,947)	–	(83,583,947)
Distributions	11	(7,194,846)	(6,401,676)	(13,596,522)
Balance at 30 June 2019		**144,033,528**	**33,369,497**	**177,403,025**

		NEW ENERGY SOLAR FUND (TRUST)		
		Issued capital	Retained earnings/ (accumulated losses)	Total
		$	$	$
Balance at 1 January 2020		**134,313,666**	**38,454,937**	**172,768,603**
Loss after tax for the period		–	(551,270)	(551,270)
Other comprehensive income, net of income tax		–	–	–
Total comprehensive loss for the period		**–**	**(551,270)**	**(551,270)**
Issue of securities		986,281	-	986,281
Distributions	11	(5,034,080)	(5,566,179)	(10,600,259)
Balance at 30 June 2020	4	**130,265,867**	**32,337,488**	**162,603,355**

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Statement of Changes in Equity Continued

FOR THE HALF-YEAR ENDED 30 JUNE 2020

	Notes	Issued capital	Retained earnings/ (accumulated losses)	Total
		FUND (COMBINED COMPANY AND TRUST)		
		$	**$**	**$**
Balance at 1 January 2019		**485,959,337**	**69,716,886**	**555,676,223**
Loss after tax for the period		–	(3,755,506)	(3,755,506)
Other comprehensive income, net of income tax		–	–	–
Total comprehensive loss for the period		**–**	**(3,755,506)**	**(3,755,506)**
Issue of securities		4,990,759	–	4,990,759
Capitalised issue costs, net of income tax		(115,169)	–	(115,169)
Securities buy-backs		(2,267,998)	–	(2,267,998)
Buy-back costs, net of income tax		(4,905)	–	(4,905)
Distributions	11	(7,194,846)	(6,401,676)	(13,596,522)
Balance at 30 June 2019	4	**481,367,178**	**59,559,704**	**540,926,882**

	Notes	Issued capital	Retained earnings/ (accumulated losses)	Total
		FUND (COMBINED COMPANY AND TRUST)		
		$	**$**	**$**
Balance at 1 January 2020		**473,686,440**	**55,818,732**	**529,505,172**
Loss after tax for the period		–	(55,556,749)	(55,556,749)
Other comprehensive income, net of income tax		–	–	–
Total comprehensive loss for the period		**–**	**(55,556,749)**	**(55,556,749)**
Issue of securities		2,988,732	–	2,988,732
Distributions	11	(5,034,080)	(5,566,179)	(10,600,259)
Balance at 30 June 2020	4	**471,641,092**	**(5,304,196)**	**466,336,896**

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

FOR THE HALF-YEAR ENDED 30 JUNE 2020

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Notes	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
		$	$	$	$	$	$
Cash flows from operating activities							
Interest income received		5,248	23,340	4,462,746	6,136,005	4,467,994	6,159,345
Other income		36,468	-	-	-	36,468	-
Payments to suppliers		(1,661,212)	(1,371,745)	(765,019)	(1,233,701)	(2,426,231)	(2,605,446)
Income tax refund/(paid)		13,746	(4,666)	-	-	13,746	(4,666)
Dividend income received		-	-	315,033	-	315,033	-
Net cash flow from operating activities		**(1,605,750)**	**(1,353,071)**	**4,012,760**	**4,902,304**	**2,407,010**	**3,549,233**
Cash flows from investing activities							
Return of capital from/(payments for) investments	8	6,334,452	(100,217,060)	-	(21,055,587)	6,334,452	(121,272,647)
Repayments from/(loans to) related parties	8	(423,502)	10,507,497	10,008,708	97,754,301	9,585,206	108,261,798
Net cash flow from investing activities		**5,910,950**	**(89,709,563)**	**10,008,708**	**76,698,714**	**15,919,658**	**(13,010,849)**
Cash flows from financing activities							
Proceeds from issue of securities	4	2,002,451	2,695,085	986,281	2,295,674	2,988,732	4,990,759
Payments for securities buy-backs		-	(1,179,359)	-	(1,088,639)	-	(2,267,998)
Payment of issue and buy-back costs		-	(68,819)	-	(62,031)	-	(130,850)

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows Continued

FOR THE HALF-YEAR ENDED 30 JUNE 2020

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Notes	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
		$	$	$	$	$	$
Proceeds from/ (payment of) capital reallocation		-	83,583,947	-	(83,583,947)	-	-
Payments of transaction costs relating to loans		(147,260)	(306,508)	-	-	(147,260)	(306,508)
Receipt/ (payment) of foreign currency derivatives		-	-	2,122,000	(1,378,492)	2,122,000	(1,378,492)
Proceeds/ (repayment) of loans from New Energy Solar Fund to New Energy Solar Limited		537,752	(120,542)	(537,752)	120,542	-	-
Distributions paid		-	-	(14,042,395)	(13,863,889)	(14,042,395)	(13,863,889)
Net cash flow from financing activities		**2,392,943**	**84,603,804**	**(11,471,866)**	**(97,560,782)**	**(9,078,923)**	**(12,956,978)**
Net (decrease)/ increase in cash and cash equivalents		**6,698,143**	**(6,458,803)**	**2,549,602**	**(15,959,764)**	**9,247,745**	**(22,418,594)**
Cash at the beginning of the period		4,542	6,475,915	1,610,618	16,554,264	1,615,160	23,030,179
Effect of exchange rate changes		(33,092)	2	(173,208)	201,214	(206,300)	201,216
Cash and cash equivalents at the end of the period		**6,669,593**	**17,087**	**3,987,012**	**795,714**	**10,656,605**	**812,801**

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NC-47 ground view - May 2017

Notes to the Financial Statements

Hanover ground view - February 2018

Notes to the Financial Statements

FOR THE HALF-YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

The condensed financial statements comprise:

- New Energy Solar Limited (**Company**), a listed public company incorporated in Australia;
- New Energy Solar Fund (**Trust**), a listed managed investment scheme registered and domiciled in Australia, with Walsh & Company Investments Limited acting as Responsible Entity;

on a combined basis referred to as New Energy Solar (the **Fund**).

One share in the Company and one unit in the Trust have been stapled together to form a listed single stapled security (**Stapled Security**). These securities are publicly traded on the Australian Securities Exchange Limited (**ASX**).

The principal activity of the Company and the Trust is indirectly investing (through provision of equity and debt to underlying investment entities) in large-scale solar plants that generate emissions-free power.

This half-year financial report is intended to provide users with an update on the latest annual financial statements of the Company and the Trust. The half-year financial report does not include notes of the type normally included in an annual financial report and it is therefore recommended that this half-year financial report be read in conjunction with the annual financial statements of the Company and the Trust for the year ended 31 December 2019, together with any public announcements made during the half-year.

A) REVENUE AND EXPENSES

New Energy Solar is indirectly investing in utility scale solar power plants that generate emissions free power via the Company's wholly owned Australian subsidiary, New Energy Solar Australia HoldCo #1 Pty Limited, and its wholly owned US subsidiary, New Energy Solar US Corp.

New Energy Solar Australia HoldCo #1 Pty Limited is funded by equity and/or debt from the Company. New Energy Solar US Corp is funded by a combination of equity from the Company and a loan from the Trust, both of which are denominated in US dollars.

As the Company and the Trust are both considered to meet the definition of an 'investment entity' for accounting purposes (see below), New Energy Solar Australia HoldCo #1 Pty Limited and New Energy Solar US Corp are not consolidated in the Company's financial statements, rather they are required to be held at fair value in the financial statements.

The impact of this on the financial statements is that the main operating revenues of the Fund consist of dividends from New Energy Solar Australia HoldCo #1 Pty Limited and New Energy Solar US Corp, fair value movements in the value of the Company's investment in New Energy Solar Australia HoldCo #1 Pty Limited and, New Energy

Solar US Corp, and interest on the loan from the Trust to New Energy Solar US Corp. Net operating income from underlying solar assets held in Australia and the US and all underlying subsidiary expenses are reflected through the movement in the fair value of investments in the profit or loss statement.

