

**NEXTENERGY  
SOLAR FUND**

**Master Investor Show 2023**





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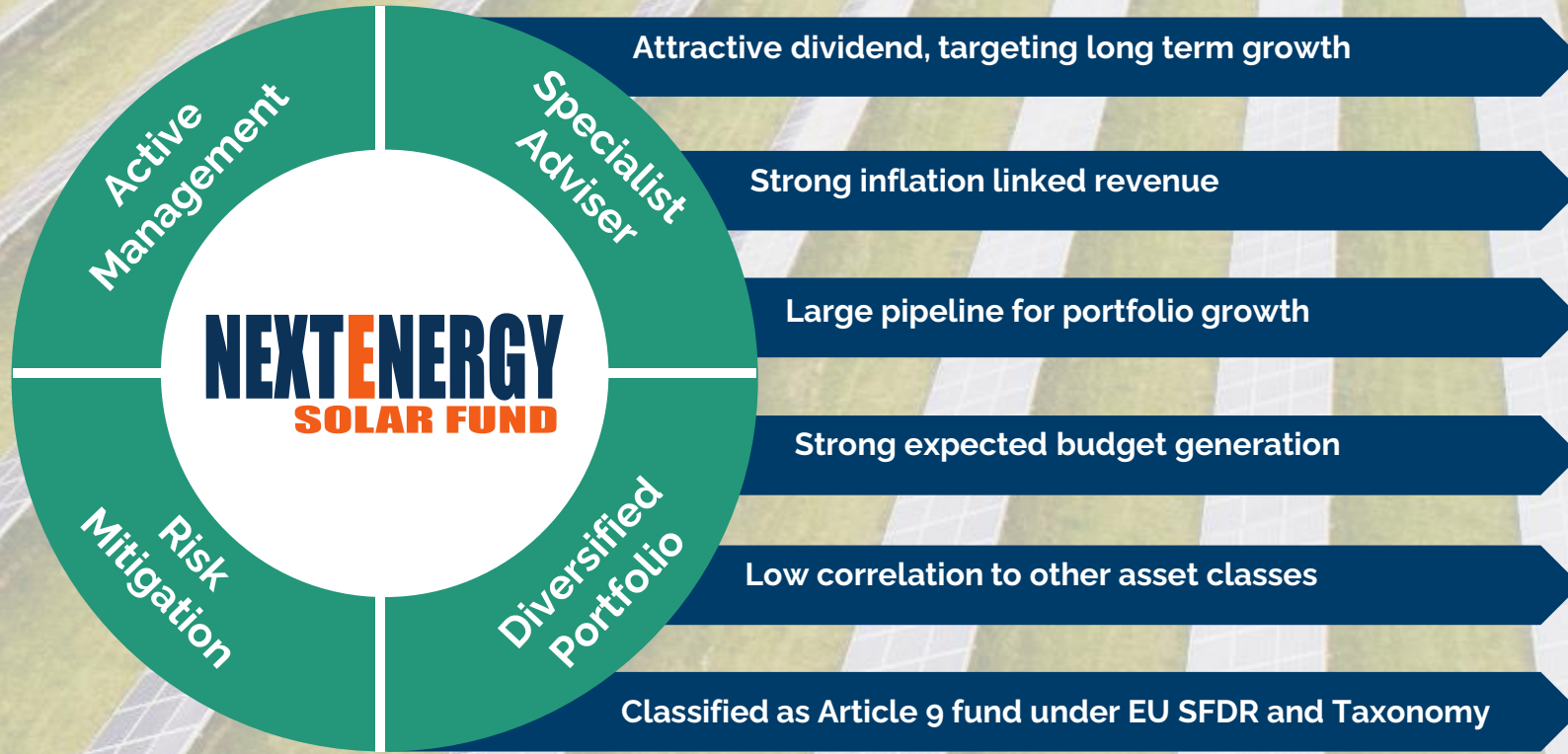
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# Introduction to NextEnergy Solar Fund



- **A Specialist Solar+ Fund**
- Invests primarily in **utility scale solar assets**, alongside complementary ancillary technologies, like **energy storage**
- A fund that generates renewable energy, to help tackle climate change and lead the transition to a clean energy supply
- Managed by **NextEnergy Capital**, a specialist global solar investment manager and investment advisor



