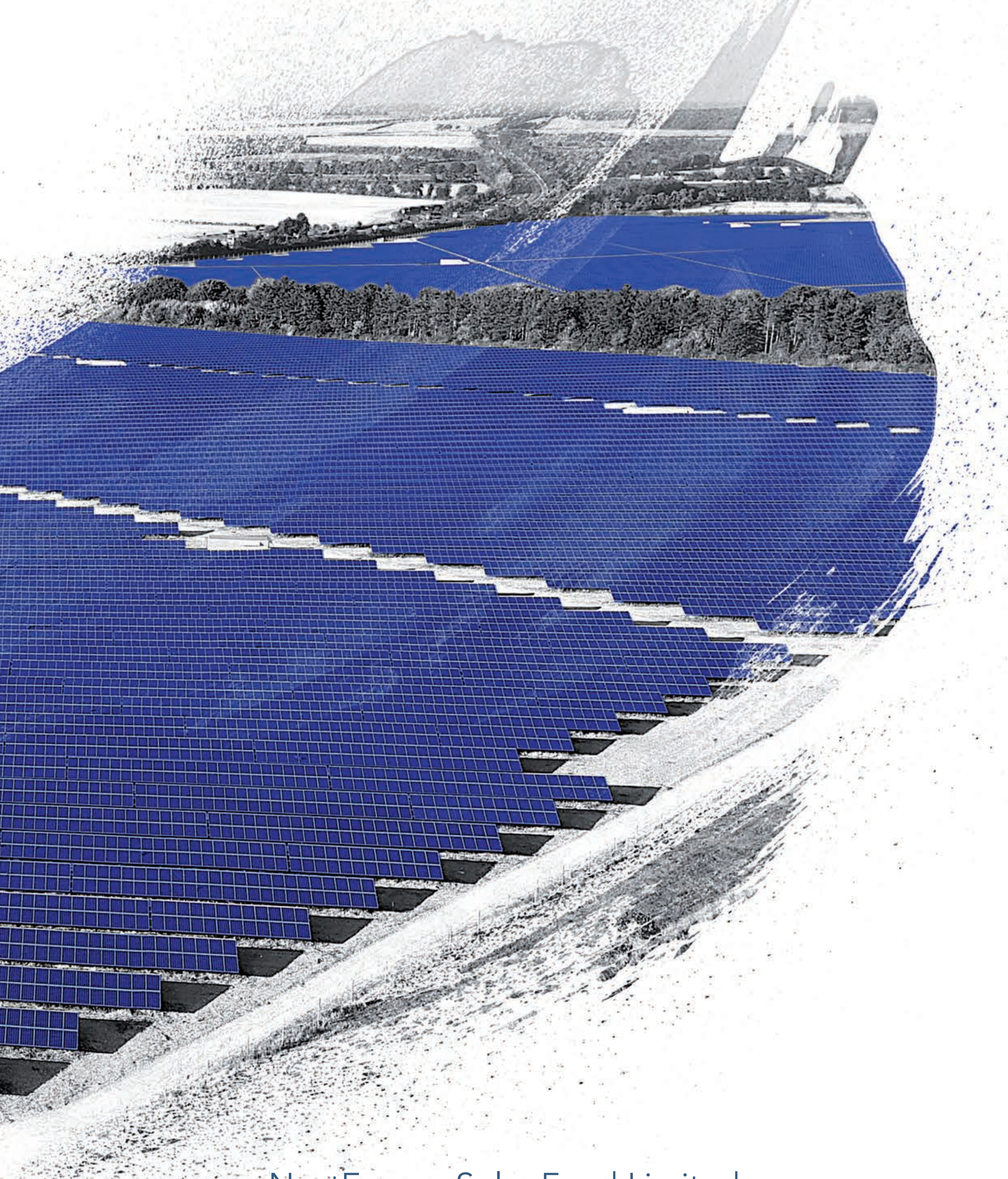


NextEnergy Solar Fund Limited

NEXTENERGY SOLAR FUND

Interim Report and Unaudited Financial Statements
for the period ended 30 September 2017

Contents

Highlights

- Investment portfolio as at the date of distribution of this Interim Report of 58 solar PV plants for a total of c.539MW installed capacity in operation. NESF is the largest listed solar energy fund on the London Stock Exchange in terms of both installed solar capacity and market capitalisation.
- Continuous operating asset outperformance – energy generated from the portfolio amounted to 307GWh, +2.0% above budget.
- Company issued 115m new shares further to the Company's 350m share issuance programme. The issue was significantly oversubscribed.
- NAV per share remained stable over the period (105.1p compared to 104.9p) mainly due to a decrease in power price forecasts being offset by a reduction in the discount rate, valuation increases of new assets and operating performance.
- Equity discount rate lowered by 0.25% to 7.0% for unlevered assets. Risk premium for levered assets remained unchanged at between 0.7% and 1.0%.
- Company drew down final tranche of the £150m long-term facility refinancing the Apollo portfolio.
- Total Shareholder Return and NAV Total Return during the six-month period were 4.7% and 3.2% respectively (annualised returns since IPO in April 2014 were 9.3% and 7.1% respectively).
- Cash dividend cover of 1.14x. Reported profit for the period was £14.0m and earnings per share was 2.69p.
- On track to pay target dividend of 6.42p for the year ending 31 March 2018. The first quarterly dividend of 1.605p was paid in September 2017; a second quarterly dividend of 1.605p to be paid in December 2017, as announced on 7 November 2017.
- Executing the pipeline of acquisition targets and further solar opportunities under consideration in the UK for another 193MW.
- Following the period end, first investment overseas with acquisition of a portfolio of eight operating solar plants with an installed capacity of 34.5MW located in Italy. The portfolio was acquired at attractive risk adjusted returns. The transaction included foreign exchange, financing and brown power risk mitigation features.

Corporate Summary

The Company is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013, with registered number 57739. The Company is a Registered Closed-ended Collective Investment Scheme regulated by the GFSC pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended.

The Company has 573,059,889 shares in issue, with no shares held in treasury, all of which are admitted to the premium listing segment of the Official List of the UKLA and are traded on the London Stock Exchange's main market for listed securities under the ticker "NESF".

The Company makes its investments through UK HoldCos and underlying SPVs which are ultimately wholly-owned by the Company. References to the Company's activities (investment in solar PV plants) refer to activities through the UK HoldCos. The UK HoldCos are registered and incorporated in England and Wales under the Companies Act 2006, as amended:

- NextEnergy Solar Holdings Limited, incorporated on 24 March 2014, with registered number 08956168
- NextEnergy Solar Holdings II Limited, incorporated on 13 February 2015, with registration number 09438822
- NextEnergy Solar Holdings III Limited, incorporated on 20 July 2015, with registration number 09693016
- NextEnergy Solar Holdings IV Limited, incorporated on 16 March 2016 with registration number 10066420

The Company controls the investment policy of each of the UK HoldCos and their wholly-owned SPVs to ensure that each will act in a manner consistent with the investment policy of the Company.

The Investment Manager is NextEnergy Capital IM Limited, a company incorporated in Guernsey with registered number 57740 licensed under the POI Law and regulated by the GFSC. The Investment Manager has appointed NextEnergy Capital Limited, a company incorporated in England and Wales on 23 October 2006 with registered number 05975223, to provide investment advice, pursuant to an Investment Advisory Agreement.

Chairman's Statement

Patrick Firth Kevin Lyon Vic Holmes

Introduction

I am pleased to present, on behalf of the Board, the Interim Report and Financial Statements for NextEnergy Solar Fund Limited for the six-month period ended 30 September 2017.

In June of this year, we completed a further successful capital raise issuing 115m new shares pursuant to the Company's 350m share issuance programme. The issue was significantly oversubscribed which demonstrates the strong backing of our investors who have been consistently supporting our growth since the IPO. Following this capital raise, we have a total of 573.1m shares in issue, including shares issued pursuant to the Company's scrip dividend offering.

The Company has also drawn down the last tranche of the long-term debt facility that it entered into in January 2017. Together with the capital raise, the Company now has sufficient cash to deploy into the significant pipeline that it is pursuing.

Since our IPO in April 2014, the Company has rapidly grown to establish itself as the largest solar energy focused investment company listed on the London Stock Exchange in terms of both installed capacity and market capitalisation.

At the date of distribution of this Interim Report, the Company's portfolio comprised 58 assets amounting to c.539MW installed solar capacity and an invested capital of £700m (date of distribution of 31 March 2017 Annual Report: 48 assets, c.483MW and c.£554m invested capital).

Thanks to the disciplined investment strategy of the Investment Manager, NESF has acquired its portfolio at attractive values compared to market average acquisition values, which will contribute to meeting NESF's targets.

Over the 3.5 years since the IPO, NESF has achieved an annualised Total Shareholder Return of 9.3% and an annualised NAV Total Return of 7.1%, in line with the target range of 7-9% shareholder equity return per annum for investors. This is a positive result considering the challenging market conditions faced by the UK solar sector during this time.

In addition, NESF's operating asset management strategy has been yielding consistent levels of over-performance in terms of electricity generation compared to the Company's acquisition budgets.

We continue to focus exclusively on solar power projects. Our investment strategy is driven by our belief that solar power projects have significantly lower risk in terms of revenue, operation and finance than other renewable energy technologies. We also believe that the solar expertise of the NextEnergy Capital Group can generate operating and financial outperformance on the UK assets acquired. We believe that this expertise can be readily transferred across geographies. Indeed, following the period end, we have announced our first investment overseas. The acquisition of a 34.5MW portfolio of operating solar assets in Italy adds value to the portfolio on a risk adjusted basis and diversifies our market risk, while reducing the overall exposure to brown power prices across our asset base. In addition, implementing the foreign exchange hedge limits the effect of any currency fluctuations on the returns this portfolio will generate for us.

As approved at the AGM in August 2017, the investment policy permits the Company to invest up to 15% of the Gross Asset Value in solar assets in OECD countries (other than the UK).

During the period, the Company has delivered a strong set of operating and financial results and we have significantly increased our asset base by the further debt and equity capital raising transactions.

Financial Results and Performance

Financial Results

Profit before tax for the six-month period was £14.0m (2016: £25.3m) with earnings per share of 2.69p (2016: 8.46p). Cash dividend cover was 1.14x (2016: 1.2x). Further details are provided on page 29 and 30 of the Investment Manager's Report.

The Company's annualised Ongoing Charges Ratio ("OCR") was 1.1% (2016: 1.2%) for the period, which is in line with our budget. The budgeted OCR for the full year ending 31 March 2018 is 1.1%, reflecting the advantage of a larger capital base for the whole of this period compared to the prior year.

Portfolio Performance

We are particularly pleased with the operational performance of the portfolio during the period. Overall, energy generated by NESF's plants during the period was 307GWh (2016: 284GWh), approximately +2.0% above budget. This continues the trend of energy generation outperformance relative to budget.

During the six-month period, solar irradiation across the portfolio was +0.5% above expectation (2016: +0.0% above expectation). NESF's Asset Management Alpha was +1.5%, which highlights how the principal driver for our consistent outperformance continues to rest with the structure and quality of NESF's asset management outsourcing strategy.

This outperformance was achieved despite several plant outages resulting from grid operators' activities unrelated to our plants. Had the Distribution Network Operators ("DNO") outages been excluded, the Asset Management Alpha would have been +2.5%. Further details are provided in the Investment Manager's Report.

The electricity generated by our portfolio during the period is equivalent to a saving of 108,000 tonnes of carbon emissions and sufficient to power some 81,000 households during the same period.

Net Asset Value

At the period end, the Company's NAV was £602.5m, equivalent to 105.1p per share (31 March 2017: NAV of £478.6m, 104.9p per share). This stable NAV per share over the period is mainly due to a decrease in power price forecasts being offset by a reduction in the discount rate, valuation increases of new assets and operating performance.

We reduced the unlevered discount rate from 7.25% to 7.0% to reflect the increasing market value of UK operating solar assets, while we continue to value asset portfolios with leverage at higher discount rates of up to 8.0%. Overall, the weighted average discount rate decreased during the period from 7.9% to 7.5%.

Further details on the Company's NAV and discount rate are included in the Investment Manager's Report.

Portfolio Growth

The Company's Investment Adviser carefully reviews acquisition targets that are identified in the market. There has been significant activity in the UK solar sector in terms of assets being offered for sale. The Investment Adviser pursues only a small proportion of opportunities it identifies.

During the period the Company focused on integrating the acquisition of the nine assets that had been acquired in the prior financial year as well as the ongoing operation of those acquired previously. The Investment Adviser also focused on developing a strong pipeline of new opportunities subsequent to the raising of additional capital and started executing new acquisitions. As a result, the portfolio grew from 41 to 58 assets at the date of distribution of this report.

As the UK solar market continued to mature and reached the end of its revenue-subsidised period, we have noticed greater competition for large portfolios of operating assets. This was particularly the case in auction-style sell-side processes in which a wide range of established investors and new entrants were involved. Our Investment Adviser upheld a very diligent approach and sought to maintain our track record of investing at prices below market average by focusing on smaller portfolios of several solar plants to be built for us. During the period, the Company added another 51MW of attractively priced assets and is in negotiation for another 193MW.

This strategy of focusing on smaller assets results both in an accretion in the value of the Company's portfolio as well as mitigating risk through diversification (both regional and by asset size), with an average size of our solar PV plants, excluding rooftop assets, of 10.1MW. Larger PV plants offered on the secondary market are purportedly associated with lower operating expenditure due to economies of scale, but this is not necessarily a benefit for investors. Based on the Investment Adviser's experience in bidding for these assets, every efficiency and/or scale benefit (even those still unproven) are already priced in by vendors so that there is limited scope for upside for acquirers. As a result, we have found that larger assets or portfolios do not present any particular economic advantage to the Company. The Company's position as the largest listed solar energy fund investor in the UK solar market allows our Operating Asset Manager to best negotiate any service on behalf of NESF, thus recreating the same economies of scale that would be available to the vendor of a larger single asset.

Overall, considering each site's irradiation and ROC banding, the group of assets added to the portfolio over the period was secured at attractive investment values compared to the average costs for solar plants observed in the market.

Capital Raising and Financing

The Company raised a further £126.5m in June 2017 from the issue of 115m new shares, taking the total shares in issue to 573.1m, including 44,646 shares and 1,627,044 shares issued in June 2017 and September 2017 respectively by way of scrip dividends. The strong demand from existing shareholders underlines the backing we enjoy among parties that have supported our growth since the IPO in April 2014. This new capital and additional debt drawdowns during the period is being deployed into the extensive pipeline of assets under negotiation to secure new portfolio assets for the Company.

During the period, the Company drew down the last two tranches of the Apollo debt facility (£99m remaining at 31 March 2017). At the period-end, the Company had total financial debt outstanding of £268.5m (31 March 2017: £269.8m) on a pro-forma look-through basis, including project level debt. Of the total financial debt, £246.8m was long-term fully amortising debt, while the remaining £21.7m was drawn under the Company's short-term credit facility. This represents a gearing level of 31%, which is comfortably beneath our stated maximum debt-to-GAV level of 50%.

Following period end, the Company also repaid the £43m debt facility associated with the Three Kings portfolio. This is a preparatory step ahead of the refinancing of the same portfolio together with the newly acquired assets planned for H1 2018.

Dividend and Dividend Growth

The Company continues to achieve all its dividend and dividend growth objectives. For the year 2017/18, the Company is targeting a total dividend of 6.42p per share (2016/17: 6.31p) in 4 quarterly distributions. The next dividends are due for payment on 29 December 2017, 29 March 2018 and 29 June 2018.

Market Developments and Outlook

With the end of the ROC regime on 1 April 2017, the UK solar sector has experienced a reduction in new solar plant constructions, with all the major operators focused on consolidating and onboarding the assets constructed before that deadline.

With a total of 12.8GW connected at the end of Q2 2017 there is a significant secondary market opportunity in the UK with many assets assumed to be held by short term investors that could be acquired in due course. The Investment Adviser has been observing growing appetite for these operating assets and as such the Company has reduced the discount rate to reflect the greater value of its portfolio. We expect to continue acquiring ROC based solar assets, although on a more opportunistic basis to maintain the price diligence which distinguishes the Company's investment strategy.

Nevertheless, the cost of new solar energy installations has been continuing on a downward trajectory and as a result there is less or no need for subsidies in many regions of the UK for solar to be cost competitive with other energy sources. In September, the UK had its first non-subsidy utility scale solar PV plant connected to the grid.

The Company has acquired the rights to four subsidy-free utility-scale projects and it is the intention to build them within the next 12 months.

We therefore expect the next stage of growth in UK solar energy to be driven by cheaper system costs and possibly integration with electricity storage technologies. The UK's recent Fifth Carbon Budget considers scenarios in which solar will reach between 20 and 40GW of installed capacity by 2030 compared to the current 12GW. Solar plants built during this next phase will not require Government incentives and will compete with other forms of electricity generation.

In parallel, the Company continues to focus on maximising the operating performance of the assets currently owned and exploring further value-enhancing opportunities around the existing portfolio.

Kevin Lyon
Chairman of the Board of Directors

16 November 2017

Investment Manager's Report

Aldo Beolchini Michael Bonte-Friedheim Abid Kazim
Investment Committee of the Investment Adviser

About NextEnergy Capital

The Investment Manager and Investment Adviser are both members of the NextEnergy Capital Group. The NextEnergy Capital Group is a specialist investment and operating asset manager focused on the solar energy sector, with a 95-strong team of which 48 are focused on the UK solar market. Through its operating asset management division, WiseEnergy, the NextEnergy Capital Group has been managing and monitoring over 1,300 utility-scale solar plants and approximately 3,000 solar rooftop installations over the course of its activity (comprising an installed capacity of approximately 1.9GW and an estimated £3.5bn asset value) for a client base which includes leading European banks and equity investors (including private equity funds, listed funds and institutional investors). The NextEnergy Capital Group also manages NextPower II LP, a €150m private equity fund dedicated to solar PV investments in Italy.

Investment Objective

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Investment Policy

The Company seeks to achieve its investment objective by investing exclusively in solar PV plants.

The Company invests in solar PV assets primarily in the UK. Up to 15% of the Company's GAV (calculated at the time of investment) may be invested in solar PV assets that are located outside the UK. Investments outside the UK will be made only in OECD countries that the Investment Manager and Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and returns relative to investments in the UK.

The Company intends to continue to acquire solar PV plants that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire portfolios of residential or commercial building-integrated installations. The Company targets solar PV plants that are anticipated to generate stable cash flows over their asset lifespan.

The Company typically seeks to acquire sole ownership of individual solar PV plants through SPVs, but may enter into joint ventures or acquire majority interests, subject, in each case, to the Company maintaining a controlling interest. Where an interest of less than 100% in a particular solar PV plant is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Investments by the Company in solar PV plants may be either by way of equity or a mix of equity and shareholder loans.

The Company has built up a diversified portfolio of solar PV plants and its investment policy contains restrictions to ensure risk diversification. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV plant will constitute (at the time of investment) more than 30% of the Company's GAV. In addition, the four largest solar PV plants will not constitute (at the time of investment) more than 75% of the Company's GAV.

The Company will continue, primarily, to acquire operating solar PV plants, but may also invest in solar PV plants that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10% of the Company's GAV in aggregate.

The Company may also agree to forward-fund by way of secured loans the construction costs of solar PV plants where it retains the right (but not the obligation) to acquire the relevant plant once operational. Such forward-funding will not fall within the 10% development restriction above but will be restricted to no more than 25% of the Company's GAV (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees).