The underlying cash flows of solar power plants, being revenues from the sale of electricity and renewable energy certificates less expenses, are distributed on a periodic basis from underlying projects through to New Energy Solar Australia HoldCo #1 Pty Limited and New Energy Solar US Corp, and underpin the ability to pay interest on the loan to the Trust and dividends to the Company as noted above.

Additionally, as both the Company's equity investment in New Energy Solar US Corp and the Trust's loan to New Energy Solar US Corp are denominated in US dollars, and the Company and the Responsible Entity do not currently intend to hedge these exposure to foreign currencies, the Fund is also exposed to valuation movements associated with changes in the US dollar/Australian dollar exchange rate.

B) STATEMENT OF COMPLIANCE

These condensed financial statements of the Company and the Trust are condensed general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (**IASB**).

The condensed financial statements were authorised for issue by the directors of the Company and the Responsible Entity of the Trust, Walsh & Company Investments Limited, on 20 August 2020. For the purposes of preparing the financial statements, the Company and the Trust are for-profit entities.

C) BASIS OF PREPARATION

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company and Trust's annual financial report for the year ended 31 December 2019. The adoption of new standards effective as of 1 January 2020 has not resulted in any change to these disclosed policies. The Company and the Trust have not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Company and the Trust have each applied ASIC Corporations (Stapled Group Reports) Instrument 2015/838 and therefore include the financial statements of the other entity in their financial report in adjacent columns to their own financial statements.

D) BASIS FOR NON-CONSOLIDATION

New Energy Solar (or the **Fund**) comprises New Energy Solar Limited (the **Company**) and New Energy Solar Fund (the **Trust**). The equity securities of the Company and the Trust are stapled and cannot be traded separately.

The parent entity of the stapled group has been determined to be the Company. The Company holds investments, directly or indirectly, through subsidiaries or other underlying entities including the Trust which is considered to be a subsidiary of the Company under the accounting standards.

The Company and the Trust are considered to meet the definition of an 'Investment Entity' as described in AASB 10 'Consolidated Financial Statements' (refer below). Under AASB 10 an Investment Entity is required to hold its subsidiaries at fair value through the profit and loss rather than consolidate them. Subsidiaries are entities over which control is exercised. Control exists when the entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

As noted above the Trust is considered to be a subsidiary of the Company under accounting standards and is therefore required to be recorded by the Company at its fair value. However, the fair value of the Company's investment in the Trust as reflected in the Company's financial statements is considered to be nil as a result of the Company holding no direct interest in this subsidiary. The Company financial statements therefore include all of its own direct and indirect interest in subsidiaries at fair value, but do not reflect any value attributable to the Trust except for loans made between the Company and the Trust.

The financial statements of the Trust are shown separately under the heading "New Energy Solar Fund (Trust)". As noted above because the Trust is considered to be an investment entity, its financial statements reflect its financial assets, including loan receivables and its investment in direct and indirect subsidiaries, at fair value. The Trust had no subsidiaries as at the reporting date.

The column headed "**Fund**" in the financial statements represents non-IFRS financial information (Fund financial statements) which has been included to reflect the combined financial statements of the Company and the Trust, together representing the Fund. The Fund financial statements have been prepared to reflect the stapled securityholders' combined interest in the Company and the Trust by aggregating the Company and the Trust financial information after eliminating transactions and balances between the Company and the Trust. The accounting policies adopted in the preparation of the Fund financial statements is consistent with that adopted in respect of the Company and the Trust financial statements.

The Company, Trust and Fund financial information disclosures in the format presented in the financial statements is in accordance with an ASIC Order 17-1127 issued on 14 December 2017.

Investment Entity Classification

Under the definition of an Investment Entity, as set out in AASB 10, an entity must satisfy all of the following three tests:

- Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and
- Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company and the Trust satisfy the above three tests in consideration of the following factors:

- The Company and the Trust have multiple investors, having obtained funds from a diverse group of securityholders that would not otherwise have access individually to invest in renewable power generation assets;
- The business purpose of the Company and the Trust, is to invest funds for investment income and potential capital growth. The intended underlying assets, including those held directly or indirectly by the Company and the Trust, will have limited operational lives and therefore minimal residual value and so will not be expected to be held indefinitely; and

- The Company and Trust measure and evaluate performance of their existing and intended future underlying investments on a fair value basis which is most relevant for its securityholders.

The directors have also assessed that the Company and the Trust meet the typical characteristics of an Investment Entity described in AASB 10 in that:

- They are separate legal entities;
- Ownership interests in the entities are held by a wide pool of investors who are not related parties; and
- Directly or through their subsidiaries, they hold a portfolio of investments.

E) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company and the Trust have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the **AASB**) that are relevant to their operations and effective for the current half-year. The adoption of new and revised standards and Interpretations has had no material impact on the financial statements.

F) GOING CONCERN

The combined Company and Trust (the **Fund**) incurred a combined loss after tax for the period of A$55.6 million. After excluding fair value gains/losses of financial assets and liabilities and assets held for sale, a combined profit after tax of A$4.1 million was recognised. During the period the Fund generated net cash inflows from operating activities of A$2.4 million, net cash inflows from investing activities of A$15.9 million and net cash outflows from financing activities totalling A$9.1 million, and had an available cash balance of A$10.7 million at 30 June 2020.

As shown in Note 8(iii)(e) and (i), at the 30 June 2020 balance date, on a look through basis, the Fund and its controlled entities had loan facilities maturing before 30 September 2021, including a USD$10 million temporary facility with KeyBank National Association (**Keybank**) and a USD$15 million working capital facility with Kendrick Cerry Inc (**KCI**).

The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

Management has prepared a cash flow forecast for the Fund through to 30 September 2021 which incorporates recurring operating cash inflows and various assumptions relating to asset sales and the further drawdown, repayment and extension of existing loan facilities. The forecast shows that the Fund will be in a positive working capital position throughout and at the end of the forecast period.

Subsequent to balance date, the Fund has satisfactorily progressed discussions with Keybank regarding the USD$10 million temporary facility extension beyond the forecast period, and has also commenced the process to facilitate the sale of assets 'held for sale' at balance date totalling USD$10 million with an expectation that the sale of these assets will be completed within six months of balance date. The directors are confident that both these initiatives will have successful outcomes.

As recently announced to the market, the Fund has also progressed negotiations for the sale of a 50% interest in the Mount Signal 2 asset in California which is presently under due diligence and, if the sale proceeds, it is likely to be completed in the fourth quarter of 2020. Completing the asset sale is not included in above referenced cashflow forecast and if completed will assist the Fund to undertake capital management initiatives including repayment of shorter-term debt, security buy-backs, and/or payment of special distributions.

Based on the above, the Directors of the Company and of the Responsible Entity of the Trust believe it is appropriate to prepare the financial report on the going concern basis.

2. FINANCE INCOME

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20 $	30-Jun-19 $	30-Jun-20 $	30-Jun-19 $	30-Jun-20 $	30-Jun-19 $
Interest income on cash at bank	5,248	23,340	4,168	111,573	9,416	134,913
Interest income on loan to New Energy Solar US Corp (subsidiary of the Company)	–	–	4,419,885	5,553,345	4,419,885	5,553,345
	5,248	**23,340**	**4,424,053**	**5,664,918**	**4,429,301**	**5,688,258**

3. EARNINGS PER SECURITY

(i) Calculated earnings per security	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
	cents	cents	cents	cents	cents	cents
Basic and diluted (loss)/ earnings per security	(15.59)	(6.49)	(0.15)	5.42	(15.75)	(1.08)
(ii) Earnings used to calculate basic and diluted earnings per security						
	$	$	$	$	$	$
(Loss)/profit from continued operations used to calculate basic and diluted (loss)/ earnings per security	(55,005,479)	(22,627,655)	(551,270)	18,872,149	(55,556,749)	(3,755,506)
(iii) Weighted average number of securities						
	No.	No.	No.	No.	No.	No.
Weighted average number of securities outstanding used to calculate basic earnings per security	352,777,706	348,456,469	352,777,706	348,456,469	352,777,706	348,456,469
Weighted average number of securities outstanding used to calculate diluted earnings per security	**352,777,706**	**348,456,469**	**352,777,706**	**348,456,469**	**352,777,706**	**348,456,469**

There are no transactions that would significantly change the number of securities at the end of the reporting period.

