



19 October 2020

NEW QUARTERLY UPDATE FOR SEPTEMBER 2020 AVAILABLE

New Energy Solar¹ (**ASX:NEW** or the **Business**) advises that its quarterly update for the third quarter of 2020 has been released today.

The investor webinar scheduled for today has been postponed until early November 2020 to coincide with the anticipated completion of the initial phase of the strategic review (see announcement made on 8 September 2020 for more detail).

The quarterly update published today provides information on the performance of the portfolio for the September quarter.

For further information, contact:

Fleur Jouault

Investor Relations – New Energy Solar

+61 2 8662 9757

Authorised for release by New Energy Solar Limited and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund.

About New Energy Solar

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

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

New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 609 396 983). For more information, visit: www.newenergysolar.com.au

¹ New Energy Solar Limited (Company), and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund (Trust), together New Energy Solar, the Business or NEW.

New Energy Solar

Australia

Level 15, 100 Pacific Highway North Sydney NSW 2060

T 1300 454 801 **F** 1300 883 159

E info@newenergysolar.com.au **W** nes.com.au

United States

One Liberty Plaza, 3rd Floor, New York NY 10006

T 646 860 9900

Renewable energy. Sustainable investments.

New Energy Solar¹ (NEW, the Business) invests in large-scale solar power plants generating emissions-free power sold under long-term power purchase agreements (PPAs) with credit-worthy offtakers.

As Australia's first ASX-listed solar infrastructure business, NEW has invested more than A\$1.3 billion in solar plants across the United States (US) and Australia, enabling investors to achieve attractive risk-adjusted financial returns, and positive social impact.

MARKET SUMMARY (30 SEPTEMBER 2020)

Stapled Security Price	\$0.81
Securities Outstanding	355.3m
Market Capitalisation	\$287.8m ²

To learn more about New Energy Solar, please visit www.newenergysolar.com.au.









Summary

Highlights during the quarter include:

- **Strategic review:** NEW engaged RBC Capital Markets, global specialists in energy and infrastructure, to undertake a broad review of its portfolio, with a focus on improving securityholder value.
- **Progress on operational issues:** Inverter-related issues at Mount Signal 2 were resolved and the Rosamond insurers have agreed to an advance payment in respect of the claim for the June grass fire.
- **Mount Signal 2 sale:** Negotiations continue but conclusion dependent on achieving consistent and improved plant performance.
- **Sale of USF shares:** NEW sold its shareholding in US Solar Fund plc (LON:USF).
- **COVID-19 impact:** NEW continues to take a cautious approach towards monitoring the longer-term impacts of COVID-19 on the business. A more detailed COVID-19 statement is available on the New Energy Solar website³.

During the quarter, NEW engaged RBC Capital Markets (RBC) to conduct a strategic review of its asset portfolio and to consider opportunities to improve securityholder value, including interest in the Australian assets. RBC, as a global investment bank with strong expertise in the power, utilities, and infrastructure sectors, is undertaking a detailed review of NEW's assets and structure, and any outcomes will be announced in due course.

In late June, NEW's Rosamond, California plants, Stanford and TID, were damaged by a grass fire. The fire started outside the plant boundary, but subsequently spread within the plant boundary, and resulting damage has

 Global portfolio of 16 operating solar power plants	 Capacity weighted average PPA term of 15.2 years
 Total portfolio capacity of over 772 MWdc ⁴	 More than two million solar panels generating emissions-free electricity
 Displacing more than 1,000,000 tonnes of CO ₂ ^{5,6}	 Equivalent to removing 279,000 US and Australian cars from the road ^{5,6}
 Generating more than 1,600,000 MWh of electricity annually ⁵	 Distributions totalling A\$78m to investors since IPO

reduced generation by approximately 32%. NEW has made an insurance claim and the insurers have agreed to an advance payment. Subject to the availability of replacement solar panels and components, repairs are expected to take up to 12 months to complete from the time of the event.

At Mount Signal 2 (MS2), the inverter-related issues identified in August have been resolved however the plant continues to perform below weather-adjusted expectations and NEW continues to work with the equipment manufacturers, operations and maintenance contractor, and independent engineer to resolve remaining issues. NEW continues to negotiate the sale of MS2 and is aiming to conclude the process following the achievement of consistent and improved performance from the plant.

On 7 October 2020, NEW announced the sale of its entire US Solar Fund plc (USF) holding of 15 million shares. The investment was originally made in anticipation of co-investment between NEW and USF (under the terms of a co-investment agreement between the two funds) but, given NEW's inability to raise additional capital, the USF shareholding was determined to be non-core. NEW intends to primarily use proceeds from the sale to repay corporate debt.