# NextEnergy Solar Fund portfolio

Individual Operating Solar Assets <sup>(1)</sup>

99

Commitment to NextPower III ESG <sup>(2)</sup>

\$50m

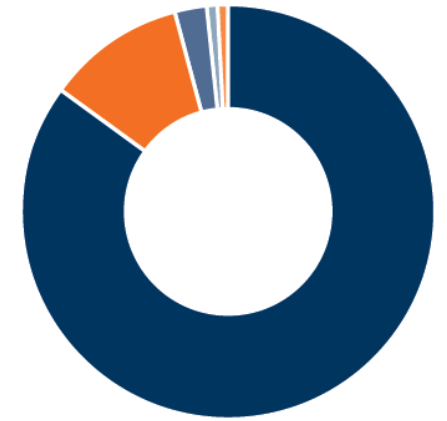
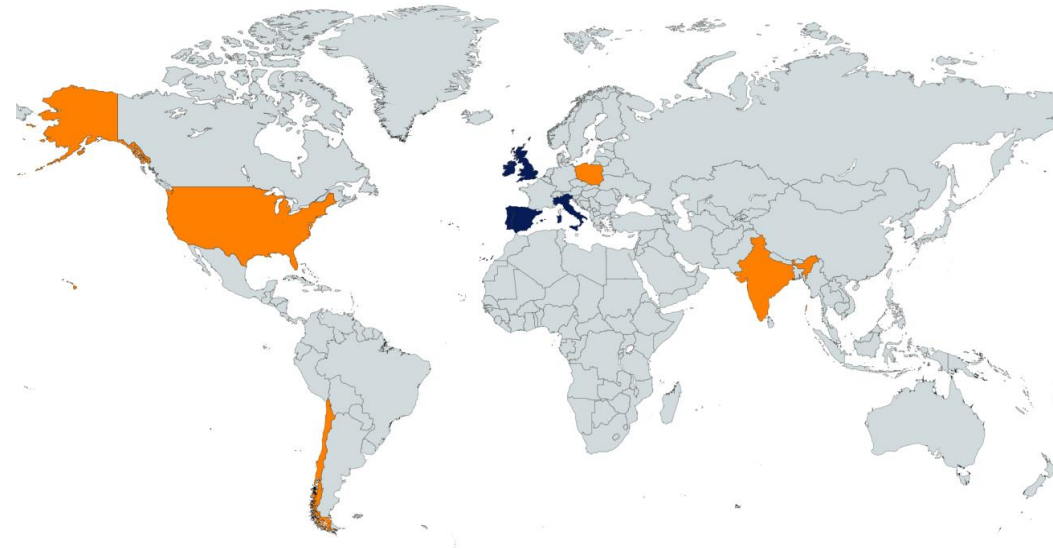
Installed capacity (excluding NextPower III) <sup>(1)</sup>

865MW

Gross Asset Value <sup>(1)</sup>

£1,252m

Portfolio Map



% of invested capital

■ Direct asset ownership and co-investments  
■ Via NextPower III ESG commitment

■ 85.1% UK  
■ 10.8% Italy  
■ 1.7% Other International (NextPower III ESG)  
■ 0.9% Spain  
■ 0.6% Portugal