4. EQUITY – ISSUED CAPITAL

(i) Movements in issued capital

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Six months to 30-Jun-20	Year to 31-Dec-19	Six months to 30-Jun-20	Year to 31-Dec-19	Six months to 30-Jun-20	Year to 31-Dec-19
	$	$	$	$	$	$
Balance at beginning of period	**339,372,774**	**252,292,020**	**134,313,666**	**233,667,317**	**473,686,440**	**485,959,337**
Issue of securities – February 2019	–	2,695,085	–	2,295,674	–	4,990,759
Capital reallocation – June 2019	–	83,583,947	–	(83,583,947)	–	–
Issue of securities – August 2019	–	2,039,124	–	1,004,273	–	3,043,397
Issue of securities – February 2020	2,002,451	–	986,281	–	2,988,732	–
Issue costs	–	(55,928)	–	(59,241)	–	(115,169)
Buy-backs	–	(1,179,359)	–	(1,088,639)	–	(2,267,998)
Buy-back costs	–	(2,115)	–	(2,790)	–	(4,905)
Distributions – June 2019	–	–	–	(7,194,846)	–	(7,194,846)
Distributions – December 2019	–	–	–	(10,724,135)	–	(10,724,135)
Distributions - June 2020	–	–	(5,034,080)	–	(5,034,080)	–
Balance at the end of period	**341,375,225**	**339,372,774**	**130,265,867**	**134,313,666**	**471,641,092**	**473,686,440**

(ii) Movements in stapled securities

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	Six-months to 30-Jun-20	Year to 31-Dec-19	Six-months to 30-Jun-20	Year to 31-Dec-19	Six-months to 30-Jun-20	Year to 31-Dec-19
	No.	No.	No.	No.	No.	No.
Balance at beginning of period	351,059,886	346,597,195	351,059,886	346,597,195	351,059,886	346,597,195
Issue of securities – February 2019	–	3,693,961	–	3,693,961	–	3,693,961
Issue of securities – August 2019	–	2,431,124	–	2,431,124	–	2,431,124
Issue of securities – February 2020	2,282,068	–	2,282,068	–	2,282,068	–
Buy-backs	–	(1,662,394)	–	(1,662,394)	–	(1,662,394)
Balance at the end of period	**353,341,954**	**351,059,886**	**353,341,954**	**351,059,886**	**353,341,954**	**351,059,886**

All issued stapled securities are fully paid. The holders of stapled share/unit securities are entitled to one vote per security at meetings of the Company and the Trust and are entitled to receive dividends/distributions declared from time to time by the Company and the Trust.

Security buy-back

The Company and the Trust announced an on-market security buy-back program on 3 May 2019 of up to 10 million securities over a 12-month period commencing 17 May 2019 and the program concluded on 16 May 2020. The buy-backs were being undertaken as an active capital management tool to provide liquidity to existing securityholders should they seek to exit their investment at a discount to net asset value.

During the half-year ended 30 June 2020, no security buy-backs were undertaken.

The Company and the Trust remain committed to active capital management to provide liquidity for investors as well as enhancing shareholder returns.

5. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	$	$	$	$	$	$
Interest receivable – New Energy Solar US Corp	–	–	411,911	447,718	411,911	447,718
GST receivable	27,734	26,490	21,130	19,306	48,864	45,796
Other receivables – subsidiary entity, New Energy Solar US Corp	12,250	12,250	–	–	12,250	12,250
Other receivables – subsidiary entity, New Energy Solar Australia HoldCo #1 Pty Limited	–	–	–	4,453,976	–	4,453,976
Other receivables – New Energy Solar Limited	–	–	60,230	–	–	–
Other receivables – New Energy Solar Fund	–	477,522	–	–	–	–
Dividend receivables	–	–	–	87,594	–	87,594
	39,984	**516,262**	**493,271**	**5,008,594**	**473,025**	**5,047,334**

There are no balances included in receivables that contain assets that are impaired. The receivables are recorded at carrying amounts that are reasonable approximations of fair value.

6. CURRENT ASSETS – ASSETS CLASSIFIED AS HELD FOR SALE

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
		30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
		$	$	$	$	$	$
Investment in US Solar Fund plc (**LSE: USF**)	Equity	–	–	20,425,902	22,432,702	20,425,902	22,432,702
		–	**–**	**20,425,902**	**22,432,702**	**20,425,902**	**22,432,702**

At balance date, New Energy Solar Fund (**Trust**) has recorded its investment in US Solar Fund Plc at fair value (as required under AASB 9) and classified the investment as an asset classified as held for sale. The asset is considered by the Board of Directors to be immediately available for sale and its disposal is assessed as being highly probable to occur within 12 months from balance date.

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	$	$	$	$	$	$
Assets classified as held for sale opening balance	**–**	**–**	**22,432,702**	**–**	**22,432,702**	**–**
Total funds invested during the period in US Solar Fund	–	–	-	21,055,586	-	21,055,586
Unrealised movement in fair value through profit or loss (i)	–	–	(2,006,800)	1,377,116	(2,006,800)	1,377,116
Assets classified as held for sale closing balance	**–**	**–**	**20,425,902**	**22,432,702**	**20,425,902**	**22,432,702**

(i) The Trust's 'movement in fair value' decrement amount of $2.0 million is comprised of $2.6 million loss in the fair value of its investment in US Solar Fund plc, and $0.6 foreign exchange gain during the period in relation to this investment.

7. CURRENT ASSETS – DERIVATIVE FINANCIAL ASSETS

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	$	$	$	$	$	$
Foreign exchange option contracts	**–**	**–**	**192,100**	**–**	**192,100**	**–**

Foreign exchange option contracts have been entered into by the Trust to mitigate exchange rate exposure arising from US dollar cash flows in relation to the potential sale transaction. The foreign exchange contract to sell US $25 million and purchase AUD $35.8 million on 20 July 2020 was outstanding at balance date. The contract was entered into to hedge anticipated US dollar cash receipts from the expected potential asset sale over the same time period. The option contract was closed out (via option expiry) on 20 July 2020 and A$ 0 million was received at this time. On the same day that the aforementioned option expired (20 July 2020), the Trust entered into another foreign exchange option contract to sell US $25 million and purchase A$35.6 million on 17 August 2020 which was subsequently terminated on 14 August 2020.

US-dollar option contracts have not been designated as hedging instruments in cash flow hedges. The fair values at the reporting date are set out above.

8. NON-CURRENT ASSETS – FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Fund owns its existing underlying solar asset portfolio through the Company's immediate subsidiary companies. The Fund's investment in its immediate subsidiaries consists of a combination of equity and debt provided by the Company and debt provided by the Trust. As an 'investment entity' the Company records its equity investment at fair value, which comprises the assessed fair value of the underlying solar asset portfolio and associated debt and the residual net assets of the company and its controlled entities. Similarly, the Trust as an 'investment entity' records its loan receivable at fair value.