NEW's portfolio continues to operate with limited COVID-19 disruptions. The Investment Manager is monitoring potential COVID-19 impacts on the Business, such as changes to debt and equity markets, insurance markets and electricity prices. The Investment Management team has continued to mostly work remotely during the quarter and will transition back to the office once official guidelines recommend it.

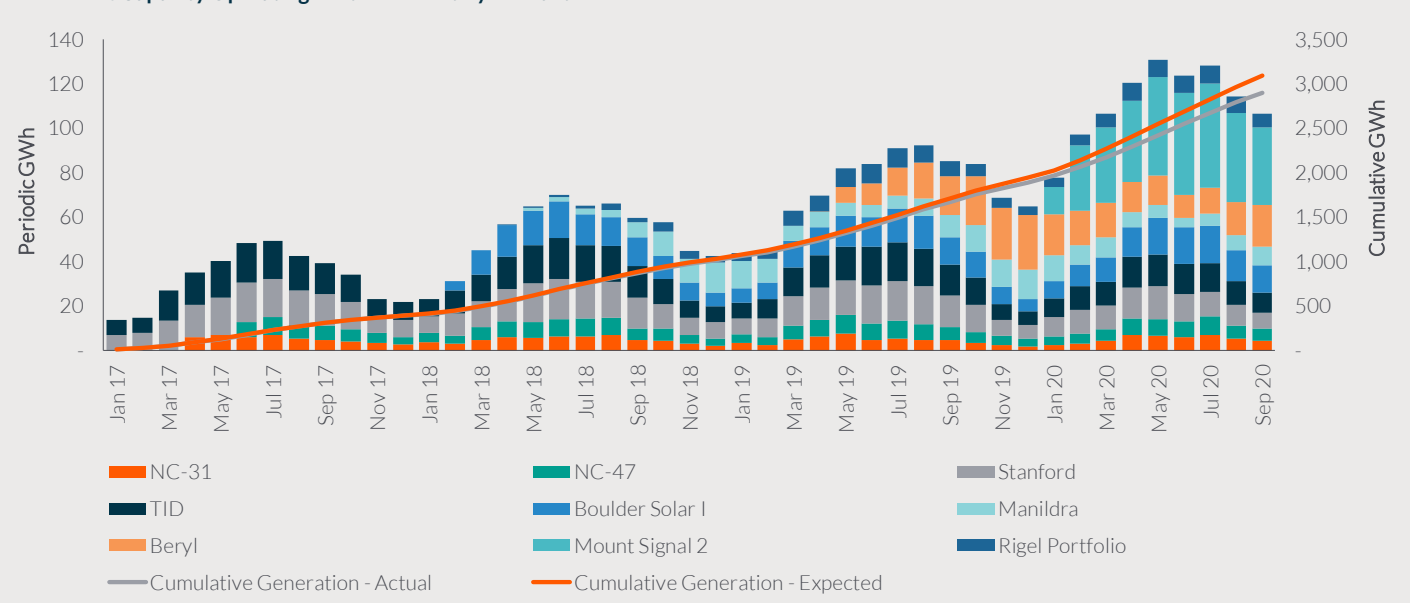
PORTFOLIO UPDATE

OPERATING PLANTS

The 16 operating solar plants in NEW's portfolio (the **Operating Portfolio**) generated approximately 327,000 megawatt hours (MWh)⁷ of electricity during the quarter. The total generation is estimated to have displaced the equivalent of 206,000 tonnes of CO₂, which is comparable to removing approximately 55,000 cars from the road and powering 49,000 houses, during the quarter.

Generation for the September quarter was 11.6% below the Investment Manager's expectations, primarily as a result of the damage sustained at the Stanford and TID plants which accounted for 7.3% of the 11.6% total underperformance. Ongoing issues at MS2, high levels of rainfall on the east coast of the US, and wildfire conditions on the west coast of the US also contributed to underperformance. The chart below shows the plant output and does not account for insurance receipts for Stanford and TID which will reduce the financial impact of underperformance.

772 MW_{DC} Capacity Operating Portfolio Monthly Production⁴



US PLANTS

NEW's US portfolio generated a total of 261,000 MWh⁷ of electricity during the quarter. Performance was 14.8% below weather-adjusted expectations; largely attributable to the damage at Stanford and TID and the performance issues at MS2.