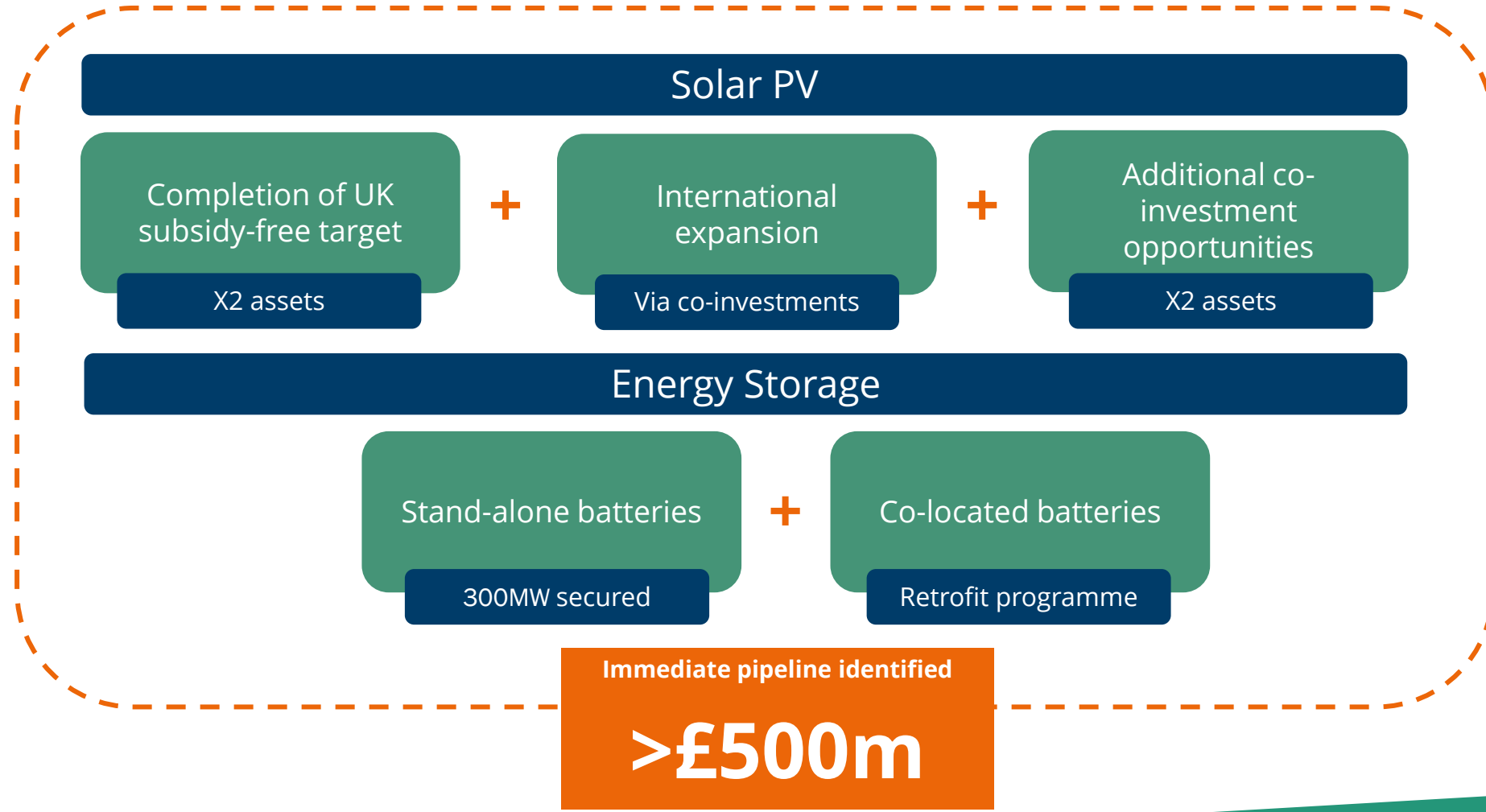
Footnote:

(1) As a 31 December 2022

(2) NextPower III ESG = NPIII

# Portfolio pipeline

- Pursue international **Solar PV** and **UK energy storage** immediate pipeline
- Provides **NAV-accretive growth opportunities**
- **Add diversification benefits** from a geographic, asset, technology and revenues perspective
- Strengthen dividend cover and **enhance returns**



Footnote:  
Gross Asset Value (GAV) investment policy limits:

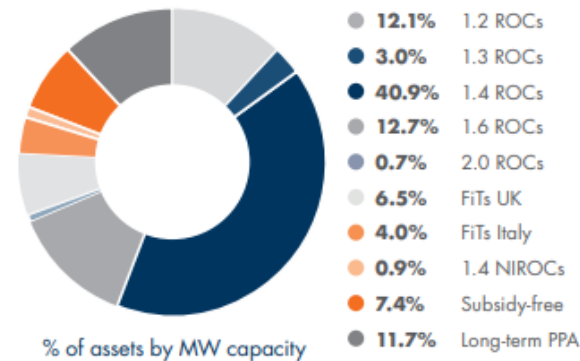
- 10% of GAV into Standalone Energy Storage
- 15% of GAV into Solar Private Equity structure
- 30% of GAV into International OECD Solar Assets

# Protecting future cash flows

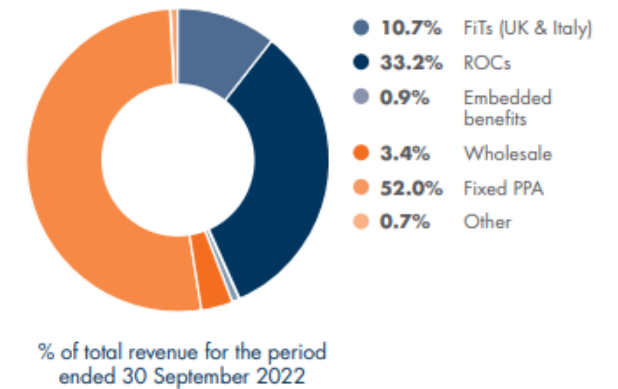
- **Sustained high power price environment** continues to offer attractive hedging opportunities
- NESF has a specialist energy sales desk that **mitigates market price volatility** whilst locking in weighted average prices by **forward hedging above forecast prices**
- **c.50%** revenues are generated through the sale of budgeted power generation into the market through NESF's energy sales desk
- **c.50%** of revenues **RPI-linked government-backed subsidies**