At balance date, the fair value of the Company and Trust's combined total investment in immediate subsidiaries and its investment in US Solar Fund plc comprises the following:

		NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
		30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
		$	$	$	$	$	$
Investment in New Energy Solar Australia HoldCo #1 Pty Limited	Equity	114,811,261	122,203,744	–	–	114,811,261	122,203,744
Investment in New Energy Solar US Corp	Equity	178,996,031	230,974,857	–	–	178,996,031	230,974,857
	Loans	–	–	148,371,536	158,514,967	148,371,536	158,514,967
		293,807,292	**353,178,601**	**148,371,536**	**158,514,967**	**442,178,828**	**511,693,568**

The investment in subsidiaries comprises on a 'look-through' basis the following:

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-19
	$	$	$	$	$	$
Fair value of equity interests held in solar assets (i)	538,836,940	569,562,614	–	–	538,836,940	569,562,614
Fair value of debt in solar assets	817,354,490	755,552,436	–	–	817,354,490	755,552,436
Cash or cash equivalents	10,203,970	9,049,323	–	–	10,203,970	9,049,323
Loan funding provided by New Energy Solar Fund to New Energy Solar US Corp (ii)	(148,371,536)	(158,514,967)	148,371,536	158,514,967	–	–

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**
	$	**$**	**$**	**$**	**$**	**$**
3rd party loan funding provided (iii)	(774,440,561)	(1,034,124,352)	–	–	(774,440,561)	(1,034,124,352)
Converting 3rd party funding to tax equity interest (ITC Bridge Loan) (iii)	–	284,295,616	–	–	–	284,295,616
Fair value of Interest rate swaps on 3rd party loan funding provided (iv)	(131,208,872)	(65,322,318)	–	–	(131,208,872)	(65,322,318)
Deferred tax liabilities	(13,961,265)	(7,134,834)	–	–	(13,961,265)	(7,134,834)
Other net assets/ (liabilities)	(4,605,874)	(184,917)	–	–	(4,605,874)	(184,917)
	293,807,292	**353,178,601**	**148,371,536**	**158,514,967**	**442,178,828**	**511,693,568**

(i) The balance recorded at 30 June 2020 relates to the company's interest in the NC-31, NC-47, Stanford, TID, Boulder, Mount Signal 2, Cypress Creek portfolio, Manildra and Beryl solar asset plants. The fair value of these assets totaling $538.8 million is based on a discounted cash flow valuation as further described in note 13.

(ii) As at 30 June 2020, the fair value of Note Purchase Agreements with New Energy Solar US Corp that New Energy Solar Fund invested into in the amount of US$41,154,424 (face value US$38,949,678, effective 9 December 2016) and US$61,266,447 (face value US$57,803,480, effective 15 December 2017) has been converted to Australian dollars at the prevailing A$:US$ spot rate of 0.6903 (31 December 2019 spot rate 0.7021). The loans to New Energy Solar US Corp have a 7 year loan term from inception and a fixed interest rate of 6%. These loans are unsecured. The fair value of these loan receivables is based on a revaluation at balance date with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of these loan receivables.

(iii) 3rd party loan funding is comprised of the following:

HELD BY:	FACILITY SIZE* (BASE CURRENCY $M)	DRAWN FACE VALUE (BASE CURRENCY $M)	30 JUN 2020 FX RATE	DRAWN FACE VALUE (A$M)	DRAWN FAIR VALUE (BASE CURRENCY $M)	30 JUN 2020 FX RATE	DRAWN FAIR VALUE (A$M)
NES US Funding 1 LLC [(a)]	USD 27.3	USD 24.3	0.6903	35.2	USD 24.3	0.6903	35.2
NES Antares HoldCo LLC [(b)]	USD 62.5	USD 60.8	0.6903	88.1	USD 65.8	0.6903	95.3
NES Perseus HoldCo LLC [(c)]	USD 22.7	USD 22.7	0.6903	32.9	USD 25.4	0.6903	36.8
NES Hercules Class B Member LLC [(d)]	USD 203.4	USD 203.4	0.6903	294.7	USD 203.4	0.6903	294.7
NES Hercules Class B Member LLC [(d)]	USD 8.5	USD 2.2	0.6903	3.2	USD 2.2	0.6903	3.2
NES Galaxy LLC [(e)]	USD 55.0	USD 46.0	0.6903	66.6	USD 46.0	0.6903	66.6
NES Orion HoldCo LLC [(f)]	USD 22.6	USD 22.1	0.6903	32.0	USD 22.1	0.6903	32.0
Manildra Finco Pty Limited [(g)]	AUD 68.0	AUD 68.0	n/a	68.0	AUD 68.0	n/a	68.0
FS NSW Project No 1 Finco Pty Limited [(h)]	AUD 120.9	AUD 120.9	n/a	120.9	AUD 120.9	n/a	120.9
New Energy Solar US Corp [(i)]	ASD 15.0	ASD 15.0	0.6903	21.7	USD 15.0	0.6903	21.7
				763.3			**774.4**

*Balance outstanding as at 30 June 2020. Facility face values adjusted for committed amortisation payments.

(a) In June 2019, New Energy Solar refinanced the existing term credit facility held by NES US Funding 1 LLC, a wholly owned indirect subsidiary of the Company, with KeyBank National Association to increase the term facility to US$27.3 million. The refinanced term facility is fully amortising and matures in March 2027. The facility with an underlying LIBOR rate is hedged with a fixed interest rate swap for the full duration of the Loan. As part of the refinancing agreement, KeyBank National Association hold a charge over the NC-31 and NC-47 solar plant assets.

(b) US$62.5 million senior secured fixed rate notes issued in October 2017 by NES Antares HoldCo LLC, a wholly owned indirect subsidiary of the Company, to notes purchasers via the United States private placement market. The notes are amortising over 24 years maturing 30 September 2041. As part of the note purchase agreements, the noteholders hold a charge over the Stanford SGS and TID SGS asset interests held.

(c) US$22.7 million senior secured fixed rate notes issued in July 2018 by NES Perseus HoldCo LLC, a wholly owned indirect subsidiary of the Company, to notes purchasers via the United States private placement market. The notes are amortising over 18.5 years maturing 28 February 2037. As part of the note purchase agreements, the noteholders hold a charge over NES Perseus HoldCo LLC, the entity which owns the underlying membership interest in the Boulder solar asset.

(d) US$203.4 million term loan facility held by NES Hercules Class B Member LLC, a wholly-owned indirect subsidiary of the Company, with HSBC Bank USA N.A., Santander Bank N.A., Cobank ACB, CIT Bank N.A., Société Générale, Canadian Imperial Bank of Commerce – New York Branch, KeyBank National Association and Seine Funding, LLC as lenders. In March 2020, all subsisting default events were cured and the previously existing Construction Loan facility was converted to this term facility, which also resulted in the cancellation of the ITC bridge loan facility. As at 30 June 2020, the term loan was fully drawn. The loan matures on 31 December 2027.

Mount Signal 2 also has a US$8.5m revolving loan facility which became available at the Term Loan Conversion Date on 31 March 2020. The purpose of this facility is to provide short-term liquidity for the payment of Debt Service and O&M Expense as required by the project. As at 30 June 2020, the revolving loan was drawn down to US$ 2.2 million. The loan matures on 31 December 2027.

The Term Loan and Revolving Loan are secured by the assets of NES Hercules Class B Member LLC with collateral pledges of various material project documents.

(e) US$45.0 million revolving loan and letter of credit facility established in June 2018 held by NES Galaxy LLC, a subsidiary of the Company, with KeyBank National Association (KeyBank), repayable no later than 5 June 2021. On 30 June 2020 this loan facility was extended to 31 December 2021. On 14 February 2020, a US $10 million temporary facility increase was granted by Keybank up to 31 July 2020. On 30 June 2020, the temporary facility was extended to 31 December 2020.

As at 30 June 2020, the revolving loan was drawn down to US$46.0 million and a letter of credit was issued for the value of A$2.3 million to the Commonwealth Bank of Australia (CBA). CBA has in turn provided a Letter of Credit to Manildra Prop Pty Ltd to the value of A$2.3 million expiring on 28 November 2020. The KeyBank letter of credit reduced the revolving loan facility limit by the same value of A$2.3 million. This loan is secured by a first lien on cash flows from underlying subsidiaries of NES Galaxy LLC.

(f) In February 2019, NES Orion HoldCo LLC, a wholly owned subsidiary of the Company, entered into a US$22.6 million Corporate Revolving Credit Facility with KeyBank National Association. The amortising loan is repayable no later than February 2026. As at 30 June 2020, the loan was drawdown to US$22.1 million. As part of the financing agreement, KeyBank National Association hold a charge over the Cypress Creek solar plant assets.

(g) $68.0 million term loan facility held by Manildra Finco Pty Ltd, a wholly owned indirect subsidiary of the Company, with Société Générale and MUFG Bank, Ltd as lenders. As at 30 June 2020, $68.0 million has been drawn down. The loan amortises over the term with a final payment of A$62.1 million due when the facility expires in March 2022. It is secured by a charge over the assets and equity interest in the Manildra solar plant.