Smoke from the US west coast wildfires impacted the irradiation conditions in California, further impacting production from Stanford, TID, and MS2, with smoke drift also evident in Nevada. Despite the catastrophic fires, NEW's Boulder Solar I plant in Nevada performed 2.8% above weather-adjusted expectations.

In North Carolina over the period, Hurricanes Isaias in August and Sally in September brought heavy rainfall and flooding with some parts of the state receiving double average rainfall levels in August. This, along with ongoing equipment failure issues at NC-31, contributed to NEW's North Carolina plants generating 9.6% below weather adjusted expectations for the quarter.

AUSTRALIAN PLANTS

NEW's Australian portfolio generated a total of 66,000 MWh⁷ of electricity during the quarter. This amount exceeded the Investment Manager's expectations for the quarter by 5.1% on a weather adjusted basis.

The Beryl plant, now fully operational with component replacement work completed, performed strongly during the quarter, exceeding weather-adjusted forecasted generation by 7.7%. Manildra performed as expected during the period.



Ground View – Beryl plant – Beryl, NSW

PORTFOLIO SUMMARY⁴

OREGON PLANTS

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

CALIFORNIA PLANTS

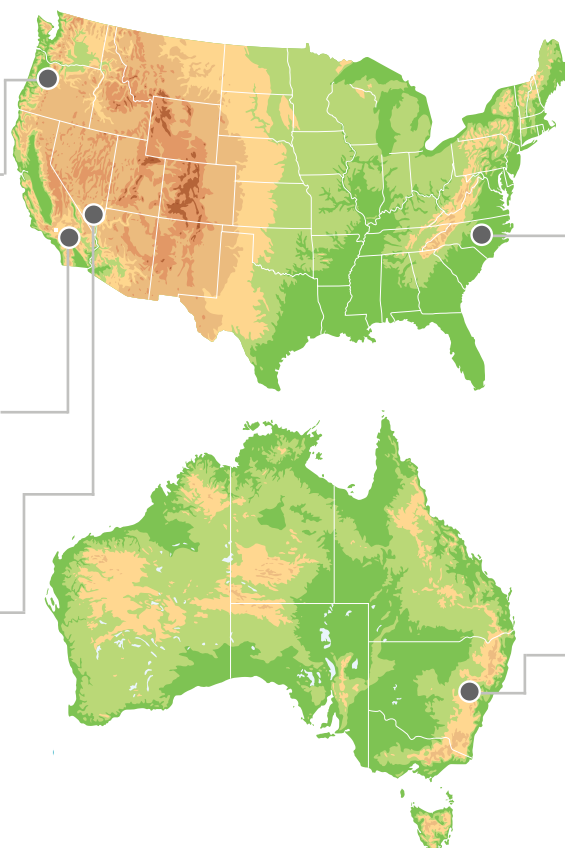
Name	Capacity (MW _{DC})	Offtaker
● Stanford	67.4	Stanford University
● TID	67.4	Turlock Irrigation District
● Mount Signal 2	199.6	Southern California Edison
Total	334.4	

NEVADA PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Boulder Solar 1	124.8	NV Energy

KEY

● Operational



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	

ENDNOTES

¹ New Energy Solar Limited (ACN 609 396 983) (**Company**), and Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433) as responsible entity of New Energy Solar Fund (ARSN 609 154 298) (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.

² Based on a \$0.81 NEW stapled security price and 355.3 million stapled securities outstanding as at 30 September 2020.

³ www.newenergysolar.com.au/new-and-the-covid-19-pandemic.

⁴ Total portfolio of 772 MW_{DC} includes plants that are wholly or partly owned by NEW.

⁵ Estimates use 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 and that all plants are fully operational for the period.

⁶ US CO₂ emissions displacement is calculated using data from the US Environmental Protection Agency's "Avoid Emissions and generation Tool" (**AVERT**). Australian CO₂ emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.

⁷ Production included for all solar power plants on a NEW equity interest basis.

Important Notice:

This Quarterly Update (**Update**) has been prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645, CAR No. 1237667), the **Investment Manager** of New Energy Solar. An investment in the Business is subject to various risks, many of which are beyond the control of the Investment Manager and the Responsible Entity of the Fund. Past performance is not a reliable indicator of future performance. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Investment Manager and the Business, their officers, employees, agents, analysts nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to Australian dollars.

For further information, contact:

Fleur Jouault

Head of Investor Relations – New Energy Solar
New Energy Solar
+61 405 669 632

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