

NEXTENERGY **SOLAR FUND**

NextEnergy Solar Fund Limited
Results for the period ended 31 March 2019

Analyst Presentation – 18 June 2019

Agenda – Presented by NextEnergy Capital, Investment Adviser



MICHAEL BONTE-FRIEDHEIM
NEC Founding Partner & CEO

- Investment Update – Michael Bonte-Friedheim



ALDO BEOLCHINI
NEC Managing Partner & CIO

- Financial Results – Aldo Beolchini

- Q&A - Appendix



Investment Update

Investment Highlights

31 March 2019

- NAV – £645m
- NAV/share – 110.9p
- GAV – £1,014m

- Investment portfolio of 87 solar PV assets amounting to 691MWp capacity installed
- Acquired 24 new UK solar assets during the last twelve months
- Fully deployed the equity capital raised in 2017. Proceeds invested at attractive valuations

31 March 2018

- NAV – £605m
- NAV/share – 105.1p
- GAV – £875m

- Construction of **first subsidy-free asset** underway: Hall Farm II of 5.5MWp
- **Issuance of £100m Preference Shares** in November 2018. Proceeds were used to repay certain existing long-term financing facilities associated with portfolio investments.
- **Significant Portfolio outperformance** resulted in energy generation above budget (693GWh generated, **+9.1% above budget**) with a positive asset management alpha
- **Operational expenses 7.8%** lower than budget at portfolio level

Continuous Operating Outperformance

Period	Assets monitored	Irradiation (delta vs. budget)	Generation (delta vs. budget)	Asset Management Alpha ⁽¹⁾
Full year 2014/15	6	(0.4%)	+4.8%	+5.2%
Full year 2015/16	23	+0.4%	+4.1%	+3.7%
Full year 2016/17	31	(0.3)%	+3.3%	+3.6%
Full year 2017/18	55	(0.9)%	+0.9%	+1.8%
Full year 2018/19	84	+9.0%	+9.1%	+0.1%
Cumulative from IPO to 31 March 2019	84	+2.1%	+5.0%	+2.9%

Notes:

(1) Asset Management Alpha defined as energy generated by portfolio vs budget (adjusted for delta in irradiation)

- NESF's portfolio consistently generates more electricity than its acquisition budget (+5.0% since IPO)

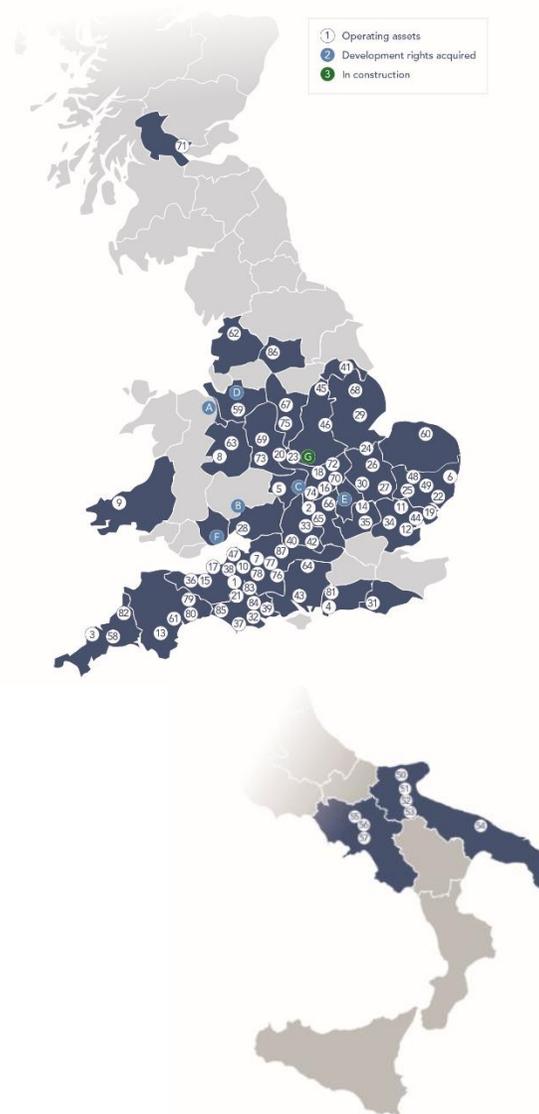
- This portfolio outperformance is partially due to higher solar irradiation than forecasts (+2.1% since IPO) and to the Asset Management performance (+2.9% since IPO)

- The Asset Management Alpha would have been +1.1% for the year end 31 of March 2019 without Distribution Network Operator outages

Portfolio Assets

- NESF's 87 PV assets represent 691MW of installed capacity and £896m of invested capital
- NESF acquired project rights for subsidy free projects representing 172MW