Hedging position of budgeted generation on 50% revenue through sales desk <sup>1</sup>			
2022/23	2023/24	2024/25	2025/26
<b>94%</b>	<b>74%</b>	<b>44%</b>	<b>13%</b>
<b>Average fix price of £88MWh</b>	<b>Average fix price of £73MWh</b>	<b>Average fix price of £90MWh</b>	<b>Average fix price of £147MWh</b>

## By Subsidy/PPA<sup>1</sup>



## By Revenue Type<sup>2</sup>



Footnote:

(1) As at 31 December 2022, the Company has agreed pricing covering 83% of the total portfolio (716MW)

(2) As at 30 September 2022

# Dividend track record

Dividend target achieved & dividend covered

**9 years**

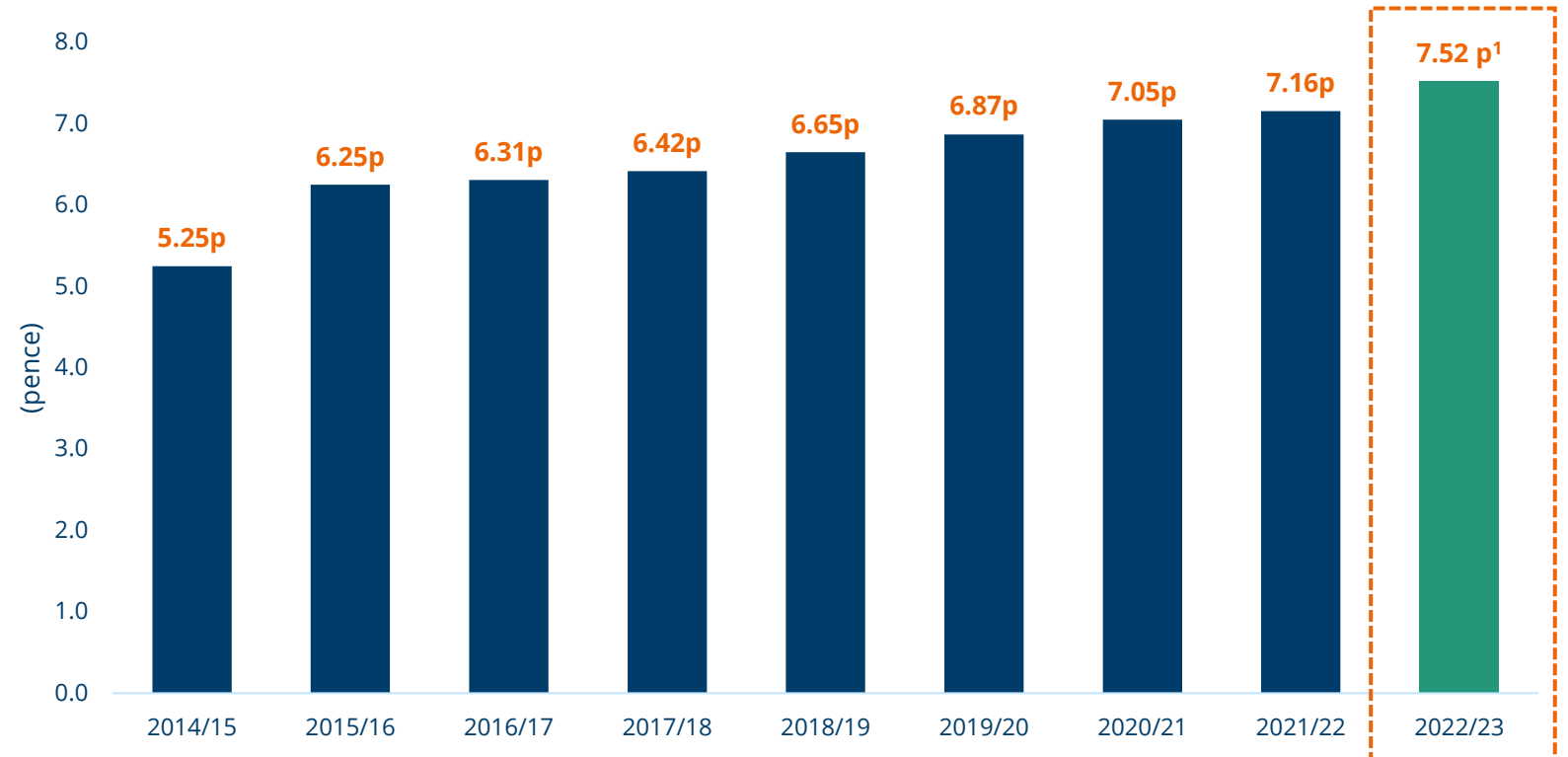
FY 22/23 dividend

**7.52p**

Forecasted dividend cover FY22/23

**~1.5x**

## Dividend growth track record



(1) Target dividends for the financial year ending 31 March 2023

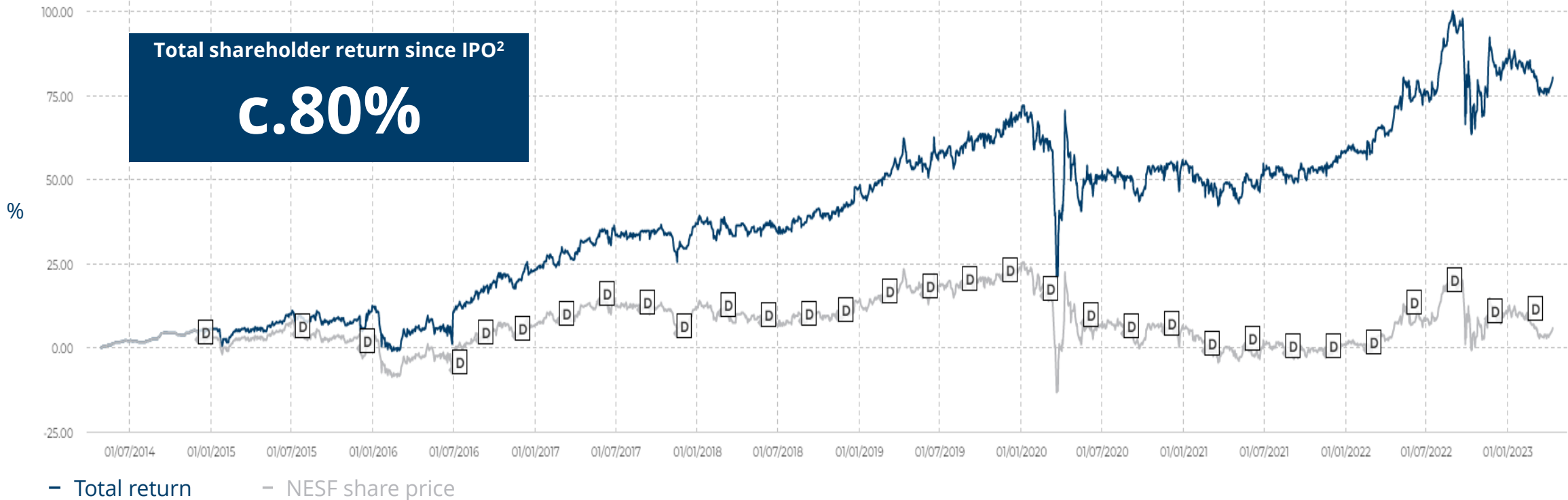
# Current market opportunity

NAV per ordinary share<sup>1</sup>  
**120.9p**

Latest share price<sup>2</sup>  
**107.2p**

Dividend Yield<sup>2</sup>  
**c.7%**

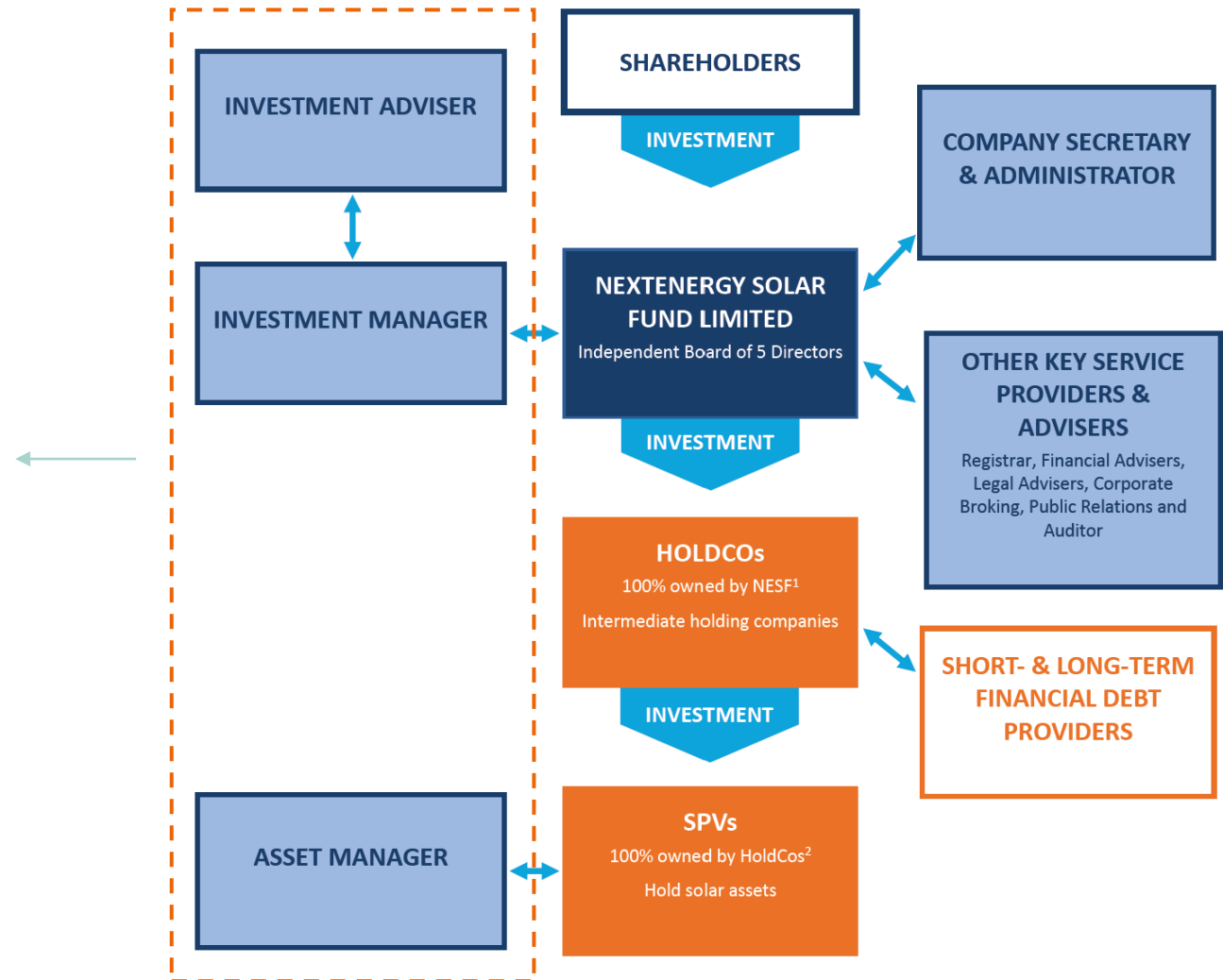