The right to forward-fund, subject to the above limitations, enables the Company to retain flexibility in the event of changes in the development pipeline over time. In addition, the Company will not employ forward-funding and engage in development activity in relation to the same project or asset.

A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the solar PV plants within the terms of PPAs to be executed from time to time. These are expected to include the monetisation of ROCs and other regulated benefits and the sale of electricity generated by the plants to energy consumers and energy suppliers (Brown Power). Within this context, the Company expects to execute PPAs with creditworthy counterparties at the appropriate time.

The Company will continue to diversify its third-party suppliers, service providers and other commercial counterparties, such as developers, engineering and procurement contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50% of the Company's GAV in aggregate. Such leverage will be deployed for the acquisition of further solar PV plants in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the SPV, UK Holdco or Company level. The Company has a preference for medium- to long-term amortising debt financing.

The Company invests with a view to holding its solar PV plants until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the best interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise. The Company will seek to optimise and extend the lifespan of its assets and may invest in their repowering and/or integration of ancillary technologies (e.g. energy storage) on its solar PV plants to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. The Company expects to re-invest any cash surplus (in excess of that required to meet the Company's dividend target and ongoing operating expenses) in further investments, thereby supporting its long-term net asset value.

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds.

The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices.

Where investments are made in currencies other than sterling, currency hedging may be carried out to seek to provide protection to the level of sterling dividends and other distributions that the Company aims to pay on its shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of forward foreign exchange contracts to hedge the income from assets that are exposed to exchange rate risk against sterling and foreign currency borrowings to finance foreign currency assets.

Hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to protect or enhance returns from the Company's portfolio and will not be carried out for speculative purposes. At the date of distribution of this report, there are no hedging arrangements in place.

As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of the FCA and of its shareholders by ordinary resolution.

In the event of any breach of the Company's investment policy, shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through the Regulatory Information Service or a notice sent to shareholders at their registered addresses in accordance with the Articles.

Portfolio Highlights and Performances

At period end the Company's portfolio comprised 50 separate solar PV assets for a total installed capacity of c.505MW in operation (31 March 2017: 41 PV assets for a total capacity of 454MW). All of the 50 solar plants in the portfolio were operational and connected to the grid at the period end and qualified for ROC or FiT subsidies. After 30 September 2017, the Investment Manager continued with the execution of the pipeline of secured opportunities. As a result, at the date of distribution of this Interim Report, the Company has announced the acquisition of a further eight separate solar PV plants increasing the total investment cost to c.£700m, representing a total installed capacity of c.539MW in operation.

During the period, the Company focused on completing and integrating the solar PV assets that had been acquired in the preceding financial year. The NextEnergy Capital Group has actively led the completion process of all the acquisitions made by the Company. The completion process is subject to the satisfaction of several conditions set in the interest of the Company, including the plant satisfactorily passing strictly-defined technical and performance tests. The details of these tests, and whether they refer to the delivery of preliminary, intermediate or final acceptance certificates (or PAC, IAC, FAC as they are known) vary across the portfolio but in general terms these are required by the Investment Manager to ensure that the Company settles the majority of the acquisition consideration only as and when the target solar PV plants demonstrate the desired level of quality and ability to meet or exceed the expected technical performances in the long run.

The operational performance of the portfolio during the period was very positive. The Investment Manager has provided in this report details of the actual performance compared to expectation for 41 of the portfolio solar PV plants, specifically only those plants (excluding roof top assets) that, as at 30 September 2017, had been managed and monitored by the Investment Adviser for at least two months post completion. As a result of the Company's operating asset management strategy, this sub-portfolio of 41 solar PV plants generated an outperformance of +2.0% above the budgeted generation values, for a total generation of 307GWh.

Even though we experienced some significant DNO outages at some of our plants during the period, we managed to generate +2.0% above budget. Otherwise, there were no other significant operational issues or technical underperformance across the portfolio during the six-month period. NESF's asset manager actively sought to postpone or mitigate unexpected or planned outages due to works conducted on the transmission grid by the various DNOs. To provide investors full transparency on our performance all issues affecting the availability and performance of the plants in the portfolio, whether beyond or within our control, are taken into account when calculating our Asset Management Alpha. Had the DNO outages been excluded, the solar irradiation delta would have been +0.6%, the power generation delta would have been +3.1% and the Asset Management Alpha would have been +2.5%.

In particular, Hall Farm's energy generation was -22.1% compared to budget. This was due to 43 days of DNO outage required for extraordinary maintenance activity on the grid. Had this been excluded, generation delta would have been +6.2% (year to date) and +5.6% (since acquisition). We believe that the generation lost during the outage will be recovered over the life of the asset, and do not expect other major outages on this plant.

Typically, energy generation of a solar PV asset is directly correlated with the level of solar irradiation received by the PV plant itself, such that a higher level of solar irradiation by any percentage should normally result in a

Period	Assets monitored	Solar irradiation (delta vs. budget)	Power generation (delta vs. budget)	Asset Management Alpha
Full Year 2014/15	6	(0.4%)	+4.8%	+5.2%
First Half 2015/16	17	+2.9%	+5.7%	+2.8%
Full Year 2015/16	23	+0.4%	+4.1%	+3.7%
First Half 2016/17	31	+0.0%	+3.2%	+3.2%
Full Year 2016/17	31	(0.3%)	+3.3%	+3.6%
First Half 2017/18	41	+0.5%	+2.0%	+1.5%
Cumulative from IPO to 30 September 2017	41	+0.7%	+3.3%	+2.6%

higher energy generation by the same percentage. Active asset management practices and technical improvements can positively affect the technical performance of PV plants and thus impact this direct correlation (as well as unplanned outages or technical issues can negatively impact it). NESF defines "Asset Management Alpha" as being the difference between the delta of energy generation vs. budget and the delta of solar irradiation vs. budget. The table on the previous page summarises this analysis for the relevant periods since IPO.

The Asset Management Alpha allows the Company to identify a "real" outperformance of the solar portfolio due to active management having neutralised the effects of variation in solar irradiation. The nominal outperformance is calculated as GWh generated by the portfolio vs. the GWh expected in the assumptions used at the time of acquisition. In this light, the "nominal" outperformance of the Company's portfolio during the period ended 30 September 2017 was +2.0% whereas the Asset Management Alpha of +1.5% during the period represents the "real" outperformance due to active asset management. The Asset Management Alpha value for the comparable period of 2016/17 was +3.2% on a sub-portfolio of 31 plants. As a like-for-like comparison, during the period the same sub-portfolio of 31 assets registered an Asset Management Alpha of +1.7%.

The budgeted electricity generation and solar irradiation are derived from the financial models prepared at acquisition of each solar power plant and used to value and acquire such plant. An ongoing operating outperformance vs. the acquisition budget is expected to result in higher asset returns, other things being equal.

NESF was the first of the six investment companies listed on LSE focused on renewable energy to disclose the actual generating performance of each asset compared to budget as well as the information as to what extent the delta in energy generation was due to exogenous weather conditions (i.e. delta in solar irradiation vs. budget). Since then, all other renewable investment companies have started to disclose this information to the benefit of the listed sector transparency. Based on the information publicly disclosed by each market participant, the Company's portfolio has not only performed better than budget but according to our analysis, it also outperformed each of the listed peers in every reporting period since its IPO in terms of Asset Management Alpha.

Investment Portfolio

The Investment Manager has achieved a high level of diversification in the Company's portfolio. At the period end the 50 solar PV plants are located across 23 different counties of England and Wales. The largest one representing 7.5% of the total installed capacity and the four largest solar PV plants representing together 23% of the total installed capacity. Leaving aside rooftop assets, the average size of the Company's solar PV plants is 10.1MW and the Investment Manager will seek to maintain this level of fragmentation which is considered beneficial to shareholders as it mitigates concentration risks. In addition, the portfolio is diversified across 14 non-connected contractors, 13 different Tier 1 solar panel manufacturers and eight Tier 1 inverter manufacturers. This spread of counterparties effectively diversifies the Company's key counterparty risks.

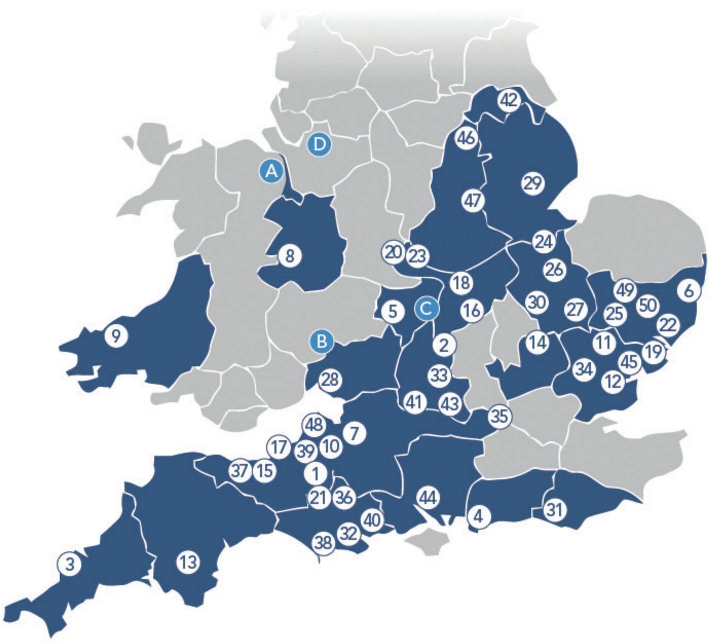
On the next pages is a summary of the overall investment portfolio at the period end with various relevant breakdown analysis:

Investment Portfolio

	Power plant	Location	Announcement date	Regulatory regime[1]	Status[2] [7]	Plant capacity (MW)	Investment (GBPm)	Remaining life of the plant (years)	% of equity proceeds
1	Higher Hatherleigh	Somerset	01/05/2014	1.6	Completed	6.1	7.3[6]	20.5	1.2%
2	Shacks Barn	Northants	09/05/2014	2.0	Completed	6.3	8.2[6]	19.8	1.4%
3	Gover Farm	Cornwall	23/06/2014	1.4	Completed	9.4	11.1[6]	22.2	1.9%
4	Bilsham	West Sussex	03/07/2014	1.4	Completed	15.2	18.9[6]	22.1	3.2%
5	Brickyard	Warwickshire	14/07/2014	1.4	Completed	3.8	4.1[6]	22.1	0.7%
6	Ellough	Suffolk	28/07/2014	1.6	Completed	14.9	20.0[6]	21.5	3.4%
7	Poulshot	Wiltshire	09/09/2014	1.4	Completed	14.5	15.7[6]	21.4	2.7%
8	Condover	Shropshire	29/10/2014	1.4	Completed	10.2	11.7[6]	22.1	2.0%
9	Llywndu	Ceredigion	22/12/2014	1.4	Completed	8.0	9.4	22.2	1.6%
10	Cock Hill Farm	Wiltshire	22/12/2014	1.4	Completed	20.0	23.3[6]	21.9	3.9%
11	Boxted Airfield	Essex	31/12/2014	1.4	Completed	18.8	20.6[6]	22.5	3.5%
12	Langenhoe	Essex	12/03/2015	1.4	Completed	21.2	22.9[6]	22.5	3.9%
13	Park View	Devon	19/03/2015	1.4	Completed	6.5	7.7[6]	22.5	1.3%
14	Croydon	Cambridgeshire	27/03/2015	1.4	Completed	16.5	17.8[6]	22.2	3.0%
15	Hawkers Farm	Somerset	13/04/2015	1.4	Completed	11.9	14.5[6]	22.5	2.4%
16	Glebe Farm	Bedfordshire	13/04/2015	1.4	Completed	33.7	40.5[6]	32.2	6.8%
17	Bowerhouse	Somerset	18/06/2015	1.4	Completed	9.3	11.1[6]	22.5	1.9%
18	Wellingborough	Northants	18/06/2015	1.6	Completed	8.5	10.8[6]	21.7	1.8%
19	Birch Farm	Essex	21/10/2015	FiT	Completed	5.0	5.3[6]	22.7	0.9%
20	Thurlestone Leicester	Leicestershire	21/10/2015	FiT	Completed	1.8	2.3	15.6	0.4%
21	North Farm	Dorset	21/10/2015	1.4	Completed	11.5	14.5[6]	22.2	2.4%
22	Ellough Phase 2	Suffolk	03/11/2015	1.3	Completed	8.0	8.0[6]	23.3	1.4%
23	Hall Farm	Leicestershire	03/11/2015	FiT	Completed	5.0	5.0[6]	23.2	0.8%
24	Decoy Farm	Lincolnshire	03/11/2015	FiT	Completed	5.0	5.2[6]	23.1	0.9%
25	Green Farm	Essex	26/11/2015	FiT	Completed	5.0	5.8	23.5	1.0%
26	Fenland	Cambridgeshire	11/01/2016	1.4	Completed	20.4	23.9[3][4]	22.8	4.0%
27	Green End	Cambridgeshire	11/01/2016	1.4	Completed	24.8	29.0[3][4]	22.9	4.9%
28	Tower Hill	Gloucestershire	11/01/2016	1.4	Completed	8.1	8.8[3][4]	22.5	1.5%
29	Branston	Lincolnshire	05/04/2016	1.4	Completed	18.9		27.4	
30	Great Wilbraham	Cambridgeshire	05/04/2016	1.4	Completed	38.1		27.5	
31	Berwick	East Sussex	05/04/2016	1.4	Completed	8.2	97.9[3][5]	24.0	16.5%
32	Bottom Plain	Dorset	05/04/2016	1.4	Completed	10.1		28.0	
33	Emberton	Buckinghamshire	05/04/2016	1.4	Completed	9.0		27.6	
34	Kentishes	Essex	22/11/2016	1.2	Completed	5.0	4.4	24.2	0.7%
35	Mill Farm	Hertfordshire	04/01/2017	1.2	Completed	5.0	4.2	24.2	0.7%

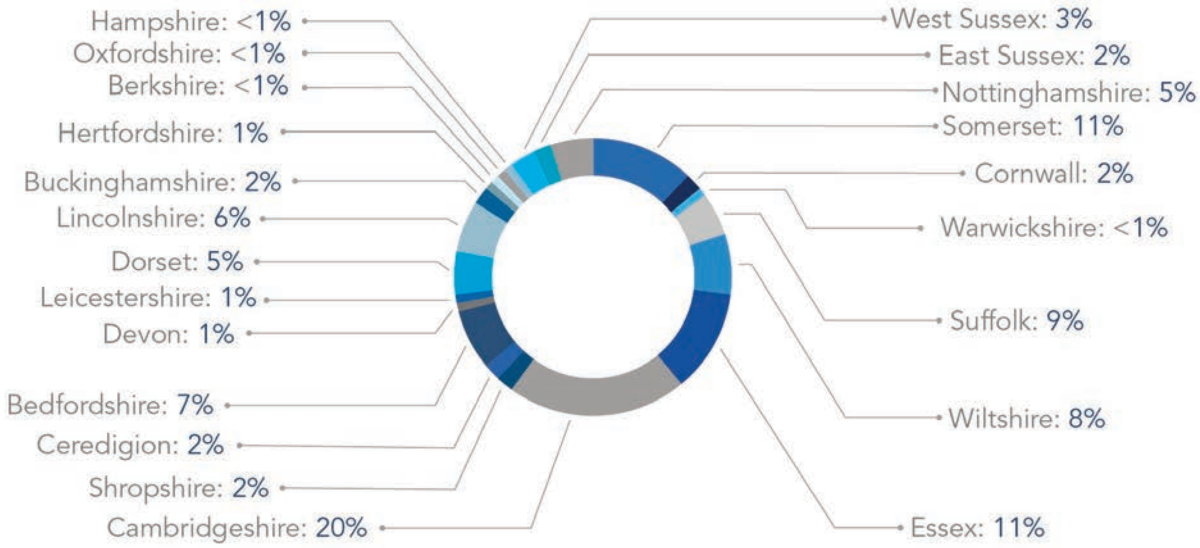
(1) An explanation of ROC regime is available at www.ofgem.gov.uk/environmental-programmes/renewables-obligation-ro.
(2) As at the distribution of this Interim Report.
(3) Acquired with previous debt finance attached.
(4) Part of the Three Kings portfolio.
(5) Part of the Radius portfolio.
(6) Part of the Apollo portfolio.
(7) Completed – the asset is operational and the acquisition was completed.
Operational – the asset is operational but the acquisition has not yet been completed.

	Power plant	Location	Announcement date	Regulatory regime(1)	Status(2) (7)	Plant capacity (MW)	Investment (GBPm)	Remaining life of the plant (years)	% of equity proceeds
36	Long Ash Lane	Dorset	04/01/2017	1.2	Operational	5.0	5.7	24.5	1.0%
37	Bowden	Somerset	04/01/2017	1.2	Completed	5.0	5.4	24.4	0.9%
38	Stalbridge	Dorset	04/01/2017	1.2	Completed	5.0	5.3	24.5	0.9%
39	Aller Court	Somerset	21/04/2017	1.2	Completed	5.0	5.4	24.5	0.9%
40	Rampisham	Dorset	21/04/2017	1.2	Completed	5.0	5.8	25.0	1.0%
41	Wasing	Berkshire	21/04/2017	1.2	Completed	5.0	5.2	24.2	0.9%
42	Flixborough	Lincolnshire	21/04/2017	1.2	Completed	5.0	5.0	25.0	0.8%
43	Hill Farm	Oxfordshire	21/04/2017	1.2	Completed	5.0	5.4	24.5	0.9%
44	Forest Farm	Hampshire	21/04/2017	1.2	Completed	3.0	3.2	34.5	0.5%
45	Birch CIC	Essex	12/06/2017	FiT	Completed	1.7	1.7	22.7	0.3%
46	Barnby Moor	Nottinghamshire	12/06/2017	1.2	Completed	5.0	5.4	24.8	0.9%
47	Bilsthorpe Moor	Nottinghamshire	12/06/2017	1.2	Completed	5.0	5.4	25.2	0.9%
48	Wickfield	Wiltshire	12/06/2017	1.2	Completed	4.9	5.5	25.6	0.9%
49	Bay Farm	Suffolk	29/08/2017	1.6	Completed	8.1	9.8	22.4	1.7%
50	Honington	Suffolk	29/08/2017	1.6	Completed	13.6	16.6	22.3	2.8%
	Total					504.9	580.8		98.1%
A	Francis/Gourton	Wrexham	16/06/2017	None	To be built	10.0	–	–	–
B	Glebe	Worcestershire	16/06/2017	None	To be built	19.6	–	–	–
C	Radbrook	Warwickshire	16/06/2017	None	To be built	20.7	–	–	–
D	Moss	Cheshire	16/06/2017	None	To be built	9.5	–	–	–