1	Higher Hatherleigh	36	Bowden
2	Shacks Barn	37	Stalbridge
3	Gover Farm	38	Aller Court
4	Bilsham	39	Rampisham
5	Brickyard	40	Wasing
6	Ellough	41	Flixborough South
7	Poulshot	42	Hill Farm
8	Condover	43	Forest Farm
9	Llywndu	44	Birch CIC
10	Cock Hill Farm	45	Barnby
11	Boxted Airfield	46	Bilsthorpe
12	Langenhoe	47	Wickfield
13	Park View	48	Bay Farm
14	Croydon	49	Honington
15	Hawkers Farm	50	Macchia Rotonda
16	Glebe Farm	51	Iacovangelo
17	Bowerhouse	52	Armiento
18	Wellingborough	53	Incorbaf
19	Birch Farm	54	Gioia del Colle
20	Thurlestone Leicester	55	Carinola
21	North Farm	56	Marcianise
22	Ellough Phase 2	57	Riardo
23	Hall Farm	58	Gilley's Dam
24	Decoy Farm	59	Pickhill Bridge
25	Green Farm	60	North Norfolk
26	Fenland	61	Axe View
27	Green End	62	Low Bentham
28	Tower Hill	63	Henley
29	Branston	64	Pierces Farm
30	Great Wilbraham	65	Salcey Farm
31	Berwick	66	Thornborough
32	Bottom Plain	67	Temple Normaton
33	Emberton	68	Fiskerton Phase 1
34	Kentishes	69	Huddlesford HF
35	Mill Farm	70	Little Irchester



71	Balhearty
72	Brafield
73	Huddlesford PL
74	Sywell
75	Coton Park
76	Hook
77	Blanches
78	Whitley
79	Burrowton
80	Saundercroft
81	Raglington
82	Knockworthy
83	Chilton Canetello
84	Crossways
85	Wyld Meadow
86	Ernis - rooftops
87	Angelia - rooftops

Project rights:

A	Francis/Gourton
B	Glebe
C	Radbrook
D	Moss
E	Staughton
F	Llanwern

In construction:

G	Hall Farm
---	-----------

Current UK Pipeline

- NEC is negotiating multiple UK projects for NESF
- Advanced negotiation pipeline amounts to 584MWp for project rights
- In addition, NEC is in discussions on a further 32MWp with subsidies
- NEC continues to focus on securing investment opportunities at attractive acquisition metrics / return on capital employed
- NEC expects to select only the most-attractive projects from pipeline for construction

Tier 1: Letters of Intent

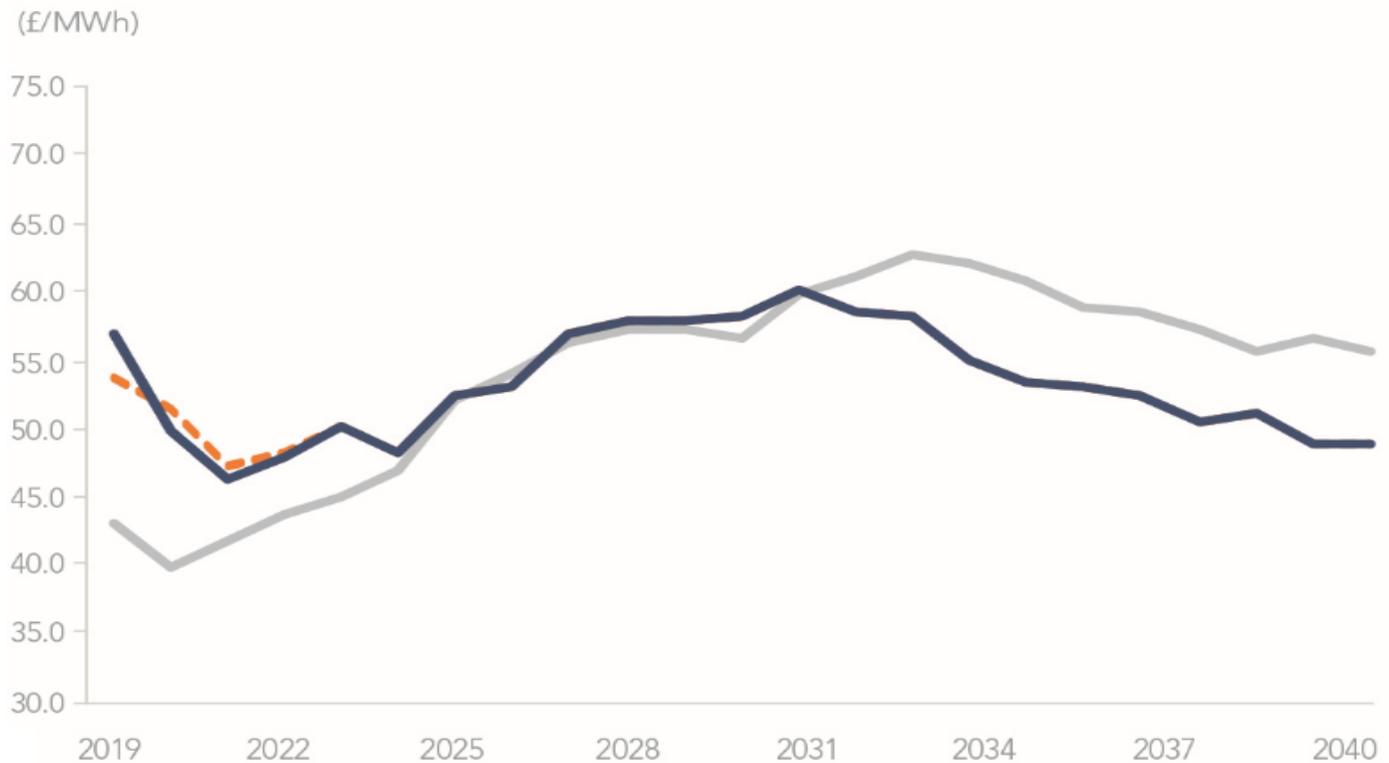
Power plants location	Incentive regime	Plant capacity	Status
Multiple sites – ground based	No Subsidies	584MWp	Planning
TOTAL		584MWp	