Total shareholder return vs NESF share price since IPO (April 2014)



(1) As 31 December 2023  
(2) As at NESF share price at market close 13 April 2023



# NextEnergy Solar Fund structure



# Why solar as an asset class?

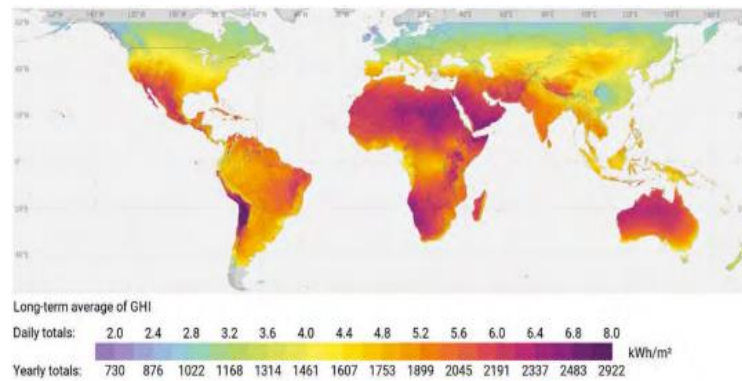
- More solar energy hits the Earth in **a single hour** than what is being used in an entire year
- Reliable and predictable source of electricity due to high consistency in yearly solar irradiation
- 90%** reduction in cost over the past 12 years