(h) $120.9 million term facility held by FS NSW Project No1 Finco Pty Ltd, a wholly owned indirect subsidiary of the Company, with MUFG Bank, Ltd, Bank of the Philippines, Société Générale and Mizuho Bank, Ltd. As at 30 June 2020, $120.9 million has been drawn down. The loan amortises over the term with a final payment of A$106.5 million due when the facility expires in May 2023. It is secured by a charge over the assets and equity interest in the Beryl solar plant.

(i) A short-term working capital facility of US$15m has been put in place with Kendrick Cerry Inc. The current loan drawing expires on 4 February 2021 and carries an annualised interest rate of 8.5 percent.

In addition to the above, the following Letters of Credit have been issued:

- KeyBank National Association has provided Letter of Credit to both NES US Funding 1 LLC and NES Antares HoldCo LLC to the value of US$7.7 million and US$20.1 million respectively, expiring on 5 June 2027.
- HSBC Bank USA N.A. has provided two Letter of Credit to NES Hercules Class B Member LLC on behalf of Imperial Valley Solar 2, LLC to the value of US$16.9 million expiring in May 2021 and US$ 7.9 million expiring in March 2021.
- KeyBank National Association has provided a Letter of Credit to NES Perseus HoldCo LLC to the value of US$8.3 million expiring on 25 July 2028.

- KeyBank National Association has provided a Letter of Credit to NES Orion HoldCo LLC to the value of US$1.7 million expiring on 14 February 2026.
- MUFG Bank, Ltd has provided a Letter of Credit to FS NSW Project No1 Finco Pty Ltd to the value of A$1.6 million expiring on 30 May 2021.

Movement in the equity and debt investments associated with the Company and the Trust's investment in immediate subsidiaries during the period were as follows:

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20 $	31-Dec-19 $	30-Jun-20 $	31-Dec-19 $	30-Jun-20 $	31-Dec-19 $
Investment in financial assets held at fair value through profit or loss opening balance	**353,178,601**	**292,263,917**	**158,514,967**	**252,846,452**	**511,693,568**	**545,110,369**
Total funds (repaid)/ invested during the period in New Energy Solar Australia HoldCo #1 Pty Limited	(6,332,784)	89,686,785	–	–	(6,332,784)	89,686,785
Total funds (repaid)/ invested during the period in New Energy Solar US Corp	–	–	(5,554,733)	(111,785,493)	(5,554,733)	(111,785,493)
Unrealised movement in fair value through profit or loss [(i) (ii)]	(53,038,525)	(28,772,101)	(4,588,698)	17,454,008	(57,627,223)	(11,318,093)
Investment in financial assets held at fair value through profit or loss closing balance	**293,807,292**	**353,178,601**	**148,371,536**	**158,514,967**	**442,178,828**	**511,693,568**

(i) The Company's 'movement in fair value' decrement amount of $53.0 million is comprised of a $56.1 million decrease in New Energy Solar US Corp (NES US) net asset value, offset by an unrealised foreign exchange translation gain of $4.2 million, and a $1.1 million decrease in New Energy Solar HoldCo #1 (NESAH#1) net asset value. As at 30 June 2020, the fair value of the Company's US dollar investment in New Energy Solar US Corp has been converted to Australian dollars at the prevailing A$:US$ spot rate of 0.6903 (31 December 2019 spot rate 0.7021) resulting in the unrealised foreign exchange gain noted of $4.2 million.

The $56.1 million decrease in the value of its investment in NES US includes a fair value loss impact relating to NES US's investment in entities holding its underlying solar assets, loss impacts relating to interest expense on the loan totalling $4.4 million (offsetting equivalent interest income earned by the Trust), other expenses incurred and associated tax benefits, offset by a positive impact of interest bearing loans from the Trust, including a $7.2 million loan fair value adjustment (offsetting an equivalent loss recognised by the Trust).

The $1.1 million net asset value decrease in NESAH#1 is mainly attributable to a decrease in the fair value of underlying Australian solar assets.

(ii) The Trust's 'movement in fair value' decrement amount of $4.6 million is comprised of $7.2 million loan fair value decrease based on a revaluation at balance date with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of the loan receivables, and $2.6 million of foreign exchange gains during the period in relation to the US dollar denominated loan provided by the Trust to New Energy Solar US Corp.

9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**
	$	**$**	**$**	**$**	**$**	**$**
Trade payable	–	6,600	–	–	–	6,600
Accrued liabilities	424,804	470,100	261,746	273,900	686,550	744,000
Other liabilities	3,393	12,156	4,461	4,461	7,854	16,617
Other liabilities - New Energy Solar Fund	60,230	–	–	–	–	–
Other liabilities - New Energy Solar Limited	–	–	–	477,522	–	–
Other liabilities - New Energy Solar Australia HoldCo #1 Pty Limited	–	421,834	–	–	–	421,834
	488,427	**910,690**	**266,207**	**755,883**	**694,404**	**1,189,051**

The average credit period for trade payables is generally 30 days. No interest is charged on trade payables from the date of invoice. The Company and the Trust have risk management policies to ensure payables are paid within credit terms.

10. BORROWINGS

The Company had a loan facility with Clean Energy Finance Corporation (**CEFC**) to provide bridge funding for the acquisition of solar assets up to 7 April 2020. The total available amount under the facility before termination was $50.0 million. The facility was cancelled on 7 April 2020.

All other borrowings have been undertaken by subsidiaries of the Company and are shown in Note 8.

11. DISTRIBUTIONS

Distributions paid or declared to securityholders during or since the end of the half-year were as follows:

- 3.00 cents per stapled security for the six months ended 30 June 2020 paid on 17 August 2020 amounting to $10,600,259 (30 June 2019: $13,596,522).

12. OPERATING SEGMENTS

The Company and the Trust currently operate solely in a single segment being investing in solar assets. Solar assets are in Australia and the United States of America. Revenue, profit/(loss), net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Condensed Statement of Profit & Loss and Other Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Equity and Condensed Statement of Cash Flows.

The board of directors of the Company and the Responsible Entity of the Trust, together are considered to represent the CODM for the purposes of assessing performance and determining the allocation of resources.

Geographical information

The Fund operates in two principal geographic areas – Australia (country of domicile) and the United States of America.

The Fund's revenue and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	**30-Jun-19**	**30-Jun-20**	**30-Jun-19**	**30-Jun-20**	**30-Jun-19**
	$	**$**	**$**	**$**	**$**	**$**
Revenue						
Australia	(1,017,983)	12,776,728	4,168	111,573	(1,013,815)	12,888,301
United States of America	(52,011,918)	(34,209,561)	363,503	19,897,490	(51,648,415)	(14,312,071)
	(53,029,901)	**(21,432,833)**	**367,671**	**20,009,063**	**(52,662,230)**	**(1,423,770)**

	NEW ENERGY SOLAR LIMITED (COMPANY)		NEW ENERGY SOLAR FUND (TRUST)		FUND (COMBINED COMPANY AND TRUST)	
	30-Jun-20	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**	**30-Jun-20**	**31-Dec-19**
	$	**$**	**$**	**$**	**$**	**$**
Non-current assets						
Australia	114,811,261	123,271,393	–	–	114,811,261	123,271,393
United States of America	178,996,031	230,974,857	148,371,536	158,514,967	327,367,567	389,489,824
	293,807,292	**354,246,250**	**148,371,536**	**158,514,967**	**442,178,828**	**512,761,217**

13. FAIR VALUE MEASUREMENT

The Company and Trust are exposed to market price risk based on investments in underlying solar assets and on loan receivable balances which are measured on a fair value basis.

FAIR VALUE

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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NEW ENERGY SOLAR LIMITED (COMPANY)	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held at fair value through profit or loss	–	–	293,807,292	293,807,292
NEW ENERGY SOLAR FUND (TRUST)	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets classified as held for sale	20,425,902	–	–	20,425,902
Loans receivable at fair value	–	148,371,536	–	148,371,536
FUND (COMBINED COMPANY AND TRUST)	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets classified as held for sale	20,425,902	–	–	20,425,902
Financial assets held at fair value through profit or loss	–	–	293,807,292	293,807,292
Loans receivable at fair value	–	148,371,536	–	148,371,536

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NEW ENERGY SOLAR LIMITED (COMPANY)	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held at fair value through profit or loss	–	–	353,178,601	353,178,601
NEW ENERGY SOLAR FUND (TRUST)	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets classified as held for sale	22,432,702	–	–	22,432,702
Loans receivable at fair value	–	158,514,967	–	158,514,967

FUND (COMBINED COMPANY AND TRUST)	Level 1 $	Level 2 $	Level 3 $	Total $
Assets classified as held for sale	22,432,702	–	–	22,432,702
Financial assets held at fair value through profit or loss	–	–	353,178,601	353,178,601
Loans receivable at fair value	–	158,514,967	–	158,514,967

Refer below for a description of the valuation basis adopted for the material asset class constituting the Company's equity investment in its subsidiaries, being the underlying solar assets held at balance date.