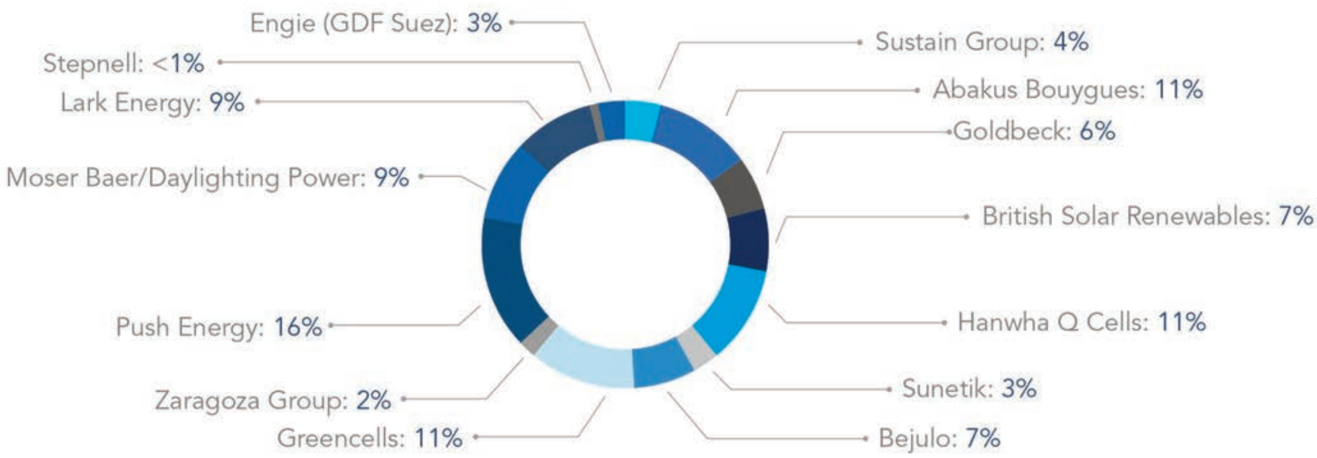


Investment Portfolio Diversification

By County

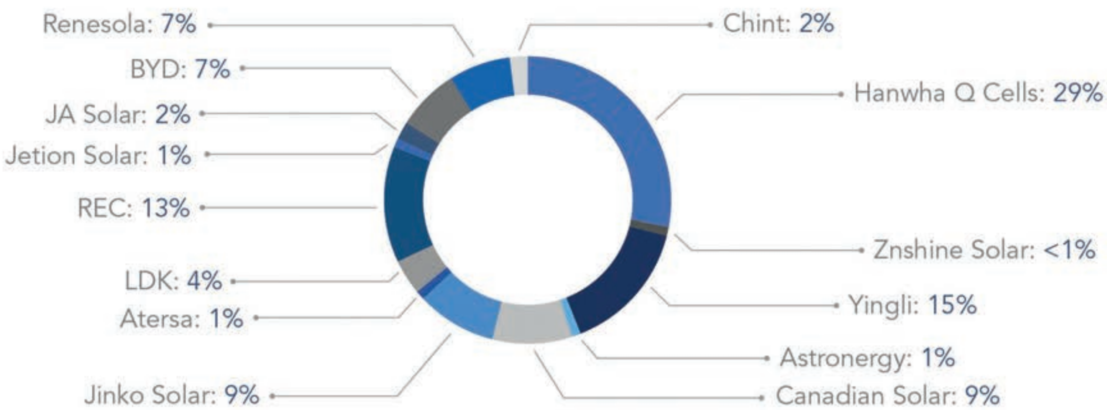


By EPC Contractor

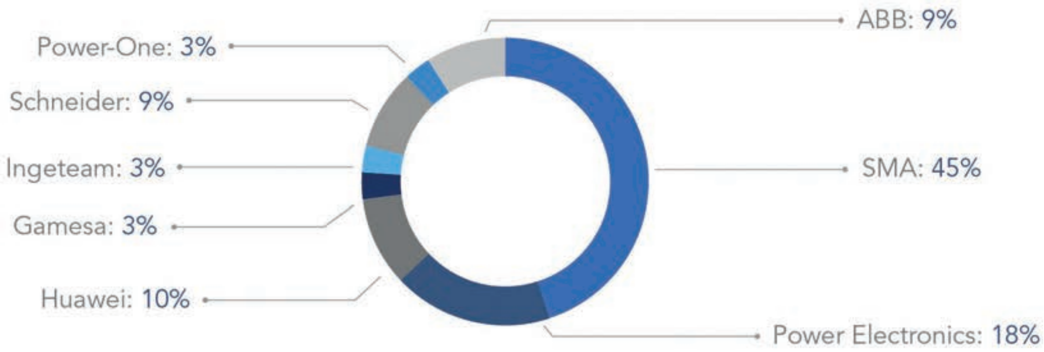


Investment Portfolio Diversification

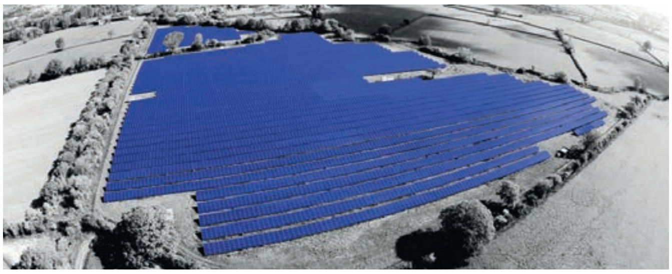
By Solar Module Manufacturer



By Inverter Manufacturer



1. Higher Hatherleigh



	Period ended Sep-2017	Since Acquisition
MWh Generated	4,265	21,870
Solar Irradiation vs Expectations	(3.8%)	(1.5%)
Energy Generation vs Budget	(0.4%)	+3.4%

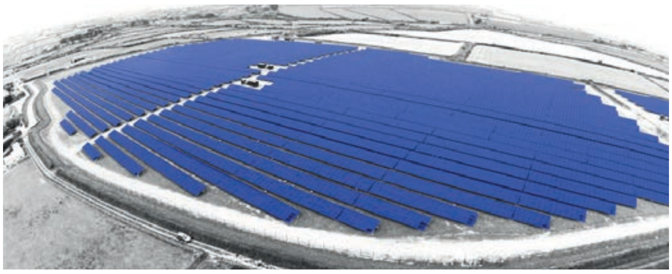
Location	Wincanton, Somerset
Capacity	6.1MW
Regulatory Regime	1.6 ROCs
EPC	Moser Baer/Daylighting Power
Panels	JA Solar
Inverter	Power-One
Operational Since	Apr-13
Acquisition Date	May-14

2. Shacks Barn

	Period ended Sep-2017	Since Acquisition
MWh Generated	4,196	22,303
Solar Irradiation vs Expectations	(4.7%)	+0.2%
Energy Generation vs Budget	+0.2%	+7.9%

Location	Silverstone, Northants
Capacity	6.3MW
Regulatory Regime	2.0 ROCs
EPC	Moser Baer/Daylighting Power
Panels	JA Solar
Inverter	Power-One
Operational Since	Mar-13
Acquisition Date	May-14

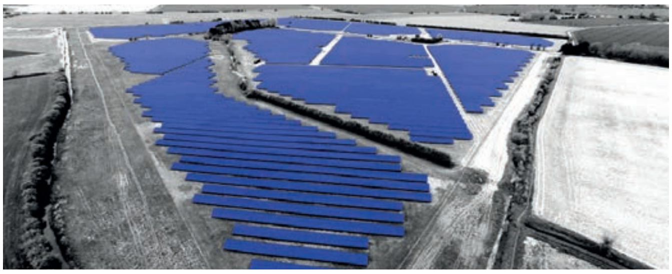
3. Gover Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	6,646	27,196
Solar Irradiation vs Expectations	+0.7%	+0.5%
Energy Generation vs Budget	(0.3%)	+2.4%

Location	Truro, Cornwall
Capacity	9.4MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer/Daylighting Power
Panels	BYD
Inverter	ABB
Operational Since	Oct-14
Acquisition Date	Jun-14

4. Bilsham



	Period ended Sep-2017	Since Acquisition
MWh Generated	11,830	46,500
Solar Irradiation vs Expectations	+3.3%	+1.5%
Energy Generation vs Budget	+4.9%	+4.8%

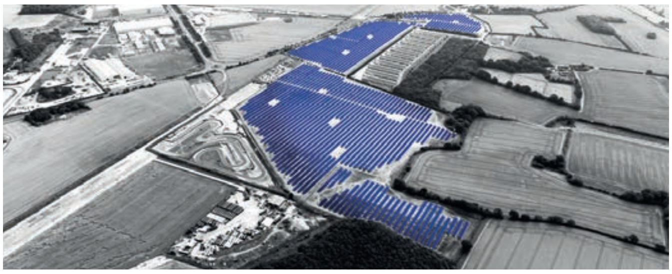
Location	Bognor Regis, West Sussex
Capacity	15.2MW
Regulatory Regime	1.4 ROCs
EPC	Engie (GDF Suez)
Panels	Renesola
Inverter	ABB
Operational Since	Nov-14
Acquisition Date	Jul-14

5. Brickyard

	Period ended Sep-2017	Since Acquisition
MWh Generated	2,568	10,317
Solar Irradiation vs Expectations	(3.0%)	(0.1%)
Energy Generation vs Budget	+0.0%	+4.0%

Location	Leamington Spa, Warwickshire
Capacity	3.8MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer/Daylighting Power
Panels	BYD
Inverter	ABB
Operational Since	Nov-14
Acquisition Date	Jul-14

6. Ellough



	Period ended Sep-2017	Since Acquisition
MWh Generated	10,851	48,855
Solar Irradiation vs Expectations	(2.2%)	(1.8%)
Energy Generation vs Budget	+2.0%	+4.7%

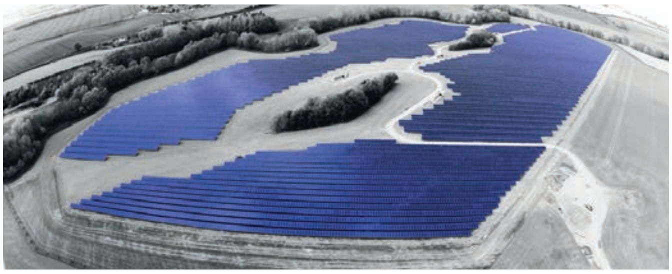
Location	Ellough, Suffolk
Capacity	14.9MW
Regulatory Regime	1.6 ROCs
EPC	Lark Energy
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Mar-14
Acquisition Date	Jul-14

7. Poulshot

	Period ended Sep-2017	Since Acquisition
MWh Generated	10,172	32,427
Solar Irradiation vs Expectations	(2.2%)	(2.8%)
Energy Generation vs Budget	+3.2%	+2.3%

Location	Trowbridge, Wiltshire
Capacity	14.5MW
Regulatory Regime	1.4 ROCs
EPC	Moser Baer/Daylighting Power
Panels	BYD
Inverter	ABB
Operational Since	Mar-15
Acquisition Date	Sep-14

8. Condover



	Period ended Sep-2017	Since Acquisition
MWh Generated	6,829	23,504
Solar Irradiation vs Expectations	(3.7%)	(3.2%)
Energy Generation vs Budget	(1.3%)	(0.4%)

Location	Condover, Shropshire
Capacity	10.2MW
Regulatory Regime	1.4 ROCs
EPC	Zaragoza Group
Panels	Canadian Solar
Inverter	Power Electronics
Operational Since	Mar-15
Acquisition Date	Oct-14

9. Llwyndu

	Period ended Sep-2017	Since Acquisition
MWh Generated	5,418	16,972
Solar Irradiation vs Expectations	(7.1%)	(6.8%)
Energy Generation vs Budget	(2.5%)	(1.6%)

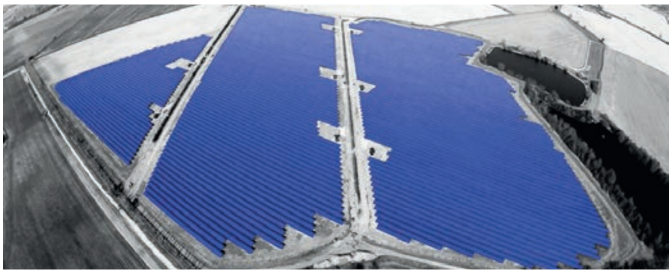
Location	Blaenporth, Ceredigion
Capacity	8.0MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	BYD
Inverter	Huawei
Operational Since	Feb-15
Acquisition Date	Dec-14

10. Cock Hill Farm

	Period ended Sep-2017	Since Acquisition
MWh Generated	14,008	44,330
Solar Irradiation vs Expectations	+2.6%	(1.7%)
Energy Generation vs Budget	+0.1%	+0.9%

Location	Trowbridge, Wiltshire
Capacity	20.0MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	Jinko Solar
Inverter	Huawei
Operational Since	Mar-15
Acquisition Date	Dec-14

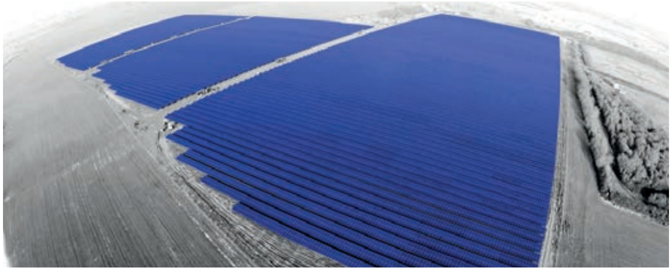
11. Boxted Airfield



	Period ended Sep-2017	Since Acquisition
MWh Generated	14,100	51,593
Solar Irradiation vs Expectations	+2.4%	+0.8%
Energy Generation vs Budget	+4.9%	+4.2%

Location	Colchester, Essex
Capacity	18.8MW
Regulatory Regime	1.4 ROCs
EPC	Push Energy
Panels	Yingli
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Dec-14

12. Langenhoe



	Period ended Sep-2017	Since Acquisition
MWh Generated	16,459	60,536
Solar Irradiation vs Expectations	+4.9%	+3.7%
Energy Generation vs Budget	+8.3%	+7.9%

Location	Condover, Shropshire
Capacity	21.2MW
Regulatory Regime	1.4 ROCs
EPC	Zaragoza Group
Panels	Canadian Solar
Inverter	Power Electronics
Operational Since	Mar-15
Acquisition Date	Dec-14

13. Park View

	Period ended Sep-2017	Since Acquisition
MWh Generated	4,555	14,586
Solar Irradiation vs Expectations	(6.0%)	(6.5%)
Energy Generation vs Budget	(5.1%)	(2.9%)

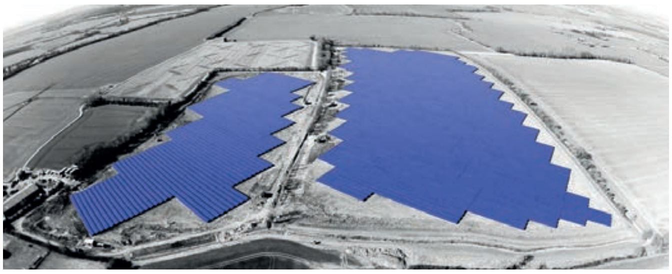
Location	Ashburton, Devon
Capacity	6.5MW
Regulatory Regime	1.4 ROCs
EPC	Sunetik
Panels	Astronergy
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Mar-15

15. Hawkers Farm

	Period ended Sep-2017	Since Acquisition
MWh Generated	8,484	27,644
Solar Irradiation vs Expectations	(3.4%)	(3.8%)
Energy Generation vs Budget	(1.2%)	(0.3%)

Location	Theale, Somerset
Capacity	11.9MW
Regulatory Regime	1.4 ROCs
EPC	Greencells
Panels	Jinko Solar
Inverter	Huawei
Operational Since	Mar-15
Acquisition Date	Apr-15

14. Croydon



	Period ended Sep-2017	Since Acquisition
MWh Generated	11,826	43,445
Solar Irradiation vs Expectations	+3.1%	+2.7%
Energy Generation vs Budget	+8.7%	+5.8%

Location	Royston, Cambridgeshire
Capacity	16.5MW
Regulatory Regime	1.4 ROCs
EPC	Push Energy
Panels	Yingli
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Mar-15

16. Glebe Farm

	Period ended Sep-2017	Since Acquisition
MWh Generated	23,507	83,135
Solar Irradiation vs Expectations	+0.4%	+1.7%
Energy Generation vs Budget	+4.6%	+7.7%

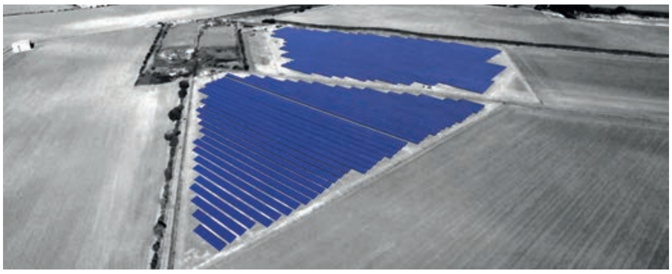
Location	Podington, Bedfordshire
Capacity	33.7MW
Regulatory Regime	1.4 ROCs
EPC	Bejulo
Panels	Canadian Solar
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Mar-15

17. Bowerhouse

	Period ended Sep-2017	Since Acquisition
MWh Generated	6,723	20,722
Solar Irradiation vs Expectations	+2.3%	(1.6%)
Energy Generation vs Budget	+2.0%	+0.0%

Location	Banwell, Somerset
Capacity	9.3MW
Regulatory Regime	1.4 ROCs
EPC	Sunetik
Panels	LDK
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Jun-15

19. Birch Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	3,753	10,376
Solar Irradiation vs Expectations	+2.1%	+1.2%
Energy Generation vs Budget	+5.1%	+4.6%

Location	Colchester, Essex
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Yingli
Inverter	Ingeteam
Operational Since	Jun-15
Acquisition Date	Sep-15

18. Wellingborough

	Period ended Sep-2017	Since Acquisition
MWh Generated	5,657	19,513
Solar Irradiation vs Expectations	(3.8%)	(2.5%)
Energy Generation vs Budget	(1.3%)	+2.5%

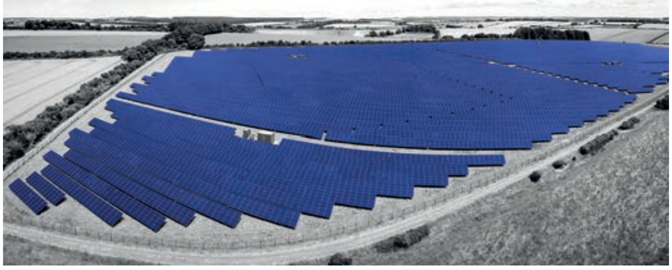
Location	Wellingborough, Northants
Capacity	8.5MW
Regulatory Regime	1.6 ROCs
EPC	Lark Energy
Panels	LDK
Inverter	Power Electronics
Operational Since	Mar-15
Acquisition Date	Jun-15

20. Thurlestone Leicester

	Period ended Sep-2017	Since Acquisition
MWh Generated	1,057	4,134
Solar Irradiation vs Expectations	N/A[3]	N/A
Energy Generation vs Budget	N/A[3]	N/A

Location	Leicester, Leicestershire
Capacity	1.8MW
Regulatory Regime	FiT
EPC	Stepnell
Panels	Znshine Solar
Inverter	Power-One
Operational Since	Apr-13
Acquisition Date	Oct-15

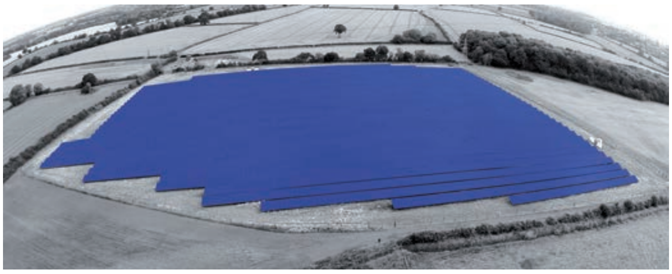
21. North Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	8,632	23,460
Solar Irradiation vs Expectations	(4.7%)	(7.8%)
Energy Generation vs Budget	(3.1%)	(5.0%)