Abundant Energy Source

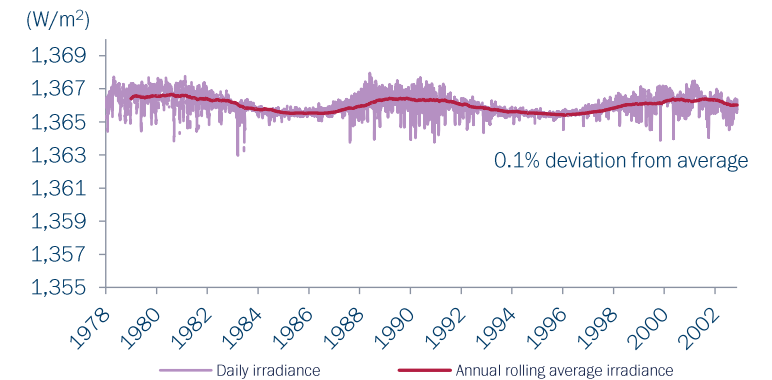
Continuous Cost Reduction

Proven & Stable Resource and Technology

Map of Solar Irradiation<sup>(1)</sup>



Volatility of Solar Irradiation<sup>(2)</sup>



(1) World Bank ESMAP (2020), Global Photovoltaic Power Potential by Country

(2) National Renewable Energy Laboratory ("NREL"), Photovoltaic Degradation Rates — An Analytical Review

# Value add of a solar specialist

## NextEnergy Group



### Investment Management

- **c.\$3.3bn Solar** AUM
- Over **350** solar assets acquired
- **1,300MW+** operating portfolio across UK, Italy, US, Portugal, Spain, Chile, Poland and India



### Asset Management

- **1,350+** solar assets managed and/or monitored
- **1.8 GW+** installed capacity under management
- Present in Europe, Americas, Africa and Asia



### Development

- Green and brownfield project development across geographies
- Over **100** utility-scale projects developed internationally
- Current pipeline **c.8.7GW** under development



### Incubator

- Targeting startups focused on sustainability and environmental technologies
- In partnership with the leading sustainability accelerator programme VeniSIA
- NextEnergy Group to provide initial **€3m** funding



### Foundation

- International charity founded in 2016
- Participate proactively to reduce carbon emissions, provide clean power, and contribute to poverty alleviation
- NextEnergy Group donates **5%** of its yearly profits to NEF

# An impact ESG investment

- NESF is classified as **Article 9 fund** under EU SFDR and Taxonomy
- Establishment of ESG Board Committee, chaired by Josephine Bush, Non-Executive Director of NESF
- Released first dedicated standalone ESG report in November 2022

NextEnergy Solar Fund – Green Impact Data Track Record										
Metric	Units	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	HY2023
<b>GHG avoided</b>	ktCO <sub>2</sub> e	30.6	110.0	191.4	211.2	299.4	307.7	317.6	328.7	266.5
<b>NOx avoided</b>	tonnes	41.3	108.3	176.3	193.1	276.5	274.4	283.4	296.3	241.5
<b>Sox avoided</b>	tonnes	94.1	214.4	335.8	365.9	499.2	511.9	527.5	549.7	444.5
<b>PM2,5</b>	tonnes	2.4	8.4	14.5	15.9	22.6	23.2	24.0	25.2	20.8
<b>PM10</b>	tonnes	0.9	2.3	3.7	4.0	5.6	5.8	5.9	6.2	5.1
<b>Fossil Fuels avoided</b>	tonnes oil equivalent	13.0	46.9	81.6	90.0	127.7	131.2	135.9	142.8	117.8
	million barrels	0.10	0.34	0.60	0.66	0.94	0.96	1.00	1.05	0.9

NESF ktCO<sub>2</sub>e avoided since IPO<sup>2</sup>

**2,063**

Equivalent UK homes powered during the half year to 30 September 2022

**354,274**

(30 September 2021: 299,000)

Tonnes of CO<sub>2</sub>e emissions avoided during the half year to 30 September 2022

**266,500**

(30 September 2021: 229,000)

Clean electricity generated during the half year to 30 September 2022

**639GWh**

(30 September 2021: 539GWh)



Footnotes:

- 1) GHG emissions data provided by Green Investment Group calculated using their Green Impact methodology based on information provided by NextEnergy Capital for the period ending 30 September 2022
- 2) Estimations provided by Green Investment Group using an annual average figure of the entire portfolio's (operational and pre-operational projects) GHG emissions of NESF based on the portfolio's forecast renewable electricity generation