The fair value of loan advances to New Energy Solar US Corp was assessed at balance date with reference to prevailing referable market interest rates for comparable external debt as a proxy for market pricing of the loan receivables.

The fair value of the Trust's investment in US Solar Fund plc was assessed at balance date with reference to quoted prices in the London Stock Exchange.

TRANSFERS DURING THE PERIOD

The Company and the Trust recognises transfers between levels of the fair value hierarchy during the reporting period which the transfer has occurred. There were no transfers between levels during the financial period.

Reconciliation of level 3 fair value measurements

	NEW ENERGY SOLAR LIMITED (COMPANY)	FUND (COMBINED COMPANY AND TRUST)
	Investments held at fair value through profit or loss **$**	**Investments held at fair value through profit or loss** **$**
Opening balance	353,178,601	353,178,601
Total gains or losses:		
– in profit or loss	(53,038,525)	(53,038,525)
Return of capital during the period from New Energy Solar Australia HoldCo #1 Pty Limited	(6,332,784)	(6,332,784)
Closing balance	**293,807,292**	**293,807,292**

SOLAR ASSET VALUATION METHODOLOGY AND PROCESS

For investments in underlying entities holding solar assets which are operational at balance date (except for assets either acquired or otherwise becoming operational within 12 months of balance date), the Directors base the fair value of the investments on valuation information received from the Investment Manager. At a minimum, valuations will be performed annually and otherwise as determined by the Directors. The investment Manager engages suitably qualified independent valuation firms to assist in its assessment of fair value.

The Directors review and consider the fair value arrived at by the Investment Manager, including any independent external valuation obtained, before making their assessment of the fair value of the investments. Fair value is calculated with reference to a discounted cash flow (**DCF**) methodology.

In a DCF analysis, the underlying investment entity valuation is derived using discounted post tax equity cash flows that are comprised of cash flows from the underlying solar assets after allowing for debt. The future cash flows incorporate a range of operating assumptions for revenues, costs and gearing, and an appropriate post tax cost of equity range. Given the long-term nature of the solar asset investments, the valuation inputs are assessed using long-term historical data to reflect the asset's life. Where possible, assumptions are based on observable market and externally sourced technical data. The Investment Manager uses technical experts such as long-term electricity price forecasters to provide reliable long-term data for use in its valuations.

In the current reporting period, an independent valuation of the equity interest held in underlying entities holding all of the Funds Solar asset holding was obtained.

For investments in solar plants under construction or otherwise becoming operational within 12 months of balance date, the Directors may assess, subject to consideration by the Investment Manager of relevant market and other factors between bid date and balance date, that the total construction and other direct costs incurred based on its acquisition bid models, materially represents the assets fair value at balance date. In this regard it is noted that the newly operating assets during the past 12 months, including the Mount Signal 2 plant in USA were subject to a full DCF valuation at balance date.

FAIR VALUE OF SOLAR ASSET INVESTMENTS

As at 30 June 2020, the fair value of equity interest held in operating solar asset investments (valued by DCF methodology) was $538.8 million (US$286.5 million and A$123.8 million), comprising:

PLANT	FAIR VALUE AS AT 30 JUNE 2020 ($million)	FAIR VALUE AS AT 31 DECEMBER 2019 ($million)
Stanford/TID	US$71.0	US$73.0
NC-31/NC-47	US$64.5	US$68.7
Boulder Solar 1	US$38.0	US$42.0
Rigel	US$23.5	US$26.0
MS2	US$89.5	US$100.5
Subtotal US plants (US$)	**US$286.5**	**US$310.2**
A$ to US$ foreign exchange rate at balance date	0.6903	0.7021
Subtotal US plants (A$)	**A$415.0**	**A$441.8**
Manildra	A$57.3	A$58.5
Beryl	A$66.5	A$69.2
Subtotal AUS plants (A$)	**A$123.8**	**A$127.7**
Total (A$)	**A$538.8**	**A$569.5**

The fair value of the Fund's renewable energy asset investments as at 30 June 2020 were determined as described above, using a cost of equity range of 5.00% to 7.75% for contracted cashflows, and 6.00% to 8.50% for uncontracted cashflows.

The Company and the Trust have established a control framework with respect to measurement and assessment of fair values. The Board of Directors of the Company and the responsible entity of the Trust have overall responsibility for analysing the performance and fair value movements of underlying US investments during each reporting period.

While the Fund's day-to-day operations have continued relatively unimpacted by the effects of COVID-19, the Investment Manager has identified a number of potential longer-term risks impacting both the current period and potentially future period solar asset values. The unfavourable macroeconomic impact of the pandemic, together with the high degree of uncertainty as to future economic conditions may impact the future availability and cost of debt, and more broadly volatility in the electricity market pricing. These factors may impact the fair value of solar plant interests held by the Fund.

SENSITIVITY ANALYSIS

Set out below are the key assumptions the Directors believe would have a material impact upon the fair value of NEW's solar asset investments and NAV per Stapled Security should they change. The following sensitivities assume the relevant input is changed over the entire useful life of each of the underlying renewable energy assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

The Directors consider the changes in inputs to be within a reasonable expected range based on their understanding of market transactions. This is not intended to imply that the likelihood of change or that possible changes in value would be restricted to this range.

		30 JUNE 2020		31 DECEMBER 2019	
Input	**Change in input**	**Change in fair value (A$ million)**	**Change in NAV per Stapled Security (A$ cents)**	**Change in fair value (A$ million)**	**Change in NAV per Stapled Security (A$ cents)**
A$/US$ foreign exchange rate	+ 5.0%	(20.7)	(5.9)	(21.1)	(6.0)
	- 5.0%	22.9	6.5	23.3	6.6
Discount rate	+ 0.5%	(41.5)	(11.7)	(42.4)	(12.1)
	- 0.5%	46.3	13.1	47.3	13.5
Electricity production (change from P50)	P90	(98.5)	(27.9)	(106.3)	(30.3)
	P10	93.2	26.4	104.6	29.8
Merchant Period Electricity Prices	- 10.0%	(50.0)	(14.2)	(50.4)	(14.4)
	+ 10.0%	49.9	14.1	50.5	14.4
Operations and maintenance expenses	+ 10.0%	(37.8)	(10.7)	(36.4)	(10.4)
	10.0%	36.2	10.3	34.9	9.9

FOREIGN EXCHANGE RATE

The fair value of NEW's solar asset investments located in the United States of America are first determined in US$ for financial reporting purposes. The sensitivity shown looks at the impact of a change in the A$ to US$ exchange rate. A 5% appreciation and 5% depreciation of the assumed US$ to A$ exchange rate (of A$: US$0.6903 as at 30 June 2020) has been considered to determine the resultant impact on NEW's fair value of investments and NAV per Stapled Security.

DISCOUNT RATE

As at 30 June 2020, the fair value of the underlying solar asset investments were determined using a post-tax cost of equity approach based on the Capital Asset Pricing Model. This approach takes into account long-term assumptions regarding risk-free rates, market risk premia, gearing, counterparty quality and asset specific items. The post-tax cost of equity range used is 5.00% to 7.75% for contracted cashflows, and 6.00% to 8.50% for uncontracted cashflows.

The sensitivity demonstrates the impact of a change in the post-tax cost of equity applied to the equity interest of all of NEW's renewable energy asset investments as at 30 June 2020. A range of + / - 0.5% has been considered to determine the resultant impact on NEW's NAV per Stapled Security and the fair value of its solar asset investments.