Location	Wimborne, Dorset
Capacity	11.5MW
Regulatory Regime	1.4 ROCs
EPC	British Solar Renewables
Panels	Jinko Solar
Inverter	Gamesa
Operational Since	Mar-15
Acquisition Date	Oct-15

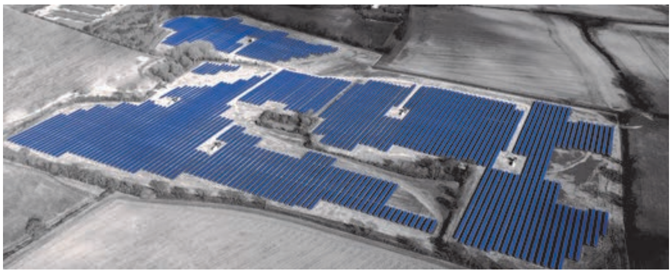
23. Hall Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	2,596	4,130
Solar Irradiation vs Expectations	+0.9%	(1.0%)
Energy Generation vs Budget	(22.1%)*	(14.0%)*

Location	Newbold Vernon, Leicestershire
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Hanwha Q Cells
Inverter	Ingeteam
Operational Since	May-16
Acquisition Date	Nov-15

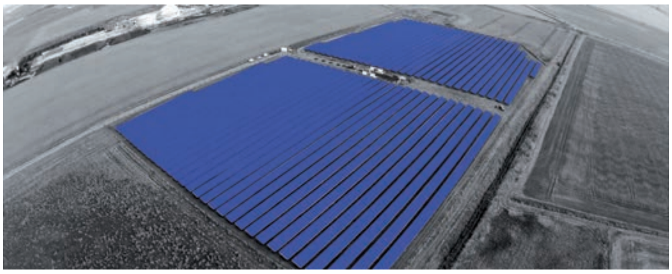
22. Ellough Phase 2



	Period ended Sep-2017	Since Acquisition
MWh Generated	6,048	10,088
Solar Irradiation vs Expectations	+3.6%	+5.8%
Energy Generation vs Budget	+7.0%	+9.9%

Location	Ellough, Suffolk
Capacity	8.0MW
Regulatory Regime	1.3 ROCs
EPC	Lark Energy
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Mar-16
Acquisition Date	Aug-16

24. Decoy Farm

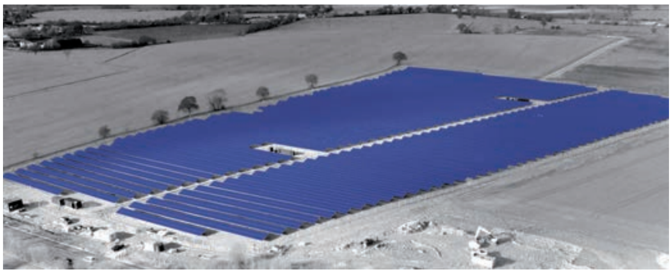


	Period ended Sep-2017	Since Acquisition
MWh Generated	3,597	5,217
Solar Irradiation vs Expectations	(0.5%)	(1.3%)
Energy Generation vs Budget	+4.0%	+4.0%

Location	Crowland, Lincolnshire
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Hanwha Q Cells
Inverter	Ingeteam
Operational Since	Jan-16
Acquisition Date	Nov-15

* Underperformance is due to DNO outages. Had this been excluded, delta would have been +6.2% (YTD) and +5.6% (since acquisition). We believe that the generation lost during the outage will be recovered over the life of the asset.

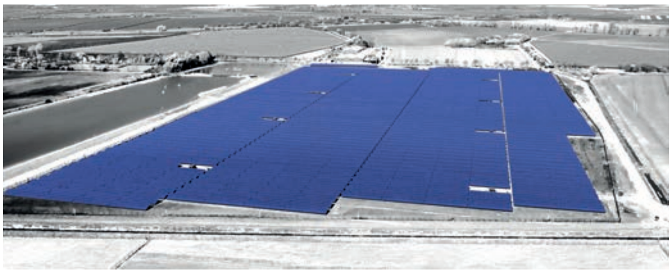
25. Green Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	3,585	4,471
Solar Irradiation vs Expectations	+1.2%	+1.5%
Energy Generation vs Budget	(0.1%)	+0.7%

Location	Wix, Essex
Capacity	5.0MW
Regulatory Regime	FiT
EPC	Moser Baer/Daylighting Power
Panels	Atersa
Inverter	Power Electronics
Operational Since	Dec-15
Acquisition Date	Nov-15

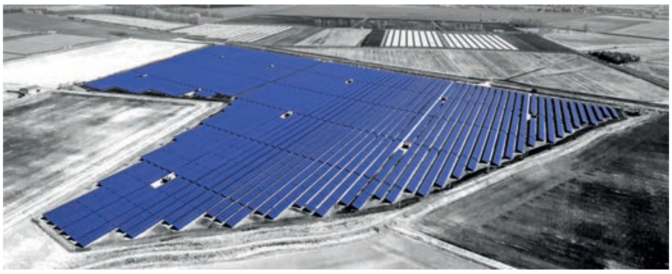
27. Green End



	Period ended Sep-2017	Since Acquisition
MWh Generated	17,569	45,661
Solar Irradiation vs Expectations	+0.4%	+0.6%
Energy Generation vs Budget	+2.2%	+3.2%

Location	Ely, Cambridgeshire
Capacity	24.8MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Jan-16

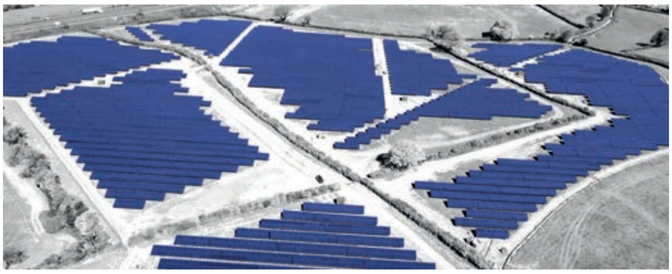
26. Fenland



	Period ended Sep-2017	Since Acquisition
MWh Generated	14,953	38,828
Solar Irradiation vs Expectations	+0.4%	+1.2%
Energy Generation vs Budget	+5.6%	+6.5%

Location	Waterbeach, Cambridgeshire
Capacity	20.4MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Jan-16

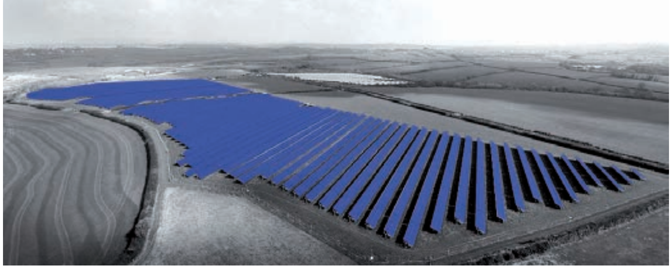
28. Tower Hill



	Period ended Sep-2017	Since Acquisition
MWh Generated	5,988	15,067
Solar Irradiation vs Expectations	+2.4%	+0.2%
Energy Generation vs Budget	+5.7%	+4.4%

Location	Tytherington, Gloucestershire
Capacity	8.1MW
Regulatory Regime	1.4 ROCs
EPC	Hanwha Q Cells
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Jan-16

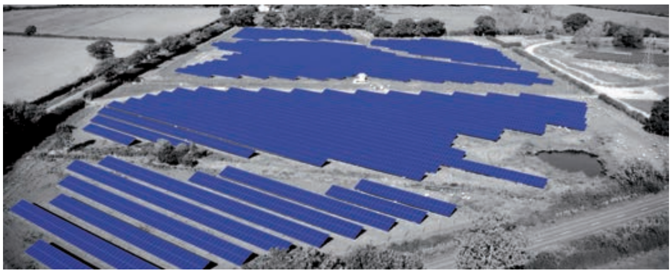
29. Branston



	Period ended Sep-2017	Since Acquisition
MWh Generated	12,318	30,938
Solar Irradiation vs Expectations	+3.1%	+2.5%
Energy Generation vs Budget	(3.1%)	+2.1%

Location	Branston, Lincolnshire
Capacity	18.9MW
Regulatory Regime	1.4 ROCs
EPC	Goldbeck
Panels	REC
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Mar-16

31. Berwick



	Period ended Sep-2017	Since Acquisition
MWh Generated	6,713	15,878
Solar Irradiation vs Expectations	+5.6%	+4.2%
Energy Generation vs Budget	+7.8%	+6.9%

Location	Polegate, East Sussex
Capacity	8.2MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	Renesola
Inverter	SMA
Operational Since	Mar-15
Acquisition Date	Mar-16

30. Great Wilbraham

	Period ended Sep-2017	Since Acquisition
MWh Generated	26,752	63,506
Solar Irradiation vs Expectations	+1.6%	+1.0%
Energy Generation vs Budget	+1.7%	+1.7%

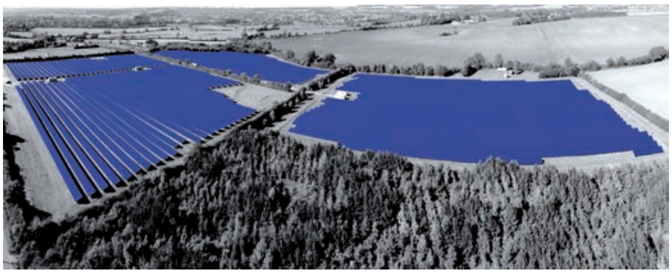
Location	Great Wilbraham, Cambridgeshire
Capacity	38.1MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	REC
Inverter	Schneider
Operational Since	Mar-15
Acquisition Date	Mar-16

32. Bottom Plain

	Period ended Sep-2017	Since Acquisition
MWh Generated	7,468	17,717
Solar Irradiation vs Expectations	+0.7%	(1.1%)
Energy Generation vs Budget	+0.5%	+0.2%

Location	Wareham, Dorset
Capacity	10.1MW
Regulatory Regime	1.4 ROCs
EPC	Abakus Bouygues
Panels	Renesola
Inverter	SMA
Operational Since	Dec-14
Acquisition Date	Mar-16

33. Emberton



	Period ended Sep-2017	Since Acquisition
MWh Generated	6,179	14,746
Solar Irradiation vs Expectations	(0.3%)	+0.0%
Energy Generation vs Budget	(0.5%)	(0.3%)

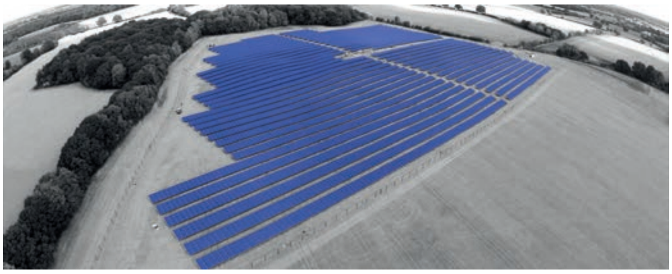
Location	Emberton, Buckinghamshire
Capacity	9.0MW
Regulatory Regime	1.4 ROCs
EPC	Goldbeck
Panels	REC
Inverter	Schneider
Operational Since	Mar-15
Acquisition Date	Mar-16

35. Mill Farm

	Period ended Sep-2017	Since Acquisition
MWh Generated	3,073	3,073
Solar Irradiation vs Expectations	+1.8%	+1.8%
Energy Generation vs Budget	+3.5%	+3.5%

Location	Great Munden, Hertfordshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Push Energy
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Feb-17
Acquisition Date	Dec-16

34. Kentishes



	Period ended Sep-2017	Since Acquisition
MWh Generated	3,108	3,108
Solar Irradiation vs Expectations	+2.2%	+2.2%
Energy Generation vs Budget	+0.7%	+0.7%

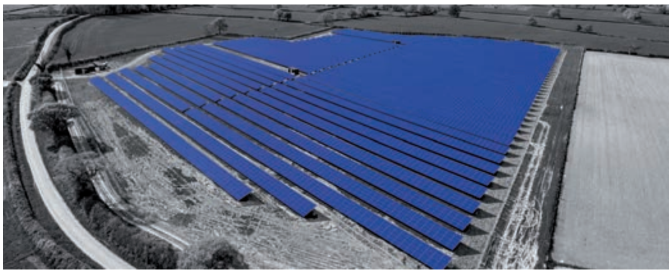
Location	Braintree, Essex
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Push Energy
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Feb-17
Acquisition Date	Nov-16

36. Long Ash Lane

	Period ended Sep-2017	Since Acquisition
MWh Generated	N/A(1)	N/A(1)
Solar Irradiation vs Expectations	N/A(1)	N/A(1)
Energy Generation vs Budget	N/A(1)	N/A(1)

Location	Bridport, Dorset
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	British Solar Renewables
Panels	Jetion Solar
Inverter	Gamesa
Operational Since	Mar-17
Acquisition Date	Dec-16

37. Bowden



		Period ended Sep-2017	Since Acquisition
	MWh Generated	N/A[2]	N/A[2]
	Solar Irradiation vs Expectations	N/A[2]	N/A[2]
	Energy Generation vs Budget	N/A[2]	N/A[2]

Location	Templecombe, Somerset
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	British Solar Renewables
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-17
Acquisition Date	Dec-16

38. Stalbridge

		Period ended Sep-2017	Since Acquisition
	MWh Generated	N/A[2]	N/A[2]
	Solar Irradiation vs Expectations	N/A[2]	N/A[2]
	Energy Generation vs Budget	N/A[2]	N/A[2]

Location	Sturminster Newton, Dorset
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	British Solar Renewables
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-17
Acquisition Date	Dec-16

39. Aller Court

		Period ended Sep-2017	Since Acquisition
	MWh Generated	N/A[2]	N/A[2]
	Solar Irradiation vs Expectations	N/A[2]	N/A[2]
	Energy Generation vs Budget	N/A[2]	N/A[2]

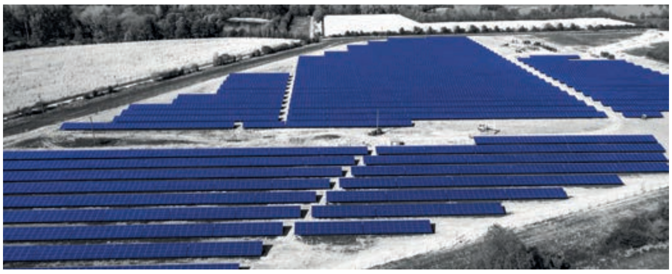
Location	Langport, Somerset
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	British Solar Renewables
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-17
Acquisition Date	Feb-17

40. Rampisham

		Period ended Sep-2017	Since Acquisition
	MWh Generated	N/A[2]	N/A[2]
	Solar Irradiation vs Expectations	N/A[2]	N/A[2]
	Energy Generation vs Budget	N/A[2]	N/A[2]

Location	Rampisham, Dorset
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	British Solar Renewables
Panels	Hanwha Q Cells
Inverter	SMA
Operational Since	Mar-17
Acquisition Date	Apr-17

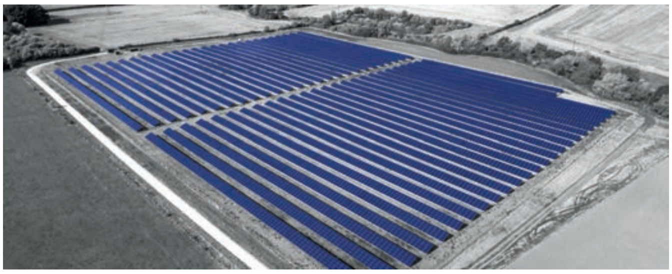
41. Wasing



	Period ended Sep-2017	Since Acquisition
MWh Generated	910	910
Solar Irradiation vs Expectations	(0.1%)	(0.1%)
Energy Generation vs Budget	+4.0%	+4.0%

Location	Brimpton, Berkshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Greencells
Panels	Hanwha Q Cells
Inverter	Huawei
Operational Since	Mar-17
Acquisition Date	Feb-17

43. Hill Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	N/A(2)	N/A(2)
Solar Irradiation vs Expectations	N/A(2)	N/A(2)
Energy Generation vs Budget	N/A(2)	N/A(2)

Location	Bicester, Oxfordshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Greencells
Panels	Hanwha Q Cells
Inverter	Huawei
Operational Since	Mar-17
Acquisition Date	Apr-17

42. Flixborough

	Period ended Sep-2017	Since Acquisition
MWh Generated	861	861
Solar Irradiation vs Expectations	+1.1%	+1.1%
Energy Generation vs Budget	+4.4%	+4.4%

Location	Scunthorpe, Lincolnshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Greencells
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Mar-17
Acquisition Date	Feb-17

44. Forest Farm

	Period ended Sep-2017	Since Acquisition
MWh Generated	N/A(2)	N/A(2)
Solar Irradiation vs Expectations	N/A(2)	N/A(2)
Energy Generation vs Budget	N/A(2)	N/A(2)

Location	Southampton, Hampshire
Capacity	3.0MW
Regulatory Regime	1.2 ROCs
EPC	Greencells
Panels	Hanwha Q Cells
Inverter	Huawei
Operational Since	Mar-17
Acquisition Date	Apr-17

45. Birch CIC

	Period ended Sep-2017	Since Acquisition
MWh Generated	1,081	1,081
Solar Irradiation vs Expectations	+1.7%	+1.7%
Energy Generation vs Budget	+0.9%	+0.9%

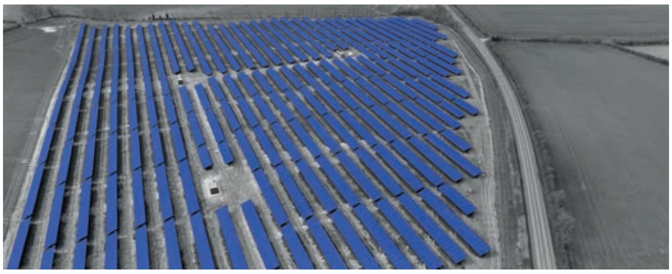
Location	Colchester, Essex
Capacity	1.7MW
Regulatory Regime	FiT
EPC	Push Energy
Panels	Yingli
Inverter	Ingeteam
Operational Since	Jun-16
Acquisition Date	Apr-17

47. Bilsthrope

	Period ended Sep-2017	Since Acquisition
MWh Generated	680	680
Solar Irradiation vs Expectations	(4.7%)	(4.7%)
Energy Generation vs Budget	(0.3%)	(0.3%)

Location	Bilsthrope, Nottinghamshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Lark Energy
Panels	Yingli
Inverter	Power Electronics
Operational Since	Mar-17
Acquisition Date	Jun-17

46. Barnby Moor



	Period ended Sep-2017	Since Acquisition
MWh Generated	677	677
Solar Irradiation vs Expectations	(3.8%)	(3.8%)
Energy Generation vs Budget	+0.9%	+0.9%

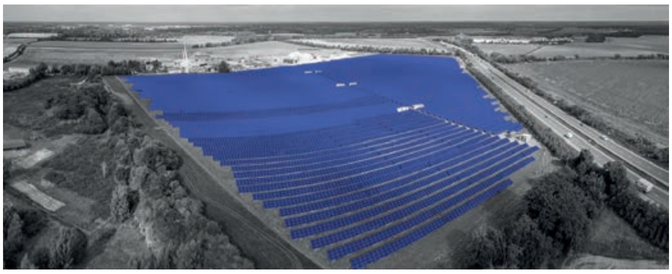
Location	Retford, Nottinghamshire
Capacity	5.0MW
Regulatory Regime	1.2 ROCs
EPC	Lark Energy
Panels	Yingli
Inverter	Power Electronics
Operational Since	Mar-17
Acquisition Date	Jun-17

48. Wickfield

	Period ended Sep-2017	Since Acquisition
MWh Generated	N/A[2]	N/A[2]
Solar Irradiation vs Expectations	N/A[2]	N/A[2]
Energy Generation vs Budget	N/A[2]	N/A[2]

Location	Swindon, Wiltshire
Capacity	4.9MW
Regulatory Regime	1.2 ROCs
EPC	Lark Energy
Panels	Yingli
Inverter	Power Electronics
Operational Since	Mar-17
Acquisition Date	Jun-17

49. Bay Farm



	Period ended Sep-2017	Since Acquisition
MWh Generated	1,012	1,012
Solar Irradiation vs Expectations	(5.8%)	(5.8%)
Energy Generation vs Budget	(7.5%)	(7.5%)

Location	Bay Farm, Suffolk
Capacity	5.0MW
Regulatory Regime	1.6 ROCs
EPC	Sustain Group
Panels	Chint
Inverter	SMA
Operational Since	Mar-17
Acquisition Date	Aug-17

50. Honington

	Period ended Sep-2017	Since Acquisition
MWh Generated	1,726	1,726
Solar Irradiation vs Expectations	(6.3%)	(6.3%)
Energy Generation vs Budget	(8.5%)	(8.5%)

Location	Honington, Suffolk
Capacity	4.9MW
Regulatory Regime	1.6 ROCs
EPC	Sustain Group
Panels	Hanwha Q Cells
Inverter	Power Electronics
Operational Since	Mar-17
Acquisition Date	Aug-17

[1] Data not available as asset acquisition has not been completed.
[2] Data only available two months after completion date.
[3] Company does not monitor the solar irradiation of Thurlestone as the investment is across multiple rooftops.