# Biodiversity and social enhancement

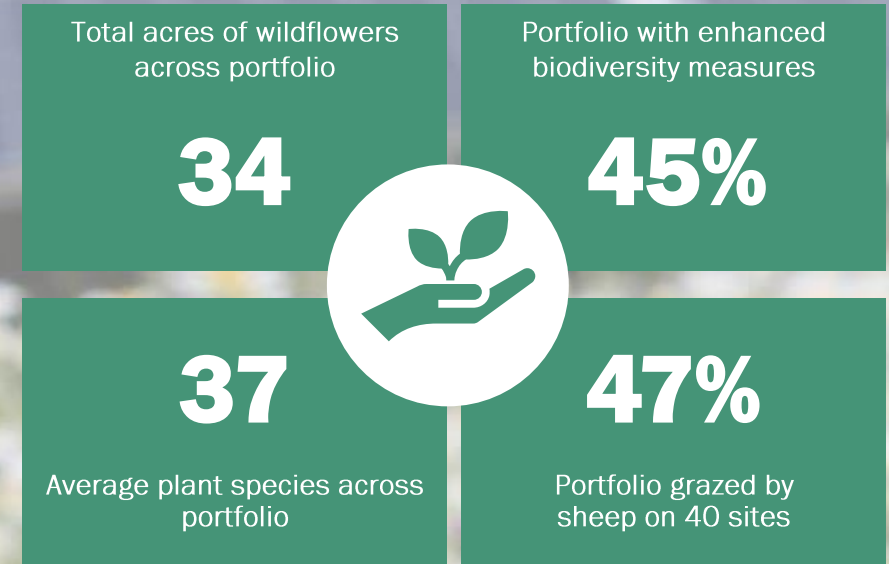
- **NESF benefits from a dedicated Biodiversity team** to ensure that land management and native fauna and flora are being considered throughout the investment and ownership phases.

## Biodiversity looking forward

- ✓ Continue to **implement best practice biodiversity measures** across the NESF portfolio
- ✓ **Enhance local biodiversity** for the surrounding areas where we operate
- ✓ Roll out extension of exemplar site programme to cover over **50%** of portfolio before year end
- ✓ Target positive biodiversity net gain at our solar sites

## Enhanced community engagement

- ✓ **20 solar sites** are **promoting educational visits** alongside Earth Energy Education, in 2023. Aiming to improve links with the local communities and supporting students with their curriculum studies
- ✓ Working with **BizGive**, a business community giving technology platform, to help NESF run a **community giving pilot** based on NESF's UN Sustainable Development Goals criteria
- ✓ **Helping engage the local community**, whilst promoting local skills and employment



# NextEnergy Solar Fund key facts (Ticker: NESF)

Fund Structure	<ul style="list-style-type: none"><li>▪ Guernsey-domiciled closed-end investment</li></ul>
Issue / Listing	<ul style="list-style-type: none"><li>▪ Launched in 2014</li><li>▪ Premium listing of ordinary shares on the London Stock Exchange</li><li>▪ Stock ticker code: NESF</li></ul>
Governance / Management	<ul style="list-style-type: none"><li>▪ Board of Directors: 6 Independent Board Members</li><li>▪ Investment Manager: NextEnergy Capital IM Limited</li><li>▪ Investment Adviser: NextEnergy Capital Limited</li><li>▪ Operational Asset Manager: Wise Energy Limited</li></ul>
Ongoing charge	<ul style="list-style-type: none"><li>▪ 1.1% as calculated by the aic: <a href="https://www.theaic.co.uk/companydata/0P00012KIL/charges">https://www.theaic.co.uk/companydata/0P00012KIL/charges</a></li></ul>
Investment Policy	<ul style="list-style-type: none"><li>▪ 10% of GAV may be invested in standalone energy storage systems</li><li>▪ 15% of GAV may be invested in solar assets through private equity structures</li><li>▪ 30% of GAV may be invested in OECD countries outside the UK</li><li>▪ 3% of GAV may be invested in non-OECD countries</li><li>▪ 10% of GAV may constitute assets that are under development</li><li>▪ No single investment in any one asset will constitute more than 30% of GAV</li><li>▪ The four largest solar assets will not constitute more than 75% of GAV</li><li>▪ Leverage may not exceed 50% of GAV</li></ul>
Contact	<ul style="list-style-type: none"><li>▪ Investor Relations: <a href="mailto:peter.hamid@nextenergycapital.com">peter.hamid@nextenergycapital.com</a></li><li>▪ Website: <a href="http://www.nextenergysolarfund.com">www.nextenergysolarfund.com</a></li></ul>

# Going forward



Drive growth through Solar PV & Energy Storage strategy



Investor returns backed by a large diversified operating portfolio



Provide an attractive, growing dividend to shareholders



Focus on adding NAV-accretive value to shareholders



Continue to optimise the running of the existing large portfolio



Maintain a strong capital structure to provide platform for growth



Continue to identify opportunities to add value







# Q&A