ELECTRICITY PRODUCTION

NEW's solar asset investments are valued based upon a forecast P50 solar energy generation profile (being a 50% probability that this generation estimate will be met or exceeded). A technical adviser has derived this generation estimate by taking into account a range of irradiation datasets, satellite and ground-based measurements, and site-specific loss factors including module performance degradation, module mismatch and inverter losses. These items are then considered in deriving the anticipated production of the individual solar asset (MWh per annum) based upon a 50% probability of exceedance.

The sensitivity shown looks at the impact on the fair value of solar asset investments and NAV per Stapled Security of a change of production estimates to P90 (90% likely probability of exceedance) and a P10 generation estimate (10% probability of exceedance).

As P10 generation estimates were not independently obtained for each solar asset on or about the time of the asset acquisition, the Directors have determined a proxy P10 estimate for those assets by assessing the relationship between the independently determined P50 and P90 generation estimates for each of the assets in the Operating Portfolio (e.g. a 1-year P90 generation estimate might be 92.5% of a 1-year P50 generation estimate, implying that it is 7.5% lower than the P50 generation estimate).

In determining the proxy P10 generation estimate, the Directors have assumed that the relationship between a P50 generation estimate and a P10 generation estimate is the same as that between a P50 generation estimate and a P90 generation estimate in absolute terms. Therefore a 1-year P10 generation estimate by this methodology would be 107.5% (i.e. 100% + 7.5%) of the asset's P50 generation estimate.

MERCHANT PERIOD ELECTRICITY PRICES

Each of the assets underlying NEW's solar asset investments have long-term PPAs in place with creditworthy energy purchasers and thus the PPA prices are not impacted by energy price changes during this period. For the post-PPA period of each solar asset, the Directors use long-term electricity price forecasts that have been prepared by a market consultant in their determination of the fair value of NEW's operating solar asset investments. As noted above the COVID-19 pandemic poses risks in the form of economic uncertainty and related volatility in future electricity price forecasts applicable to the post PPA periods.

The sensitivities show the impact of an increase/decrease in power prices for each year of the power price curve for each plant over the plant's remaining economic life after the conclusion of the existing PPAs. A flat 10% increase/ decrease in market electricity prices from forecasted levels over the remaining asset life of all plants have been used in the sensitivity analysis.

OPERATING EXPENSES

The operating costs of the assets underlying NEW's solar asset investments include annual operations and maintenance (**O&M**), asset management (**AM**), insurance expenses, land lease expenses, major maintenance and general administration expenses.

The sensitivity above assumes a 10% increase/decrease in annual operating costs for all underlying assets and the resultant impact on NEW's fair value of investments and NAV per Stapled Security.

LOAN FAIR VALUE SENSITIVITY ANALYSIS

The Directors have also assessed the impact of a change in interest rate environment on the fair value of the loan receivable to New Energy Solar US Corp held by the Trust as set out below.

		30 JUNE 2020		31 DECEMBER 2019	
Input	**Change in input**	**Change in fair value of investments (A$ thousands)**	**Change in NAV per Stapled Security (A$ cents)**	**Change in fair value of investments (A$ thousands)**	**Change in NAV per Stapled Security (A$ cents)**
US interest rates	+ 0.5%	(2,629)	(0.74)	(3,121)	(0.89)
	- 0.5%	2,687	0.76	3,196	0.91

14. RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

Remuneration arrangements of key management personnel are disclosed in the annual financial report. There have been no significant changes during the period.

RELATED PARTY INVESTMENTS IN THE FUND

As at 30 June 2020, Dixon Private Investments (a subsidiary of Evans Dixon Limited, who is the parent entity of the Responsible Entity and Investment Manager) held 146,727 stapled securities (31 December 2019: nil), representing 0.04% interest (31 December 2019: nil) in New Energy Solar.

The Responsible Entity does not hold any investments in the Company or the Trust.

RESPONSIBLE ENTITY FEE

Walsh & Company Investments Limited, as Responsible Entity of the Trust receives a Responsible Entity Fee for the performance of its duties under the constitution of the Trust. The Responsible Entity Fee is 0.08% per annum (exclusive of GST) calculated on the gross asset value of the Trust and payable monthly in arrears by the Trust.

For the half-year ended 30 June 2020, $75,368 (30 June 2019: $98,191), exclusive of GST, was paid or payable to the Responsible Entity.

INVESTMENT MANAGER FEE

New Energy Solar Manager Pty Limited, as Investment Manager of the Fund receives an Investment Manager Fee based on the sliding scale fee structure as set out below. Fees are calculated on the Enterprise Value of the Fund, payable quarterly in arrears. Fees are either payable by the Company, Trust or Controlled Entities depending on the recipient of investment manager services.

Effective 16 April 2019, the investment manager waived payment of part of the Base Management Fee that's otherwise payable by the Fund in respect of its investment in US Solar Fund plc (**USF**). The Enterprise Value used to calculate the Base Management Fee is reduced by the market value of the Fund's investment in USF. The waiver results in a lower Base Management Fee structure set out in the following table.

TABLE 1: THRESHOLD VALUE	BASE MANAGEMENT FEE (% OF ENTERPRISE VALUE (EV))	ACQUISITION AND DISPOSAL FEE (% OF CUMULATIVE PURCHASE PRICE OR NET SALE PROCEEDS)
< A$1.0bn	0.625%	1.50%
A$1.0bn to A$1.5bn	0.55%	0.90%
A$1.5bn to A$2.0bn	0.40%	0.90%
> A$2.0bn	0.40%	0.40%

Threshold Value means:

Base Management Fee – Percentage of Enterprise Value: Enterprise Value is calculated as the total of the Fund's market capitalisation, external borrowing, debt or hybrid instruments issued by the Fund as defined in the Investment Management Agreement.

All fees are applied on a marginal basis to each Threshold Value band and calculated at the end of each quarter. For example, the revised Base Management Fee for a Threshold Value of A$1,500 million would be A$9.0 million (excluding GST) which is the sum of (A$1,000 million multiplied by 0.625%) and (A$500 million multiplied by 0.55%).

Acquisition and Disposal Fee – Percentage of Cumulative Purchase Price or Net Sale Proceeds: Purchase Price and Sale price as defined in the Investment Management Agreement and assessed in A$ at the time the purchase or sale takes effect where purchases add to the cumulative total and sales reduce the cumulative total.

All fees are applied on a marginal basis to each Cumulative Purchase Price or Net Sale Proceeds band. Gross purchase price and gross sale price as they are referred to in the definitions of Purchase Price and Net Sale Proceeds respectively mean the value of the equity and debt of an Asset acquired or disposed.

For the half-year ended 30 June 2020, $706,117 (30 June 2019: $746,409), exclusive of GST, was paid or payable to the Investment Manager by the Company, $345,760 (30 June 2019: $446,352), exclusive of GST, was paid or payable by the Trust and $2,418,113 (30 June 2019: $2,565,479), exclusive of GST, was paid or payable by New Energy Solar US Corp, a controlled entity of the Company.

ACQUISITION FEE

New Energy Solar Manager Pty Limited, in its capacity as Investment Manager, is responsible for sourcing, undertaking due diligence investigations, recommending solar energy asset acquisitions as well as advising, providing recommendations, and executing investment exit strategies to the Fund.

The Investment Manager receives an Acquisition fee based on the sliding scale fee structure in Table 1 under "Investment Manager Fee" above. The fees are calculated on the purchase price (excluding acquisition costs) of assets acquired by the Company and the Trust or their respective Controlled Entities. The Acquisition Fee is payable to the Investment Manager upon completion of the acquisition of any asset by the Company and the Trust or their respective Controlled Entities, and prorated fee payment in the case of an acquisition by instalments/ part payments.

For the half-year ended 30 June 2020, Acquisition Fees of $nil (30 June 2019: nil), exclusive of GST, was paid or payable to the Investment Manager by New Energy Solar US Corp, a Controlled Entity of the Company, and $nil (30 June 2019: $2,004,196), exclusive of GST, was paid or payable to the Investment Manager by New Energy Australia HoldCo #1 Pty Limited, a Controlled Entity of the Company.