Current and Long-Term Power Prices

The Investment Manager continuously reviews multiple inputs for power price forecasts and takes the average of two of the leading energy market consultants' (the "Consultants") long-term projections to derive the power curve adopted in the valuation of the Company's portfolio. This approach allows mitigation of inevitable forecasting errors as well as any delay in response from the Consultants in publishing periodic (quarterly) or ad hoc updates following any significant market development.

During the period, the Consultants revised their forecasts for the UK wholesale power price downwards. Factors that contributed to these revisions include the depreciation of pound sterling, the dollar gas prices falling and the reduction of marginal cost of capital for renewables. Furthermore, the forecast for the penetration of renewable energy was revised upwards. As a consequence of these drivers, at the date of distribution of this Interim Report, both short and long-term price projections prepared by the Consultants decreased during the period.

The power price forecasts used by the Company also reflect an assumed "solar capture" discount which reflects the difference between the prices available on the market in the daylight hours of operation of a solar plant vs. the baseload prices included in the power price estimates. This solar capture discount is estimated by the Consultants on the basis of a typical load profile of a solar plant located in the UK and is reviewed as frequently as the baseload power price forecasts.

The Company's current long-term power price forecast implies an average growth rate of approximately 1.5% in real terms over the 20-year period starting October 2017. This represents a decrease of 5.2% compared to those used at the end of the previous reporting year (but still 39.8% below the assumptions employed at IPO). This power price forecast also includes the latest downward revisions published by the Consultants in July and September 2017.

Nevertheless, compared to the previous interim period end, electricity spot prices rose from c.£40/MWh in September 2016[(1)] to c.£52/MWh in September 2017[(1)]. The Company seeks to secure attractive prices for the energy generated by its portfolio through its electricity sales strategy, and was able to selectively secure short-term contracts above the projections provided by its Consultants.

(1) Source: N2EX – UK baseload – day ahead

Dividends to Shareholders

During the period, the Company paid dividends in relation to two quarterly accounting periods. Specifically, NESF paid the fourth interim dividend for the financial year ended 31 March 2017 (of 1.5775p per ordinary share) and the first quarterly dividend for the year ended 31 March 2018 (of 1.6050p per ordinary share). Therefore, during the period NESF paid total dividends of 3.1825p per ordinary share, in line with its target dividend of 3.1825p.

In relation to dividends for the year ended 31 March 2017, the fourth and last quarterly dividend of 1.5775p per ordinary share (equal to £7,199,524) was paid to shareholders in June 2017. As a result, the Company achieved its target for total dividend distribution for the full financial year ended 31 March 2017 of 6.31p per ordinary share. The summary of all dividends paid by the Company until the date of distribution of this Interim Report is set out in the table on the next page.

As stated in the Chairman's Statement, the Company is targeting aggregate dividends of 6.42p per share for the 2017/18 financial year, which represents growth in line with the RPI index applicable to the underlying portfolio revenues.

During the period, the Company generated cash income of £19.4m and had net operating costs of £3.1m. As a result, the net dividend cover for the period was 1.14x. The table on the next page provides additional details and metrics.

Cash income for the six months ended 30 September 2017 includes £4,078,024 which has been retained in certain subsidiaries as their respective banking covenants only permit cash to flow out twice a year. If these banking restrictions did not exist, the cash would have flowed up to the Company on or before 30 September 2017, and the fair value of the HoldCos would have reduced by the same amount, therefore having a nil effect on the NAV per share.

Dividends paid	Month of payment	Amount per ordinary share (p)	Total (£)
First interim for year 2014/15	Dec-14	2.6250	4,635,750
Second interim for year 2014/15	Jul-15	2.6250	6,309,188
First interim for year 2015/16	Dec-15	3.1250	8,686,160
Second interim for year 2015/16	Jul-16	3.1250	8,686,160
First quarterly dividend for year 2016/17	Sep-16	1.5775	4,058,499[1]
Second quarterly dividend for year 2016/17	Dec-16	1.5775	4,031,158[1]
Third quarterly dividend for year 2016/17	Mar-17	1.5775	5,443,550[1]
Fourth quarterly dividend for year 2016/17	Jun-17	1.5775	7,148,285[1]
First quarterly dividend for year 2017/18	Sep-17	1.6050	7,335,774[1]
Total cash dividends paid to date		19.415	56,334,524
Second quarterly dividend for year 2017/18	Dec-17	1.6050	9,171,229[4]

Cash income	Total for period		
Cash income for period to 30 September 2017	19,403,044[5]		
Net operating costs for period to 30 September 2017	(2,928,029)		
Net cash income	16,475,015		

		Gross dividend cover	Net dividend cover
Cash dividend paid during period	14,484,059[2]	1.3x	1.1x
Cash dividend in respect of the financial period	16,507,003[3]	1.2x	1.0x

[1] The scrip dividend option came into effect on 25 August 2016. During the period, a scrip dividend payment was elected by some shareholders. A total of 1,671,690 additional shares were issued resulting in a lower total cash dividend pay-out. If the elections were not made, the total amount to be paid out would have be £7,199,524 and £9,171,497 for the fourth and first quarterly dividends of 2016/17 and 2017/18 respectively.

[2] This amount represents the post scrip dividend paid during the six-month period. If the shares from the scrip dividend were included the total amount paid during the year would have been £16,371,021. The gross dividend cover would have been 1.2x and the net dividend cover would have been 1.0x.

[3] This amount represents the post scrip dividend for the first 2 quarterly dividends for the year 2017/18 (including the dividend payable on 29 December 2017). If the shares from the scrip dividend were included, the total amount paid would have been £18,368,392. The gross dividend cover would have been 1.1x and the net dividend cover would have been 1.0x.

[4] Before election of scrip dividend is considered.

[5] Cash income differs from the income in the Condensed Statement of Comprehensive Income by £2.98m. This is because the Condensed Statement of Comprehensive Income is on an accruals basis.

In line with the Board's decision to move to quarterly dividends, as announced in April 2016, the forward-looking target dividend calendar is set out in the table below:

Dividend for year 2017/18	Date of expected payment	Amount per ordinary share (p)
Second interim	December 2017	1.6050
Third interim	March 2018	1.6050
Fourth interim	June 2018	1.6050
Total		4.8150

Operating Costs and Profits for the Period

Profit before tax for the period ended 30 September 2017 was £14.0m (30 September 2016: £25.3m), with earnings per share of 2.69p (2016: 8.46p).

The reduction in profit before tax is due to the unrealised net change in the fair value of the Investment Portfolio, as described below.

The operating costs of the Company for the period amounted to £3.1m, in line with expectations. The Company's annualised OCR for the period was 1.1% (2016: 1.2%), in line with the budget. The budgeted OCR for the year ending 31 March 2018 is 1.1%.

Valuation of the Investment Portfolio

The Investment Manager is responsible for carrying out the fair market valuation of the Company's underlying investment portfolio, as described in note 6 of the Financial Statements. The resulting fair market value of the Company's investment portfolio is presented to the Company's Board of Directors for their review and approval. The valuation is carried out quarterly or more often if capital increases or other relevant events arise. The valuation principles used are based on a DCF methodology, and take into account IPEV guidelines.

The Investment Manager reviews multiple sources and inputs in determining the fair market value of the underlying investments, including analysing all announced solar transactions in the UK during the period as well as undertaking a DCF analysis of each investment made by the Company. The Investment Manager exercises its judgement based on its expertise in the UK, and other relevant jurisdictions' solar PV markets and in assessing the expected future cash flows from each investment. In the DCF analysis, the fair value for each operating asset is derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate.

For solar PV plants not yet operational or where the completion of the acquisition is not imminent at the time of valuation, the acquisition cost is used as an appropriate estimate of fair value.

The Board reviews the operating and financial assumptions, including the discount rates, used in the valuation of the Company's underlying portfolio and approves them based on the recommendation of the Investment Manager. The valuation process comprises the analysis of multiple factors, all relevant to ascertaining the fair value of the portfolio, including:

- discount rates implied in the price at which comparable transactions have been announced in the UK solar sector (including those where the Investment Manager submitted a bid for the same projects that was not deemed competitive by the vendors);
- discount rates publicly disclosed by the Company's peers in the UK solar sector;
- discount rates applicable for other comparable infrastructure assets classes or regulated energy sectors; and
- risk premia over relevant risk-free rates.

During the period, the UK solar market experienced an increase in pricing competition for operating assets driven by factors that include:

- entrance of new UK-based and international investors searching for operating solar portfolios in the UK; and
- closure of previous subsidies regime for solar PV

plants in UK and absence of any incentive framework for future installations, which has instigated a scarcity effect on ROCs assets.

These changing dynamics were evidenced by the experience of the Investment Manager in bidding for solar assets in the UK.

As a result, the Company further lowered its discount rate for unlevered operating solar assets by 0.25% (from 7.25% to 7.0%) and will continue to monitor this rate.

For those operating solar assets with fully-amortising long-term project level debt (the Apollo portfolio, the Radius portfolio and the Three Kings portfolio) the Company is continuing to adopt a levered discount rate to capture the greater level of risk associated with the cash flows available to equity investors after debt service. The appropriate level of risk premium due to project level debt was evaluated taking into account various factors for each specific asset including level of financial gearing, maturity profile and cost of debt. This range was unchanged from the previous year (0.7 – 1.0%) and as a result the discount rates applied to these levered portfolios range up to 8.0%.

The resulting weighted average discount rate for the Company's portfolio is 7.5% (31 March 2017: 7.9%).

The Company does not adopt WACC as a discount rate for its investments, as it believes that the reduction in WACC deriving from the introduction of long-term debt financing does not reflect the greater level of risk to equity investors associated with levered assets or levered portfolios. However, for the purposes of transparency, the Company's pre-tax WACC as at 30 September 2017 was 5.9%. Compared to the WACC as at 31 March 2017 of 5.9%, this value reflects, on one side, the lower than expected cost of debt secured under the £150m long-term refinancing and, on the other side, a reduction in the overall gearing from 36% to 31%, as further described below.

The DCF methodology implemented in the portfolio valuation assumes a valuation time-horizon capped to the current terms of the lease on the properties where each individual solar PV asset is located. These leases have been typically entered into for a 25-year period from commissioning of the relevant PV plants (specific terms may vary). However, the useful operating life of the Company's portfolio of solar PV plants is expected to be longer than 25 years. This is due to many factors, including:

- solar PV plants with technology components similar to the ones deployed in the Company's portfolio have demonstrated to be capable of operating for over 40 years, with levels of technical degradation lower than that assumed or guaranteed by the manufacturers;
- local planning authorities have already granted initial planning consents that do not expire and/or have granted permissions to extend initial consented periods; and
- the Company owns rights to supply electricity into the grid through connection agreements that do not expire.

The Company has begun extending the useful life of its assets, mainly by extending the terms of the property leases for some projects with the intention of extending leases for others in due course.

The Company's NAV is calculated on a quarterly basis based on the valuation of the investment portfolio determined by the Investment Manager and the overlay of other net assets provided by the Administrator. It is then reviewed, questioned and approved by the Board of Directors. All variables relating to the performance of the underlying assets are reviewed and incorporated in the process of identifying relevant drivers for the DCF valuation.

The Company experienced NAV growth during the period ended 30 September 2017 mainly driven by the issue of new shares in June 2017 raising £126.5m and the increase in the valuation of its investment portfolio over the period. As a result, NAV grew over the period from £478.6m to £602.5m as at 30 September 2017.

As the Company reports its financial results under IFRS 10 the change during the period in fair value of its assets impacts the profit and loss of the Company.

The change of NAV per share during the period from 104.9p to 105.1p was affected by a number of positive and negative factors.

- the downward revisions in the forecasts for long-term power prices adopted by the Company, which were 5.2% lower compared to the assumptions employed at 31 March 2017;
- the downward revisions in the forecasts for short-term inflation (possibly reflecting the impact of the recent increase in base rates in the UK);

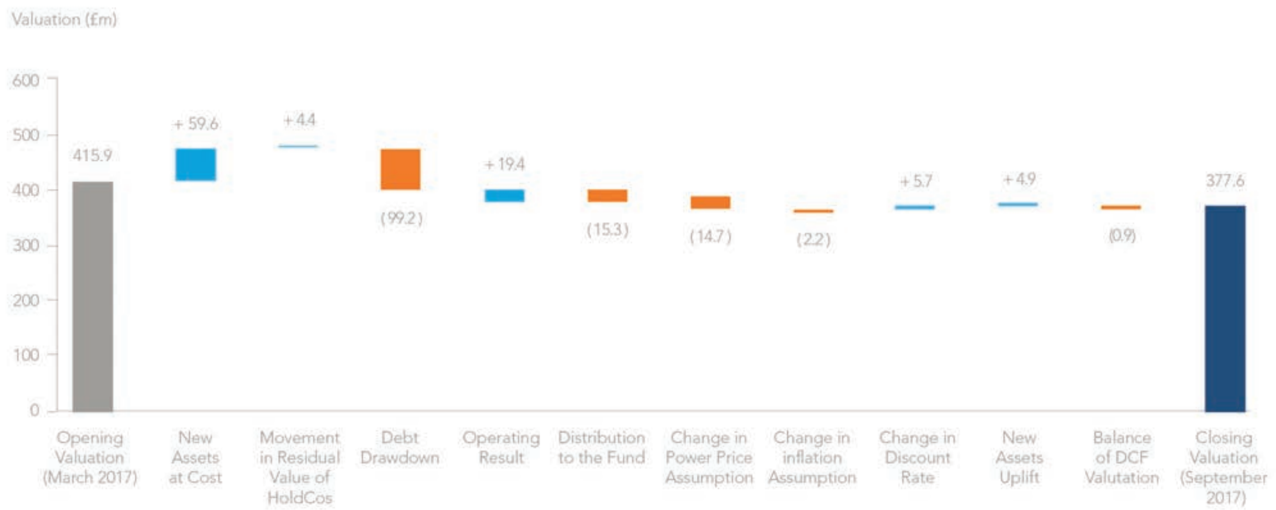
- the value uplift generated by the Company completing acquisitions of new assets whose internal rate of return was higher than the discount rate applied when valuing them on a discounted cash flow basis;
- the value uplift generated by the change in unlevered discount rates reflecting an increase in market value of UK solar assets;
- the operating results achieved by the Company's solar PV plants; and
- the dividends paid during the period and the Company's operating costs.

NAV Bridge (Movement)	(GBPm)
Opening NAV (March 2017)	478.6
Further Capital Raising	126.5
Capital Raising Costs	(2.1)
Cash Dividends Paid to Investors	(14.5)
Income from Investments	16.4
Change in Fair Value of Investments	0.5
Net Operating Costs	(2.9)
Closing NAV (September 2017)	602.5

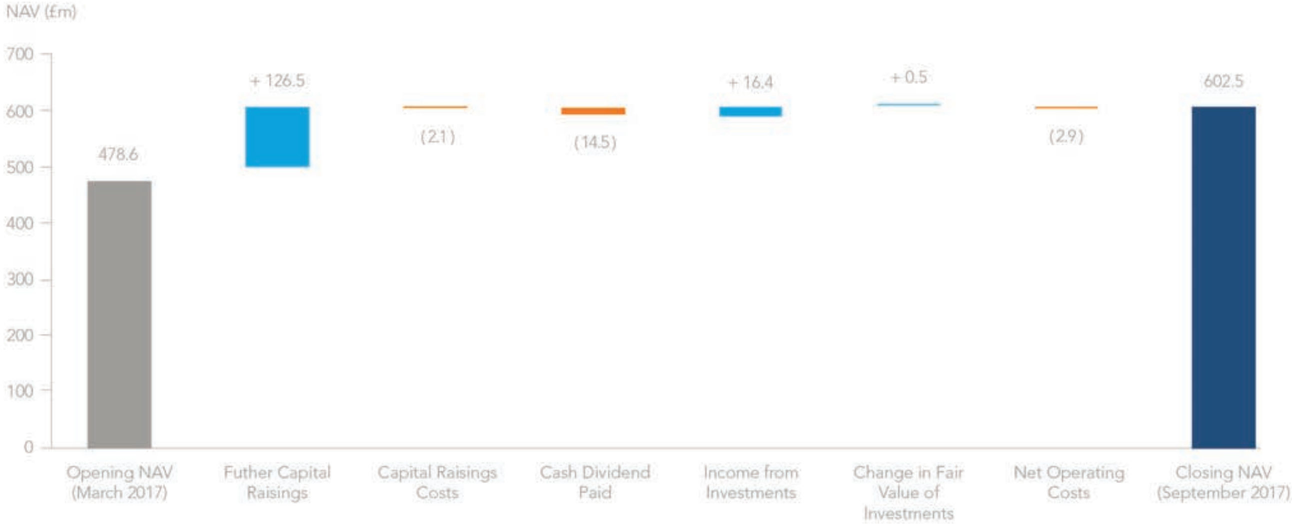
A driver for the movement in NAV was the revaluation of the investment portfolio which accounted for an uplift of £0.5m. This represented the movement in the difference between the acquisition cost and closing fair value of the portfolio at the end of the current and prior period. The revaluation is summarised in the net changes in financial assets at fair value in the Condensed Statement of Comprehensive Income.

As at 30 September 2017, the Company's investment portfolio was valued at £377.6m, comprising 49 investments valued through discounted cash flow methodology and one investment valued at investment cost. Among the 50 investments, the Apollo portfolio is considered as one portfolio investment consisting of 21 solar PV plants and the Radius portfolio is considered as one portfolio investment consisting of five solar PV plants. At the date of distribution of this Interim Report, the Company has committed to acquiring a further eight assets at an acquisition cost of c.£116.2m.

Portfolio NAV Bridge – 31 March 2017 to 30 September 2017



NESF NAV Bridge – 31 March 2017 to 30 September 2017



The valuation of the investment portfolio is net of the project level debt: £45.4m project financing advanced by Bayerische Landesbank to the 53MW Three Kings portfolio (comprising Fenland, Green End and Tower Hill), acquired by the Company in January 2016; £55m project financing arranged by MIDIS in conjunction with the acquisition of the 84MW Radius portfolio signed by the Company in March 2016; and £150m project financing arranged by MIDIS, NAB and CBA in the context of refinancing short-term facilities used in the process of building the Apollo portfolio of c.241MW.

One investment was valued at investment cost (see footnote 1 below) which comprised the investment in a solar PV plant for which the relevant milestones and technical tests had not yet been finalised at the period end and as such their completion was not deemed imminent. At the period end, this solar PV plant was operational and the Company was in the process of completing its acquisition.

Investment	Directors' Valuation 31 March 2017 (GBP)	Directors' Valuation 30 September 2017 (GBP)
Total Investment Portfolio	333,868,112	390,400,731
Residual net assets of HoldCos	4,481,716	8,891,384
Short-term debt facilities	(21,680,000)	(21,680,000)
Receivable from Apollo refinancing	99,193,549	–
Total Investment in HoldCos[1]	415,863,377	377,612,115

[1] A summary of the total investment in the HoldCos is provided in note 6 (Investments) of the Condensed Financial Statements.

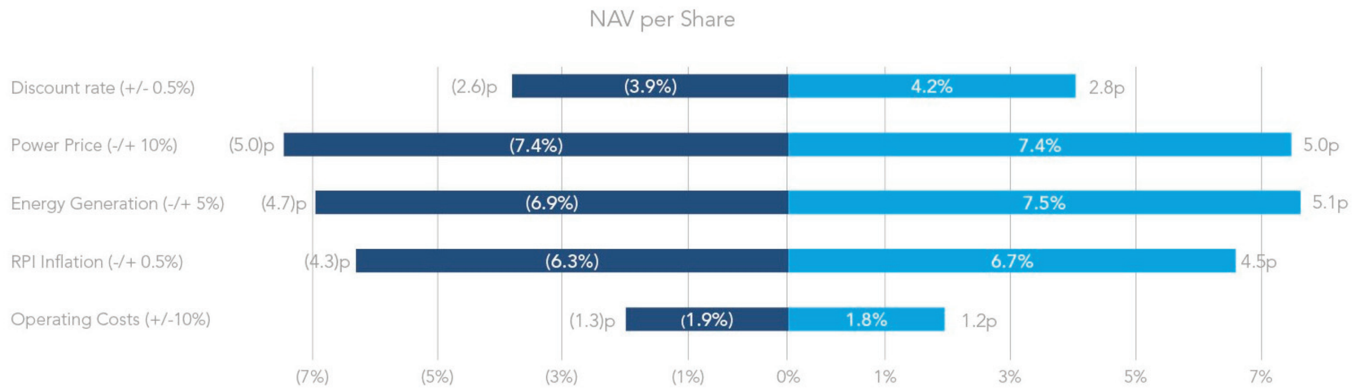
Sensitivity Analysis

Sensitivities on the Company's NAV and detailed disclosure on the asset valuation methodologies are provided below and in note 14 of the Financial Statements.

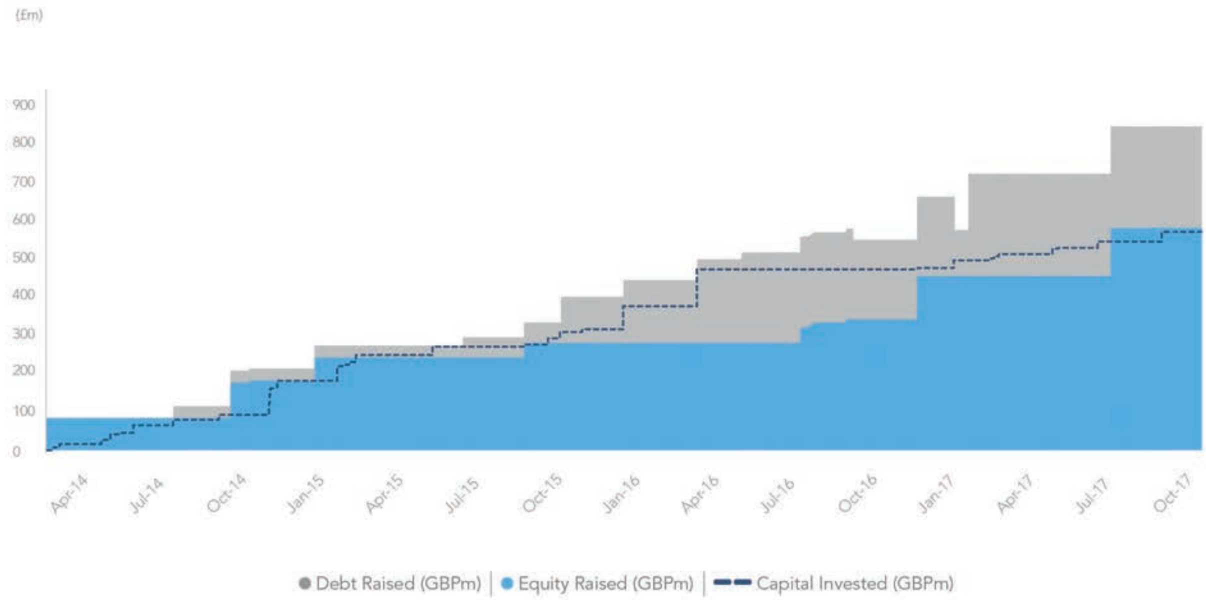
Sensitivity on energy generation is usually a P10/P90 probability analysis on solar irradiation over 10 years, which is a technical standard employed across the broader renewable energy asset class and is particularly relevant for wind assets given the significant volatility of wind energy sources year on year. The Investment Manager, based on its experience, considers that for solar PV assets more appropriate and meaningful information is provided by the sensitivity analysis of the aggregated effect of solar irradiation and technical performance (in a reasonable range of -/+ 5% over the life of the DCF valuation horizon) which results in (6.9%)/ +7.5% impact on the portfolio valuation.

In addition to the above sensitivities on NAV, the Investment Manager has performed further sensitivities on actual cash generation. This analysis takes into account the impact of selected changes in valuation assumptions over the 12 months to September 2018. In this analysis, should energy prices fall by 10% from current forecasts, NESF would experience a reduction of 3.4% in its net operating cashflows, such impact being mitigated by the fixed price PPAs in place over the period. Also, should the portfolio achieve an overperformance of 5% throughout the 12 months to September 2018 (whether due to higher solar irradiation or asset management), total operating cashflows would increase by 9.1%. Conversely, these sensitivities on cash generation would have similar but opposite results in their respective inverted scenario.

Since the Company's IPO in April 2014, the long-term power price forecast used by the Company has been revised several times with a cumulative reduction of c.39.8%. For the purpose of illustration, had the power price forecasts remained in line with those at the time of the IPO, the Company's NAV would be 130.8p per share.



Capital Deployment Timeline



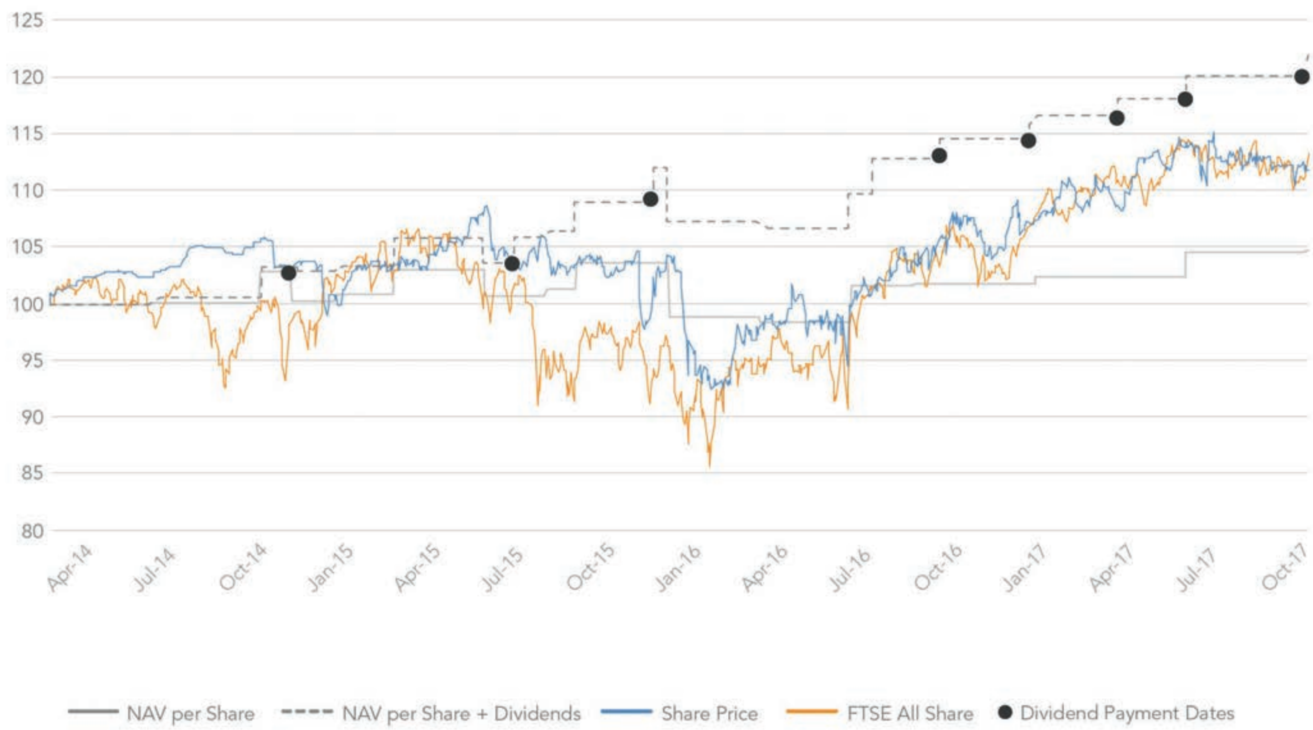
The Company has completed multiple capital raisings since inception: its IPO of 85.6m new ordinary shares in April 2014, a second issue of 91.0m new ordinary shares in November 2014, a placing of 4.0m new ordinary shares in December 2014, a placing of 59.8m new ordinary shares in February 2015, and a further placing of 37.6m new ordinary shares in September 2015. The Company had tap issues of 64.1m new ordinary shares over the summer 2016, an issue of 110.3m new ordinary shares in November 2016 and a further issue of 115m new ordinary shares in June 2017. All issues following the IPO have been completed pursuant to the placing programme announced on 10 November 2014, the tap issuance programme announced on 15 July 2016, and the share issuance programme announced on 15 September 2016. Furthermore, an additional 5.7m ordinary shares (31 March 2017: 4.0m ordinary shares) have been issued since the IPO as a result of shareholders electing a scrip dividend.

The Company's issued share capital comprised 573,059,889 ordinary shares as at 30 September 2017. This figure may be used by shareholders and other investors as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

Date	Equity Raised (GBPm)	Equity Invested	Time to Deployment
April 2014	85.6	100% by September 2014	5 months
November/December 2014	99.6	100% by January 2015	6 weeks
February 2015	61.4	100% by April 2015	6 weeks
September 2015	38.8	100% by November 2015	6 weeks
July/August/September 2016	64.7	Used to repay debt facility	Immediate
November 2016	115.3	100% by August 2017	10 months
June 2017	126.5	On-going	On-going

Date	Debt Raised (GBPm)	Lender	Amount Deployed
July 2015	22.7	NIBC	c.100%
January 2016	45.4	Bayern Landesbank	c.100%
March 2016	55.0	MIDIS	c.100%
January 2017	150.0	Macquarie/NAB/CBA	On-going

Share Price Movement



During the period the share price increased from 110.50p to 112.50p.

As a result of share price movements, and taking into account dividends paid, returns for investors are as follows:

	6 Months to 30 September 2017	Total Since IPO	Annualised Since IPO
Total Shareholder Return	4.7%	31.9%	9.3%
NAV Total Return	3.2%	24.5%	7.1%

NESF shares are included in the FTSE All-Share Index as well as the FTSE Small Cap Index. NESF shares outperformed the FTSE All-Share Index by 3.4% since IPO to 30 September 2017.

Total Shareholder Return and NAV Total Return are used to review the Company's performance against its objectives.

Financing and Cash Management

As of 30 September 2017, the total pro-forma debt position of the Company on a look-through basis was £268.5m. This represents a gearing of 31% in terms of total debt vs. GAV (which is equal to NAV plus total financial debt outstanding). The corresponding average cost of debt is 3.6%.

There was no material change to the total financial debt position (£268.5m) during the period, except that the final two tranches of the MIDIS/CBA/NAB debt were drawn down during the period.

The table below provides detailed information on the total debt outstanding as at 30 September 2017 (please note the repayment of Bayern LB debt post period end):

Provider/Arranger	Type	Borrower	Tranches	Facility Amount (GBP)	Amount Outstanding (GBP)	Termination (including options to extend)	Applicable Rate
MIDIS/CBA/NAB	Fully-amortising long-term debt	NESH (Apollo portfolio level debt)	Tranche A – Medium term	48,387,098	48,387,098	31-Dec-26	2.91%[1]
			Tranche B – Floating Long Term	24,193,548	24,193,548	30-Jun-35	3.68%[1]
			Tranche C – Index Linked Long Term	38,709,677	38,234,694	30-Jun-35	RPI index + 0.36%
			Tranche D – Fixed Long Term	38,709,677	38,709,677	30-Jun-35	3.82%
			Debt Service Reserve Facility	7,500,000	0	30-Jun-26	1.50%
NIBC	Acquisition facility	Fund/NESH II level		21,680,000	21,680,000	04-Jul-19	3m Libor + 2.20%[2]
Bayern LB	Fully-amortising long-term debt	Three Kings portfolio level debt (part of NESH III)		45,398,000	43,287,385	30-Jun-33	3.91%[1]
MIDIS	Fully-amortising long-term debt	NESH IV (Radius portfolio level debt)	Inflation linked Tranche	27,500,000	26,500,049	30-Sep-34	RPI index + 1.44%
			Fixed Tranche	27,500,000	27,500,000	30-Sep-34	4.11%
Total					268,492,451		

(1) Applicable rate represents the swap rate for 100% of the interest.

(2) Applicable rate represents the swap rate for 75% of the interest.

The Investment Manager did not charge any additional fees to the Company in conjunction with the structuring, execution and monitoring of any of these financial debt facilities.

The debt financing strategy of the Company is supported by strong indications of support from equity investors for both further capital increases to increase the Company's size and the employment of financial leverage up to the 50% maximum level to optimise equity returns. Additional comfort on the employment of structural debt comes from the evidence of robust and increasing appetite from institutional debt capital providers for long-term dated securities backed by solar PV assets, as demonstrated by the £150m long-term refinancing transaction.

As at 30 September 2017 the Company's assets included cash totalling £220.8m held at Barclays Bank, Lloyds Bank and Deutsche Bank.

On 24 October 2017, the Company repaid the Bayern LB loan facility of £43.3m. This was in preparation for the refinancing of a larger portfolio of NESH III assets which is planned for next calendar year.

Description of the Principal Risks and Uncertainties

The Company has in place risk management procedures and internal controls to monitor and mitigate the main risks faced as well as a process to review the effectiveness of those controls. The Investment Manager assists the Company in regularly identifying, assessing and mitigating those risk factors likely to impact the financial or strategic position of the Company. The Company's risk matrix is regularly reviewed on at least a semi-annual basis, and includes:

- External and Market Risks;
- Investment Strategy;
- Investment Process and Management of Assets;
- Monitoring Process;
- Valuation Process;
- Financial and Accounting Process; and
- Governance, Tax and Regulatory Compliance.

Based on the Board's assessment, the principal risks faced by the Company are:

- Adverse changes to regulatory framework

  Uncertainty for the future regulatory framework for solar PV in the UK, Italy and the EU and the risk that further planned acquisitions do not take place, affecting the Company's growth potential, or that regulatory changes may affect the profitability and valuation of the current portfolio. The Company actively monitors regulatory changes within the industry.

- Increased competition

  Risk that the heightened competition for solar assets will make it more difficult for the Company to continue acquiring assets in the secondary market at attractive values. This increased competition may be fuelled by investors with aggressive financial structures seeking lower returns than the Company for the same solar PV assets. The Company is involved in competitive tenders for solar assets and therefore becomes aware of competitor's returns.

- Reduction in energy prices

  Exposure to the wholesale energy market impacts the prices received for energy generated and revenues forecasted by the operating assets of the Company. This also exposes the Company to a risk of further reduction in forward price curves. The Company endeavours to agree fixed power contracts where appropriate.

- Uncertainty of Brexit

  The UK government held a referendum on 23 June 2016 for the UK to vote either to remain in or leave the European Union where the majority of those voting elected to leave the European Union. As a result of the referendum vote, the UK triggered Article 50 of the Treaty on European Union on 29 March 2017 and commenced Brexit negotiations with the European Union. The Investment Manager believes Brexit is likely to have a very limited effect on the Company's financial and operating prospects. The UK's 2008 Climate Change Act enshrines the Government's commitment to reduce the country's greenhouse gas emissions by 80% compared to 1990 levels, and it is considered unlikely that the government will introduce primary legislation to reverse this commitment as a result of Brexit. The most relevant impact of Brexit for the Company has been the higher volatility in the value of sterling vs. foreign currencies which in turn affects UK power prices due to cost of natural gas and electricity import (commodities mainly traded in USD and EUR denominated contracts). UK interest rates have also become more volatile since the referendum vote on 23 June 2016. Further implications of Brexit on the Company are not identifiable at present. This risk is beyond the control of the Company, but the Company closely monitors Brexit developments and their impact on the solar industry.

Post Period-End Update

Since 30 September 2017, the following relevant events occurred:

- The Bayern LB loan of £43.3m, financing the Three Kings portfolio, was repaid in October 2017, reducing gearing from 31% to 27% of GAV.

- On 1 November 2017, the Company announced the acquisition of its first overseas PV solar asset. A portfolio of eight plants totalling 34.5MW with an investment value of c.£116.2m was acquired in the South of Italy. All eight plants have been operational since 2011 and receive Italian FiT, which is a fixed value, accounting for c.80% of total expected revenues until 2031. The portfolio is financed with non-recourse fully amortising project financing debt with fixed interest rates. Shortly following closing, NESF intends to put in place a GBP/EUR foreign currency hedging structure covering future cash flows generated by this portfolio to eliminate currency fluctuation exposure on revenue returns.

- On 7 November 2017, the Company announced an interim dividend of 1.605 pence per ordinary share for the quarter ending 30 September 2017, to be paid on 29 December 2017 to shareholders on the register as at close of business on 16 November 2017.

- Mainly as a result of the above investments, as of the date of distribution of this report the Company's cash and cash equivalents was reduced from £220.8m to £127.1m.