BROKERAGE FEE

Dixon Advisory & Superannuation Services Limited, a related party of the Responsible Entity, was engaged as a broker by the Fund, receives brokerage of 0.25% on all transactions undertaken as part of the Fund's buy-back program. Total brokerage fee paid or payable to the related party of the Responsible Entity for the half-year ended 30 June 2020 was $nil (30 June 2019: $5,670), exclusive of GST.

FUND ADMINISTRATION FEES

Australian Fund Accounting Services Pty Limited, a wholly-owned subsidiary of ED Operations Pty Limited, the parent of the Responsible Entity, provides fund administration services to the Company and the Trust under an agreement with the Investment Manager. Time spent by staff is charged to the Company and the Trust at agreed rates up to an annual cap. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation. Total fund administration fees paid or payable for the half-year ended 30 June 2020 were $43,200 (30 June 2019: $31,200), exclusive of GST, by the Company and $16,800 (30 June 2019: $28,800), exclusive of GST, by the Trust.

DEBT ARRANGING FEES

Walsh & Company Corporate Advisory, a division of Walsh & Company Asset Management Pty Limited which is a wholly-owned subsidiary of ED Operations Pty Limited, the parent of the Responsible Entity, was engaged on 21 June 2017 to provide debt arranging services to the Fund, including contacting and liaising with capital providers, negotiating borrowing terms, obtaining credit ratings, implementing interest rate hedging strategies and executing documentation. Walsh & Company Corporate Advisory were successful in securing debt, interest rate hedging and letter of credit facilities at competitive terms for the Fund, providing diversification to the Fund's capital sources.

For this service, Walsh & Company Corporate Advisory receives debt arranging fees ranging from 0.5%-2.0% of the face value of new third party debt and letter of credit facilities.

During the half-year ended 30 June 2020, there were no refinancing of debt and banking facilities negotiated by Walsh & Company Corporate Advisory.

For the half-year ended 30 June 2020, debt arranging fees of $nil (30 June 2019: $528,472) was paid or payable to Walsh & Company Corporate Advisory by wholly owned subsidiaries of NES US Corp.

PROJECT SERVICES AGREEMENT

New Energy Solar US Corp, a subsidiary of the Company, entered into a non-exclusive arrangement dated 27 October 2017 with NES Project Services, LLC for the provision of asset management, operations and maintenance services and/or construction management services (Services). The agreement is for an initial one year term, with rolling one year extensions if the agreement has not been terminated. The Services will be provided upon request by NES US Corp. at market rates.

The primary focus of these activities is to ensure that construction service providers successfully deliver projects on time and cost. Key tasks include construction project management, regular site visits, contract supervision, identification and resolution of potential issues and construction payment approvals.

For the half-year ended 30 June 2020, project services fees of $17,488 were paid or payable by New Energy Solar US Corp, a Controlled Entity of the Company (30 June 2019: $270,819).

ASSET MANAGEMENT SERVICES AGREEMENT

New Energy Solar US Corp, a subsidiary of the Company, entered into a non-exclusive arrangement dated 17 September 2018 with NES Project Services, LLC for the provision of asset management services in relation to construction and operation of solar farms. The Services will be provided upon request by NES US Corp. at an hourly rate. Key tasks include facility development and operations services, insurance, government approvals, reporting and inspections.

Asset management fees of $420,243 calculated at average exchange rate for 6 months, were paid or payable by New Energy Solar US Corp, a Controlled Entity of the Company for the half-year ended 30 June 2020 (30 June 2019: $292,813).

INVESTMENT IN OTHER ENTITY MANAGED BY THE INVESTMENT MANAGER

In April 2019, the Trust invested US$15.0 million in US Solar Fund plc. US Solar Fund plc is a $US denominated investment vehicle listed on the London Stock Exchange (LSE). New Energy Solar Manager Pty Limited (the Investment Manager of the Company and Trust) is the Investment Manager of US Solar Fund plc. As at 30 June 2020, the fair value of the Fund's holding in USF is $20.4 million (US$14.1 million). The fair value of the investment is disclosed in Note 6.

For the half-year ended 30 June 2020, dividends of $227,439 were received by the Trust (30 June 2019: nil).

SIGNAGE

The Trust Company (Australia) Limited as custodian and agent for Walsh & Company Investment Services Pty Ltd (ACN 163 814 346) as trustee for APOT III No. 1 Trust, a related party of the Fund, has a contractual agreement with the Trust, to provide a non-exclusive licence for the use of the signage at the property of Level 11, 241 O'Riordan Street, Mascot New South Wales, under the terms of the signage licence agreement. Total signage licence fees paid or payable for the half-year ended 30 June 2020 were $9,333 (30 June 2019: $8,889), exclusive of GST by the Trust.

15. CAPITAL COMMITMENTS

As at 30 June 2020, the Company and the Trust do not have any direct outstanding capital commitments.

16. CONTINGENT LIABILITIES

Other than as disclosed in the half-year financial report, the directors of the Company and Responsible Entity are not aware of any other potential liabilities or claims against the Company or the Trust as at the end of the reporting period.

17. EVENTS AFTER THE REPORTING PERIOD

A distribution of 3.0 cents per stapled security totaling $10,600,259 was declared on 24 June 2020 and was paid to securityholders on 17 August 2020. 1,927,957 stapled securities were issued under the Fund's Distribution Reinvestment Plan.

While the Fund's day-to-day operations have continued relatively unimpeded by the effects of COVID-19, the Investment Manager has identified a number of potential longer-term risks to the business. The unfavourable macroeconomic impact of the pandemic, together with the high degree of uncertainty as to future economic conditions may impact the future availability and cost of equity and debt and more broadly volatility in the electricity market and related electricity pricing. These factors may impact the fair value of underlying solar plant values and therefore the value of the Funds investment in financial assets. Management is monitoring the energy market outlook closely and will take a cautious approach to all business decisions.

Other than the matters discussed above, no matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company or the Trust's operations, the results of those operations, or the Company or the Trust's state of affairs in future financial years.

Directors' Declaration

FOR THE HALF-YEAR ENDED 30 JUNE 2020

The directors of the Company and directors of the Responsible Entity of the Trust declare that:

- in the directors' opinion, there are reasonable grounds to believe that the Company and the Trust will be able to pay their debts as and when they become due and payable; and
- in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company and the Trust.

Signed in accordance with a resolution of the directors of the Company and Responsible Entity made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the directors

STUART NISBETT

Chairman of the Responsible Entity

JEFFREY WHALAN

Chairman of the Company

20 August 2020

Independent Auditor's Report

FOR THE HALF-YEAR ENDED 30 JUNE 2020

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Stapled Security Holders of New Energy Solar Limited and New Energy Solar Fund

We have reviewed the accompanying half-year financial report of New Energy Solar Limited (the "Company") and New Energy Solar Fund (the "Trust"), which comprise the condensed statements of financial position as at 30 June 2020, the condensed statements of profit or loss and other comprehensive income, the condensed statements of cash flows and the condensed statements of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declarations.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company and the directors of Walsh and Company Investments Limited, the Responsible Entity of the Trust (the "directors") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company and the Trust's financial position as at 30 June 2020 and their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company and the Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company and the directors of the Responsible Entity of the Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company and the Trust is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company and Trust's financial position as at 30 June 2020 and of their performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Conclusion on the Fund Financial Statements

We have reviewed the Fund Financial Statements, representing the combined financial statements of the Company and the Trust ("the Fund"), which comprises the condensed statement of financial position as at 30 June 2020, the condensed statement or profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date and notes comprising a summary of significant accounting policies and other explanatory information.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year Fund Financial Statements are not prepared in all material respects, in accordance with the basis of preperation described in note 1(c).

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants
Sydney, 20 August 2020

Directory

30 JUNE 2020

The Fund's securities are quoted on the official list of the Australian Securities Exchange Limited (**ASX**).

ASX Code is NEW.

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John Holland (Non-Executive Director)
Maxine McKew (Non-Executive Director)
James Davies (Non-Executive Director)
John Martin

SECRETARIES

Hannah Chan
Caroline Purtell

DIRECTORS – WALSH & COMPANY INVESTMENTS LIMITED

Stuart Nisbett
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