NextEnergy Capital IM Limited
16 November 2017

Statement of Directors' Responsibilities

To the best of their knowledge, the directors of NextEnergy Solar Fund Limited confirm that:

(a) The Interim Report and Condensed Half-Yearly Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting;

(b) The Interim Report, comprising the Chairman's Statement and the Investment Manager's Report, meets the requirements of an interim management report and includes a fair review of information required by:

(i) DTR 4.2.7R of the UK Disclosure and Transparency Rules, being an indication of important events that have occurred during the period from 01 April 2017 to 30 September 2017 and their impact on the Condensed Half-Yearly Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

(ii) DTR 4.2.8R of the UK Disclosure and Transparency Rules, being related party transactions that have taken place in the period from 01 April 2017 to 30 September 2017 and that have materially affected the financial position or performance of the Company during that period, and any material changes in the related party transactions disclosed in the last Annual Report; and

(c) The Condensed Half Yearly Financial Statements give a true and fair view of the assets, liabilities, financial position and profit of the Company as required by DTR 4.2.4R of the UK Disclosure and Transparency Rules.

The Company's Directors believe that the Company has adequate resources to continue in operational existence. Note 12 to the Annual Report and financial statements for the year ended 31 March 2017 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk. The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern including reviewing the level of the Company's assets and significant areas of financial risk including the timing of future investment transactions, expenditure commitments and forecast income and cashflows. As a result, the Directors have, at the time of approving these condensed financial statements, a reasonable expectation that the Company has adequate resources to meet its liabilities and continue in operational existence. The Directors have therefore concluded that it is appropriate to adopt the going concern basis of accounting in preparing these interim financial statements.

The maintenance and integrity of the Company's website is the responsibility of the Directors. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board
For NextEnergy Solar Fund Limited

Patrick Firth
Director
16 November 2017

Condensed Financial Statements

Condensed Statement of Comprehensive Income

For the period ended 30 September 2017

	Notes	Unaudited 1 April 2017 to 30 September 2017 (GBP)	1 April 2016 to 31 March 2017 (GBP)	Unaudited 1 April 2016 to 30 September 2016 (GBP)
Income				
Income	5	16,420,871	35,307,178	17,038,776
Net changes in fair value of financial assets at fair value through profit or loss	6	527,962	19,560,833	10,267,502
Total net income		**16,948,833**	**54,868,011**	**27,306,278**
Expenditure				
Management fees	16	2,417,500	3,406,093	1,438,706
Legal and professional fees		225,707	946,888	230,777
Administration fees		134,291	258,551	129,108
Regulatory fees		110,865	94,175	21,505
Audit fees		94,232	151,018	109,828
Directors' fees	19	69,518	160,250	61,500
Insurance		14,567	27,125	27,125
Sundry expenses		2,658	8,131	2,278
Total expenses		**3,069,338**	**5,052,231**	**2,020,827**
Operating profit		**13,879,495**	**49,815,780**	**25,285,451**
Finance income		141,309	13,391	4,518
Profit and comprehensive income for the period/year		**14,020,804**	**49,829,171**	**25,289,969**
Earnings per share	11	**2.69p**	**13.81p**	**8.46p**

There were no potentially dilutive instruments in issue at 30 September 2017.

All activities are derived from ongoing operations.

There is no other comprehensive income or expense apart from expenditure that is disclosed above and consequently a Condensed Statement of Other Comprehensive Income has not been prepared.

The accompanying notes are an integral part of these condensed interim financial statements.

Condensed Statement of Financial Position

As at 30 September 2017

	Notes	Unaudited 30 September 2017 (GBP)	31 March 2017 (GBP)	Unaudited 30 September 2016 (GBP)
Non-current assets				
Investments	6	377,612,115	415,863,377	348,348,830
Total non-current assets		377,612,115	415,863,377	348,348,830
Current assets				
Cash and cash equivalents		220,750,213	59,831,343	1,846,373
Trade and other receivables	7	19,153,719	11,165,786	10,561
Total current assets		239,903,932	70,997,129	1,856,934
Total assets		617,516,047	486,860,506	350,205,764
Current liabilities				
Trade and other payables	8	15,024,500	8,277,677	151,462
Total current liabilities		15,024,500	8,277,677	151,462
Net assets		602,491,547	478,582,829	350,054,302
Equity				
Share Capital and Premium	10	590,599,799	464,340,864	347,762,824
Reserves		11,891,748	14,241,965	2,291,478
Total equity attributable to shareholders		602,491,547	478,582,829	350,054,302
Net assets per share – (pence)	13	105.1p	104.9p	102.0p

The accompanying notes are an integral part of these condensed interim financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 16 November 2017 and signed on its behalf by:

Patrick Firth
Director

Vic Holmes
Director

Condensed Statement of Changes in Equity

For the period ended 30 September 2017

	Share Capital and Premium (GBP)	Treasury shares (GBP)	Retained earnings (GBP)	Total Equity (GBP)
For the period 1 April 2017 to 30 September 2017 (Unaudited)				
Shareholders' equity at 1 April 2017	464,340,864	–	14,241,965	478,582,829
Profit and comprehensive income for the period	–	–	14,020,804	14,020,804
Shares issued[1]	126,258,935	–	–	126,258,935
Dividends declared	–	–	(16,371,021)	(16,371,021)
Shareholders' equity at 30 September 2017	**590,599,799**	**–**	**11,891,748**	**602,491,547**
For the period 1 April 2016 to 31 March 2017				
Shareholders' equity at 1 April 2016	314,956,625	(32,084,000)	(9,061,747)	273,810,878
Profit and comprehensive income for the year	–	–	49,829,171	49,829,171
Shares issued	149,384,239	32,084,000	–	181,468,239
Dividends declared	–	–	(26,525,459)	(26,525,459)
Shareholders' equity at 31 March 2017	**464,340,864**	**–**	**14,241,965**	**478,582,829**
For the period 1 April 2016 to 30 September 2016 (unaudited)				
Shareholders' equity at 1 April 2016	314,956,625	(32,084,000)	(9,061,747)	273,810,878
Profit and comprehensive income for the period	–	–	25,289,969	25,289,969
Shares issued	32,806,199	32,084,000	–	64,890,199
Dividends paid	–	–	(13,936,744)	(13,936,744)
Shareholders' equity at 30 September 2016	**347,762,824**	**–**	**2,291,478**	**350,054,302**

The accompanying notes are an integral part of these condensed interim financial statements.

(1) Shares issued during the period comprise shares issued amounting to £126,500,000 and scrip dividends amounting to £1,886,962, less share issue costs of £2,128,027.

Condensed Statement of Cash Flows

For the period ended 30 September 2017

Cash flows from operating activities	Notes	1 April 2017 to 30 September 2017 (GBP)	1 April 2016 to 31 March 2017 (GBP)	1 April 2016 to 30 September 2016 (GBP)
Profit and comprehensive income for the period/year		14,020,804	49,829,171	25,289,969
Adjustments for:				
Proceeds from investments		98,384,545	94,314,352	48,532,271
Purchase of investments		(59,605,321)	(175,150,217)	(71,146,920)
Movement in investment payable		–	(47,468,639)	(47,468,639)
Change in fair value on investments	6	(527,962)	(19,560,833)	(10,267,502)
Finance income		(141,309)	(13,391)	(4,518)
Operating cash flows before movements in working capital		52,130,757	(98,049,557)	(55,065,339)
Changes in working capital				
Movement in trade receivables		(7,942,728)	(11,152,786)	2,439
Movement in trade payables		6,746,823	8,139,852	13,637
Net cash used in operating activities		50,934,852	(101,062,491)	(55,049,263)
Cash flows from investing activities				
Finance income		96,104	13,391	4,518
Net cash generated from investing activities		96,104	13,391	4,518
Cash flows from financing activities				
Proceeds from issue of shares	10	124,371,973	145,078,148	31,614,114
Proceeds from treasury shares	10	–	32,084,000	32,084,000
Dividends paid	12	(14,484,059)	(22,219,368)	(12,744,659)
Net cash generated from financing activities		109,887,914	154,942,780	50,953,455
Net movement in cash and cash equivalents during period/year		160,918,870	53,893,680	(4,091,290)
Cash and cash equivalents at the beginning of the period/year		59,831,343	5,937,663	5,937,663
Cash and cash equivalents at the end of the period/year		220,750,213	59,831,343	1,846,373

The accompanying notes are an integral part of these condensed interim financial statements.

Notes to the Condensed Financial Statements

For the period ended 30 September 2017

1. General Information

The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013 with registered number 57739, and is regulated by the GFSC as a registered closed-ended investment company. The registered office and principal place of business of the Company is 1, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

On 16 April 2014, the Company announced the results of its initial public offering, which raised net proceeds of £85.6 million. The Company's ordinary shares were admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its initial public offering which completed on 25 April 2014. Subsequent fundraisings also took place, increasing total equity to £590.6m as at 30 September 2017 (31 March 2017: £464.3m). Details can be found in note 10.

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with the retail price index over the long-term by investing in a diversified portfolio of solar PV assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

The Company currently makes its investments through holding companies and Special Purpose Vehicles, which are wholly-owned by the Company. The Company controls the investment policy of each of the holding companies and its wholly-owned SPV's in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Company has appointed NextEnergy Capital IM Limited as its Investment Manager pursuant to the Management Agreement dated 18 March 2014. The Investment Manager is a Guernsey registered company, incorporated under the Companies (Guernsey) Law, 2008, with registered number 57740 and is licensed and regulated by the GFSC and is a member of the NEC Group. The Investment Manager is licensed and regulated by the GFSC and will act as the Alternative Investment Fund Manager of the Company.

The Investment Manager has appointed NextEnergy Capital Limited as its Investment Adviser pursuant to the Investment Advisory Agreement. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the FCA.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

Basis of preparation

The condensed interim financial statements have been prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting. The interim financial information should be read in conjunction with the annual report and audited financial statements for the year ended 31 March 2017, which have been prepared in accordance with IFRS.

Seasonal and cyclical variations

The Company's results may vary during reporting periods as a result of the spread of irradiation during the period and, together with other factors, will impact the NAV. Other factors include changes in inflation and power prices.

Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in solar power, in a single economic environment, being the United Kingdom. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

Going concern

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future performance. The key areas reviewed were:

- Timing of future investment transactions
- Expenditure commitments
- Forecast income and cashflows

The Company has cash and short-term deposits as well as projected positive income streams and an available credit facility (see note 20) and as a consequence the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly they have adopted the going concern basis of preparation in preparing the financial statements.

3. New and revised standards

The following accounting standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9	Financial Instruments (revised, early adoption permitted)
IFRS 12 (amendments)	Clarification of the scope of the Standard
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

The Directors are currently assessing the impact of the adoption of the accounting standards, amendments and interpretations listed above, but do not expect there to be a material impact on the financial statements of the Company in future periods.

A number of amendments to IFRSs became effective for financial periods beginning on or after 1 January 2017. However, the Company did not have to change its accounting policies or make material retrospective adjustments as a result of adopting these new standards.

4. Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

a) Investments at fair value through profit or loss

The Company's investments are measured at fair value for financial reporting purposes. The Board of Directors has appointed the Investment Manager to produce investment valuations based upon projected future cashflows. These valuations are reviewed and approved by the Board. The investments are held indirectly through HoldCos. A list of subsidiaries is included in note 9.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board bases the fair value of the investments on the information received from the Investment Manager.

The Company classified its investments at fair value through profit or loss as Level 3 within the fair value hierarchy. Level 3 investments amount to £377,612,115 (31 March 2017: £415,863,377) and consist of 50 investments in solar PV plants (held indirectly through the HoldCo's) (31 March 2017: 41), all of which have been valued on a look through basis (except for those solar plants not yet operational) based on the discounted cash flows of the solar PV plants and the residual value of net assets at the HoldCo level. The unlevered discount rate applied in the 30 September 2017 valuation was 7.0% (31 March 2017: 7.25%). The discount rate is a significant level 3 input and a change in the discount applied could have a material effect on the value of the investments. Investments in solar PV plants that are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value. Level 3 valuations are reviewed regularly by the Investment Manager who reports to the Board of Directors on a periodic basis. The Board considers the appropriateness of the valuation model and inputs, as well as the valuation result.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

a) Investments at fair value through profit or loss (continued)

The table below sets out information about significant unobservable inputs used at 30 September 2017 in measuring financial instruments categorised as Level 3 in the fair value hierarchy. Unlisted investments reconcile to the Closing Investment Portfolio Value as per the Investments table in note 6.

Description	Fair value at 30 September 2017 GBP	Valuation technique	Unobservable input	Input value	Sensitivity to change in significant unobservable inputs
Unlisted investments	384,535,887	Discounted cash flows based on underlying valuation of residual assets at the four hold cos.	Discount rate	7.0% (unlevered assets) up to 8.0% (levered assets)	The estimated fair value would increase if the discount rate was lower and vice versa.
Investments held at cost	5,864,844	Cost	n/a	n/a	n/a
Residual value of net assets at HoldCo's	(12,788,616)	Adjusted net asset value attributable to the Company at fair value fair value	n/a	n/a	n/a
Total	377,612,115				

b) Significant judgement: consolidation of entities

The Directors have concluded that the Group controls the SPV that holds the asset held at cost even though it does not hold 100% ownership of the entity as at 30 September 2017. This is because the Group has contracted to acquire this investment before year end and has subsequently completed on these acquisitions post year end. They are therefore included within investments as at the period end.

The Company, under the Investment Entity Exemption rule, holds its investments at fair value.

The Company meets the definition of an investment entity per IFRS 10 as the following conditions exist:

1. The Company has obtained funds for the purpose of providing investors with professional investment management services;
2. The Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income; and
3. The investments are measured and evaluated on a fair value basis.

The Company does not have any other subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10. The fair value of controlled subsidiary investments is determined as described in note 4(a).

5. Income

	Period ended 30 September 2017 (GBP)	Year ended 31 March 2017 (GBP)
Investment income	13,820,864	27,266,676
Management fee income	2,600,007	8,040,502
Total Income	16,420,871	35,307,178

6. Investments

The Company owns the Investment Portfolio through its investments in NextEnergy Solar Holdings Limited, NextEnergy Solar Holdings II Limited, NextEnergy Solar Holdings III Limited and NextEnergy Solar Holdings IV Limited. This is comprised of the Investment Portfolio and the Residual Net Assets of the Holding Companies. The Total Investments at fair value are recorded under Non-Current Assets in the Condensed Statement of Financial Position.

	Period ended 30 September 2017 (GBP)	Year ended 31 March 2017 (GBP)
Brought forward cost of investments	404,235,982	323,400,117
Proceeds from investments	(98,384,545)	(94,314,352)
Purchase of investments	59,605,321	175,150,217
Carried forward cost of investments	365,456,758	404,235,982
Brought forward unrealised gains/(losses) on investments	11,627,395	(7,933,438)
Movement in unrealised gains on valuation	527,962	19,560,833
Carried forward unrealised gains on investments	12,155,357	11,627,395
Total investments at fair value	377,612,115	415,863,377

The total change in the value of the investments in the Holding Companies is recorded through profit and loss in the Condensed Statement of Comprehensive Income.

7. Trade and other receivables

	Period ended 30 September 2017 (GBP)	Year ended 31 March 2017 (GBP)
Management fee receivable	175,555	3,157,728
Other receivables	32,054	13,000
Bank interest receivable	45,205	–
Due from subsidiaries	18,900,905	7,995,058
Total trade and other receivables	19,153,719	11,165,786

Amounts due from subsidiaries are interest free and payable on demand. See note 17.

8. Trade and other payables

	Period ended 30 September 2017 (GBP)	Year ended 31 March 2017 (GBP)
Other payables	201,619	282,619
Due to subsidiaries	14,822,881	7,995,058
Total trade and other payables	**15,024,500**	**8,277,677**

Amounts due to subsidiaries are interest free and payable on demand. See note 17.

9. Subsidiaries

The Company holds investments through subsidiary companies which have not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation. Below is the legal entity name for the Holding Companies and the remaining legal entities owned indirectly through the investment in the holding companies. The country of incorporation is also their principal place of business.

Name	Country of Incorporation	Direct or Indirect Holding	Principal Activity	Ownership at 30 September 2017	Ownership at 31 March 2017
NextPower Higher Hatherleight Ltd	UK	Indirect	SPV	100%	100%
Nextpower Shacks Barn Ltd	UK	Indirect	SPV	100%	100%
Nextpower Gover Farm Limited	UK	Indirect	SPV	100%	100%
BL Solar 2 Limited	UK	Indirect	SPV	100%	100%
Sunglow Power Limited	UK	Indirect	SPV	100%	100%
Nextpower Ellough LLP	UK	Indirect	SPV	100%	100%
Glorious Energy Limited	UK	Indirect	SPV	100%	100%
SSB Condover Limited	UK	Indirect	SPV	100%	100%
ESF Llwyndu Limited	UK	Indirect	SPV	100%	100%
Throwbridge PV Limited	UK	Indirect	SPV	100%	100%
Push Energy (Boxted Airfield) Limited	UK	Indirect	SPV	100%	100%
Push Energy (Langenhoe) Limited	UK	Indirect	SPV	100%	100%
ST Solarinvest Devon 1 Limited	UK	Indirect	SPV	100%	100%
Push Energy (Croydon) Limited	UK	Indirect	SPV	100%	100%
Greenfields (A) Limited	UK	Indirect	SPV	100%	100%
Glebe Farm SPV Limited	UK	Indirect	SPV	100%	100%
Bowerhouse Solar Limited	UK	Indirect	SPV	100%	100%
Wellingborough Solar Limited	UK	Indirect	SPV	100%	100%
Push Energy (Birch) Limited	UK	Indirect	SPV	100%	100%
Thurlestone-Leicester Solar Ltd	UK	Indirect	SPV	100%	100%

9. Subsidiaries (continued)

Name	Country of Incorporation	Direct or Indirect Holding	Principal Activity	Ownership at 30 September 2017	Ownership at 31 March 2017
North Farm Solar Park Limited	UK	Indirect	SPV	100%	100%
Ellough Solar 2 Limited	UK	Indirect	SPV	100%	100%
Push Energy (Hall Farm) Limited	UK	Indirect	SPV	100%	100%
Push Energy (Decoy) Limited	UK	Indirect	SPV	100%	100%
Empyreal Energy Ltd	UK	Indirect	SPV	100%	100%
Fenland Renewables Limited	UK	Indirect	SPV	100%	100%
Green End Renewables Limited	UK	Indirect	SPV	100%	100%
Tower Hill Farm Renewables Ltd	UK	Indirect	SPV	100%	100%
Branston Solar Park Limited	UK	Indirect	SPV	100%	100%
Great Wilbraham Solar Park Limited	UK	Indirect	SPV	100%	100%
Berwick Solar Park Ltd	UK	Indirect	SPV	100%	100%
Bottom Plain Solar Park Limited	UK	Indirect	SPV	100%	100%
Emberton Solar Park Ltd	UK	Indirect	SPV	100%	100%
Push Energy (Kentishes) Limited	UK	Indirect	SPV	100%	0%
Push Energy (Mill Farm) Limited	UK	Indirect	SPV	100%	0%
Long Ash Lane Solar Park Limited	UK	Indirect	SPV	0%	0%
Bowden Lane Solar Park Limited	UK	Indirect	SPV	100%	0%
Stalbridge Solar Park Limited	UK	Indirect	SPV	100%	0%
Aller Court Solar Park Limited	UK	Indirect	SPV	100%	0%
Rampisham Estate Solar Park Limited	UK	Indirect	SPV	100%	0%
INRG (Solar Parks) 17 Ltd	UK	Indirect	SPV	100%	0%
INRG (Solar Parks) 21 Ltd	UK	Indirect	SPV	100%	0%
Barred Straw Limited	UK	Indirect	SPV	100%	0%
Waltham Solar Limited	UK	Indirect	SPV	100%	0%
Birch Solar Farm CIC	UK	Indirect	SPV	100%	0%
LE Solar 51 Limited	UK	Indirect	SPV	100%	0%
Lark Energy Bilsthorpe Limited	UK	Indirect	SPV	100%	0%
Wickfield Solar Limited	UK	Indirect	SPV	100%	0%
Wheb European Solar (UK) 2 Limited	UK	Indirect	SPV	100%	0%
Wheb European Solar (UK) 3 Limited	UK	Indirect	SPV	100%	0%
Hanwha UK Solar 1 Limited	UK	Indirect	SPV	100%	100%
NextPower Radius Limited	UK	Indirect	SPV	100%	100%
NextEnergy Solar Holding II Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding III Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding IV Limited	UK	Direct	HoldCo	100%	100%
NextEnergy Solar Holding Limited	UK	Direct	HoldCo	100%	100%

10. Share capital and reserves

Share Issuance	Number of shares	Gross amount raised (GBP)	Issue costs (GBP)	Share capital and premium (GBP)
Issued on 20 December 2013	1	1	–	1
Issued on 25 April 2014	85,600,000	85,600,000	–	85,600,000
Cancellation of founder's share on 24 October 2014	(1)	(1)	–	(1)
Issued on 19 November 2014	91,000,000	95,459,000	(1,399,246)	94,059,754
Issued on 19 December 2014	4,000,000	4,120,000	(43,565)	4,076,435
Issued on 27 February 2015	59,750,000	61,405,075	(681,625)	60,723,450
Issued on 30 September 2015	37,607,105	38,848,139	(435,153)	38,412,986
Issued on 6 November 2015	30,850,000	32,084,000	–	32,084,000
Sale of treasury shares (see below)	(30,850,000)	(32,084,000)	–	(32,084,000)
Issued on 27 July 2016	41,991,242	42,159,207	(649,635)	41,509,572
Issued on 27 July 2016	1,822,656	1,829,947	(28,202)	1,801,745
Issued on 4 August 2016	4,254,855	4,297,404	(64,461)	4,232,943
Issued on 4 August 2016	1,040,690	1,051,097	(15,766)	1,035,331
Issued on 9 August 2016	5,775,557	5,833,313	(87,500)	5,745,813
Issued on 9 September 2016	9,215,926	9,515,444	(142,732)	9,372,712
Scrip Dividend - 30 September 2016	1,139,374	1,192,085	–	1,192,085
Issued on 21 November 2016	110,300,000	115,253,272	(1,789,240)	113,464,032
Scrip Dividend - 30 December 2016	1,321,959	1,382,781	–	1,382,781
Scrip Dividend - 31 March 2017	1,568,835	1,731,225	–	1,731,225
Total issued at 31 March 2017	**456,388,199**	**469,677,989**	**(5,337,125)**	**464,340,864**
Issued on 21 June 2017	115,000,000	126,500,000	(2,128,027)	124,371,973
Scrip Dividend - 27 June 2017	44,646	51,238	–	51,238
Scrip Dividend - 29 September 2017	1,627,044	1,835,724	–	1,835,724
Total issued at 30 September 2017	**573,059,889**	**598,064,951**	**(7,465,152)**	**590,599,799**

The Company currently has one class of ordinary share in issue. All the holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Treasury shares

On 6 November 2015 the Company issued 30,850,000 new ordinary shares which the Company then purchased at a price of 104.0 pence per share. The shares purchased were placed in treasury. The treasury shares were not entitled to receive dividends and did not hold any voting rights. On 22 July 2016 the treasury shares were sold, as part of the capital issuance programme at a price of 100.4 pence per share.

Retained reserves

Retained reserves comprise the retained earnings as detailed in the Condensed Statement of Changes in Equity.

11. Earnings per share

	Period ended 30 September 2017	Year ended 31 March 2017
Profit and comprehensive income for the period/year (GBP)	14,020,804	49,829,171
Weighted average number of ordinary shares	520,527,762	360,841,240
Earnings per ordinary share - pence	2.69p	13.81p

12. Dividends

Amounts recognised as distributions to equity holders:	Period ended 30 September 2017 (GBP)	Year ended 31 March 2017 (GBP)
Interim dividend for the period ended 31 March 2016 of 3.125p per share, paid on 22 July 2016	–	8,686,160
Interim dividend for the period ended 30 June 2016 of 1.5775p per share, paid on 30 September 2016	–	5,250,584
Interim dividend for the period ended 30 September 2016 of 1.5775p per share, paid on 30 December 2016	–	5,413,940
Interim dividend for the period ended 31December 2016 of 1.5775p per share, paid on 31 March 2017	–	7,174,775
Interim dividend for the period ended 31 March 2017 of 1.5775p per share, paid on 30 June 2017	7,199,524	–
Interim dividend for the period ended 30 June 2017 of 1.605p per share, paid on 29 September 2017	9,171,497	–
Total	16,371,021	26,525,459

13. Net assets per ordinary share

	As at 30 September 2017	As at 31 March 2017
Shareholders' equity (GBP)	602,491,547	478,582,829
Number of ordinary shares	573,059,889	456,388,199
Net assets per ordinary share - pence	105.1p	104.9p

14. Financial risk management

Valuation methodology

The Directors have satisfied themselves as to the appropriateness and reasonability of the methodology used, the discount rates and key assumptions applied, and the valuation. All completed investments are at fair value through profit or loss and are valued using a discounted cash flow methodology. Investments which are not yet completed are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

The discount rates used for valuing the investments in the Portfolio are as follows:

	30 September 2017	31 March 2017
Weighted Average discount rate	7.50%	7.90%
Discount rates	7.00% to 8.00%	7.25% to 8.25%

A change to the weighted average discount rate by plus or minus 0.5% has the following effect on the valuation.

Discount rate	+0.5% change	Total Portfolio value	-0.5% change
Directors' valuation at 30 September 2017 (GBP)	(15.1m)	390.4m	16.2m
Directors' valuation - percentage movement	(3.9%)		4.1%
Directors' valuation at 31 March 2017 (GBP)	(11.7m)	333.9m	12.7m
Directors' valuation - percentage movement	(3.5%)		3.8%

Power price

NEC Group continuously reviews multiple inputs from market contributors and leading consultants and adjusts the inputs to the power price forecast when a conservative approach is deemed most appropriate. Current estimates imply an average rate of growth of electricity prices of approximately 1.5% in real terms and a long term inflation rate of 2.75%.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect on the valuation.

Power price	-10% change	Total Portfolio value	+10% change
Directors' valuation at 30 September 2017 (GBP)	(28.9m)	390.4m	28.9m
Directors' valuation - percentage movement	(7.4%)		7.4%
Directors' valuation at 31 March 2017 (GBP)	(24.0m)	333.9m	24.4m
Directors' valuation - percentage movement	(7.2%)		7.3%

14. Financial risk management (continued)

Energy generation

The Portfolio's aggregate energy generation yield depends on the combination of solar irradiation and technical performance of the solar PV plants. The table below shows the sensitivity of the Portfolio to a sustained increase or decrease of energy generation by plus or minus 5% on the valuation.

Energy generation	5% Under performance	Total Portfolio value	5% Out performance
Directors' valuation at 30 September 2017 (GBP)	(27.1m)	390.4m	29.4m
Directors' valuation – percentage movement	(6.9%)		7.5%
Directors' valuation at 31 March 2017 (GBP)	(22.7m)	333.9m	24.4m
Directors' valuation – percentage movement	(6.8%)		7.3%

Inflation rates

The Portfolio valuation assumes long-term inflation of 2.75% per annum for investments (based on UK RPI). A change in the inflation rate by plus or minus 0.5% has the following effect on the valuation.

Inflation rate	-0.5% change	Total Portfolio value	+0.5% change
Directors' valuation at 30 September 2017 (GBP)	(24.6m)	390.4m	26.0m
Directors' valuation – percentage movement	(6.3%)		6.7%
Directors' valuation at 31 March 2017 (GBP)	(19.4m)	333.9m	20.7m
Directors' valuation – percentage movement	(5.8%)		6.2%

Operating costs

The table below shows the sensitivity of the Portfolio to changes in operating costs by plus or minus 10% at project company level.

Operating costs	+10% change	Total Portfolio value	-10% change
Directors' valuation at 30 September 2017 (GBP)	(7.5m)	390.4m	7.1m
Directors' valuation – percentage movement	(1.9%)		1.8%
Directors' valuation at 31 March 2017 (GBP)	(6.3m)	333.9m	6.3m
Directors' valuation – percentage movement	(1.9%)		1.9%

Tax rates

The UK corporation tax assumption for the Portfolio valuation was 19% to 2020, and 17% thereafter in accordance with the UK Government announced reductions.

15. Financial assets and liabilities not measured at fair value

Cash and cash equivalents are level 1 items on the fair value hierarchy. Current assets and current liabilities are Level 2 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short-term items.

16. Management fee expense

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as follows below:

- for the tranche of NAV up to and including £200m, 1% of the Net Asset Value ("NAV") of the Company.
- for the tranche of NAV above £200m and up to and including £300m, 0.9% of NAV.
- for the tranche of NAV above £300m, 0.8% of NAV.

For the period ending 30 September 2017 the Company has incurred £2,417,500 in management fees of which £nil was outstanding at 30 September 2017. For the year ending 31 March 2017 the Company incurred £3,406,093 in management fees of which £nil was outstanding at 31 March 2017. For the period ending 30 September 2016 the Company incurred £1,438,706 in management fees of which £nil was outstanding at 30 September 2016.

17. Related parties

The Investment Manager, NextEnergy Capital IM Limited, is a related party due to having common key management personnel with the subsidiaries of the Company. All management fee transactions with the Investment Manager are disclosed in note 16.

The Investment Adviser, NextEnergy Capital Limited, is a related party due to sharing common key management personnel with the subsidiaries of the Company. There are no advisory fee transactions between the Company and the Investment Adviser.

The Operating Asset Manager, WiseEnergy (Great Britain) Limited, is a related party due to sharing common key management personnel with the subsidiaries of the Company. Each of the operating subsidiaries of the Company entered into an asset management agreement with WiseEnergy (Great Britain) Limited. The total value of recurring and one-off services paid to the Operating Asset Manager during the reporting period amounted to £1,204,223 (for the year to 31 March 2017: £1,795,295, for the period to 30 September 2016: £1,172,737).

At the period end, £14,822,881 (31 March 2017: £7,995,058, 30 September 2016: Nil) was owed to and from the subsidiaries, in relation to their restructuring. See note 21. £2,600,007 of management fees were received from the subsidiaries during the period (year to 31 March 2017: £8,040,502, period to 30 September 2016: Nil), £175,555 of which was outstanding at the period end (31 March 2017: £3,157,728, 30 September 2016: Nil). During the period, the Company received investment income of £13,820,864 (year to 31 March 2017: £27,266,676, period to 30 September 2016: £17,038,776) from the subsidiaries, of which £4,078,024 was outstanding at the period end (31 March 2017: Nil, 30 September 2016: Nil).

NextPower Development Limited is a related party due to sharing common key management personnel with the subsidiaries of the Company. There are no advisory fee transactions between the Company, its subsidiaries and NextPower Development Limited.

17. Related parties (continued)

At the period end, the Directors owned the following shares in the Company:

- Kevin Lyon 160,000
- Patrick Firth 73,632
- Vic Holmes 110,000

18. Controlling party

In the opinion of the Directors, on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

19. Remuneration of the Directors

The remuneration of the Directors was £68,750 for the period (for the year to 31 March 2017: £160,250, for the period to 30 September 2016: £61,500) which consisted solely of short-term employment benefits.

20. Revolving credit and debt facilities

In January 2017, NextEnergy Solar Holding Limited, a subsidiary of the Company, closed a syndicated loan with MIDIS, NAB and CBA for £157.5m ("Project Apollo") to refinance its revolving credit facility. As at 31 March 2017, £51.5m of the facility was drawn. In April 2017, an additional £50.8m of the facility was drawn, and in June 2017, the remaining £47.7m was drawn. As part of the facility agreement, the lenders provide and additional Debt Service Reserve Facility of £7.5m and hold a charge over the assets of NextEnergy Solar Holding Limited. As at 30 September 2017, the outstanding amount was £149.5m.

In July 2015, NextEnergy Solar Holdings II Limited, a subsidiary of the Company, agreed a loan with NIBC for £22.7m. In July 2016, £1m was repaid and the remaining outstanding amount as at 30 September 2017 was £21.7m.

In January 2016, NextEnergy Solar Holdings III Limited, a subsidiary of the Company, acquired a portfolio of three operating plants totalling 53MW for £61.7m which had a long term fully-amortising project financing of £45.4m in place. As at 30 September 2017, the outstanding amount was £43.3m.

On 31 March 2016, NextEnergy Solar Holdings IV Limited, a subsidiary of the Company agreed the purchase of Project Radius. The acquisition is part funded by a debt facility entered between NextEnergy Solar Holding IV Limited and Macquarie Bank Limited for £55.0m. On 14 April 2016, the facility was fully drawn down to complete the acquisition of the Radius portfolio. As part of the debt facility agreement Macquarie Bank Limited holds a charge over the assets of NextEnergy Solar Holding Limited. As at 30 September 2017, the outstanding amount was £54.0m.

21. Restructuring at Subsidiary

During the prior year ended 31 March 2016, a subsidiary paid dividends to the Company even though it did not have sufficient distributable reserves at the time of declaration. As a result, during the year ended 31 March 2017, the subsidiary undertook a restructuring to create distributable reserves. The effect of this was to return the Company to the position it would have been in had the relevant dividends paid from the subsidiary been made properly.

22. Taxation

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profit or capital gains. Therefore, income from investments in UK solar PV plants is not subject to any further tax in Guernsey, although these investments are subject to tax in the UK.

23. Events after the reporting period

Since 30 September 2017, the following relevant events occurred:

- The Bayern LB loan of £43.3m, financing the Three Kings portfolio, was repaid in October 2017, reducing gearing from 31% to 27% of the GAV.
- On 1 November 2017, the Company announced the acquisition of its first overseas PV solar asset. A portfolio of eight plants totalling 34.5MW with an investment value of c.£116.2m was acquired in the South of Italy. All eight plants have been operational since 2011 and receive Italian FiT.
- On 7 November 2017, the Company announced an interim dividend of 1.605 pence per Ordinary Share for the quarter ending 30 September 2017, to be paid on 29 December 2017 to shareholders on the register as at close of business on 16 November 2017.
- Mainly as a result of the above investments, as of the date of distribution of this report the Company's cash and cash equivalents was reduced from £220.8m to £127.1m.

Independent review report to NextEnergy Solar Fund Limited

Our conclusion

We have reviewed the accompanying condensed interim financial information of NextEnergy Solar Fund Limited (the "Company") as at 30 September 2017. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The accompanying condensed interim financial information comprise:

- the condensed interim statement of financial position as at 30 September 2017;
- the condensed statement of comprehensive income for the six-month period then ended;
- the condensed statement of changes in equity for the six-month period then ended;
- the condensed statement of cash flows for the six-month period then ended; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The condensed interim financial information has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibilities and those of the directors

The Directors are responsible for the preparation and presentation of this condensed interim financial information in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on this condensed interim financial information based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making inquiries, 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 International Standards on Auditing 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.

We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
16 November 2017


PV FARM FEEDER 1
INVERTER STATIONS
18-22
Schneider Electric

Glossary of Defined Terms

AGM	Annual General Meeting
AIC	Association of Investment Companies
AIC Code	AIC Code of Corporate Governance
AIC Guide	AIC Corporate Governance Guide for Guernsey Domiciled Investment Companies
AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIFMD	Alternative Investment Fund Management Directive
Asset Management Alpha	The difference between the delta of energy generation vs. budget and the delta of solar irradiation vs. budget
Apollo portfolio	21 plants held within NESH
Base Fee	The fee that the Investment Manager is entitled to under the Investment Management Agreement
BEIS	The Department for Business, Energy & Industrial Strategy
Brexit	The UK voting to leave the European Union
Cash Dividend Cover	The ratio of the Company's Cash Income over dividend paid during the financial year.
CBA	Commonwealth Bank of Australia
Company	NextEnergy Solar Fund Limited
Consultants	Two of the leading energy market consultants
CfD	Contract for Difference
CRS	Common Reporting Standard for automatic exchange of tax information
CSR	Corporate Social Responsibility
DCF	Discounted Cash Flow
Developer	NextPower Development Limited
Discount / Premium to NAV	The amount by which the Companies shares trade above or below the NAV
DNO	Distribution Network Operators
EPC	Engineering, Procurement and Construction
ESG	Environmental, Social and Governance
EU	European Union
FATCA	Foreign Account Tax Compliance Act

FiT	Feed-in Tariff
GAV	Gross Asset Value
GFSC	Guernsey Financial Services Commission
GFSC Code	Guernsey Financial Services Commission Finance Sector Code of Corporate Governance
Gross Dividend Cover	The ratio of the Company's Gross Cash Income over dividend paid during the financial year.
Group	The Company, HoldCos and SPVs
GWh	Gigawatt hour – a measure of electricity generated per hour
HoldCos	Intermediate holding companies - NESH, NESH II, NESH III and NESH IV
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Investment Advisor	NextEnergy Capital Limited
Investment Manager	NextEnergy Capital IM Limited
IPEV	International Private Equity and Venture Capital
IPO	Initial Public Offering
IRR	Internal Rate of Return
ISA	International Standards on Auditing
KPI	Key Performance Indicator
KWh	Kilowatt hour – a measure of electricity generated per hour
LOI	Letter of Intent
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MWh	Megawatt hour – a measure of electricity generated per hour
NAB	National Australia Bank
NAV	Net Asset Value
NAV per share	Net Asset Value per Ordinary Share
NAV Total Return	The actual rate of return from dividends paid and capital gains on NAV per share over a given period of time.
NESH	NextEnergy Solar Holding Limited
NESH II	NextEnergy Solar Holding II Limited

NESH III	NextEnergy Solar Holding III Limited
NESH IV	NextEnergy Solar Holding IV Limited
Net Dividend Cover	The ratio of the Company's Net Cash Income over dividend paid during the financial year.
NPPR	National Private Placement Regime
OCR	Ongoing Charges Ratio
OECD	Organisation for Economic Co-operation and Development
Official List	The Premium Segment of the UK Listing Authority's Official List
Ordinary Shares	The issued ordinary share capital of the Company.
POI Law	the Protection of Investors (Bailiwick of Guernsey) Law, 1987
PPA	Power Purchase Agreement
PV	Photovoltaic
PwC CI	PricewaterhouseCoopers CI LLP
Radius portfolio	5 plants held with NESH IV
RCF	Revolving Credit Facilities
RO Scheme	Renewable Obligation Scheme
ROC	Renewable Obligation Certificates
RPI	Retail Price Index
SPA	Share Purchase Agreement
SPVs	Special Purpose Vehicles which hold the Company's investment portfolio of underlying operating assets
Total Shareholder Return	The actual rate of return from dividends paid and capital gains on share price movements over a given period of time.
The Company / NESF	NextEnergy Solar Fund Limited
Three Kings portfolio	5 plants held with NESH III
UK	United Kingdom of Great Britain and Northern Ireland
UK Code	UK Corporate Governance Code dated April 2016
UKLA	UK Listing Authority
WACC	Weighted Average Cost of Capital

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NextEnergy Solar Fund Limited

Registered Address
1 Royal Plaza, Royal Avenue
St Peter Port
Guernsey GY1 2HL
T: +44 (0) 1481 713 843

Email:
ir@nextenergysolarfund.com
Website:
nextenergysolarfund.com