Tier 2: Advanced/Other Negotiations

Power plants location	Incentive regime	Plant capacity	Status
Multiple sites – ground based	ROCs / FiT	32MWp	In operation
TOTAL		32MWp	

UK Energy Market Prices

Forecast UK Power Price (Real 2019 - £/MWh) ⁽¹⁾



- March 18 - Weighted Average Blended Power Curve
- - - March 19 - Weighted Average Power Price across the UK portfolio
- March 19 - Weighted Average Blended Power Curve

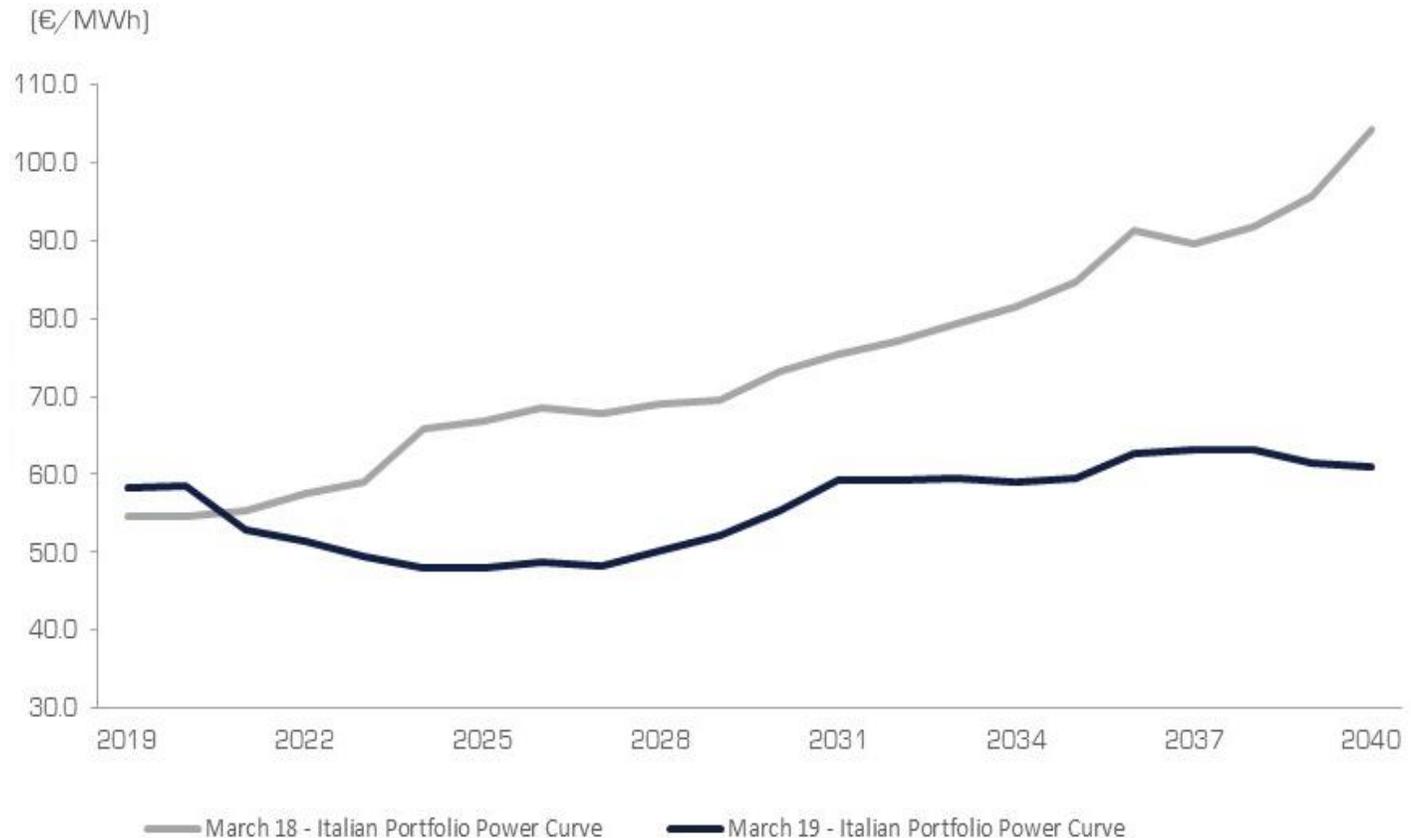
Notes:

(1) Source: Two Independent Energy Market Consultants

(2) Captured price is lower than Power Curve due to long term PPA arrangements and Export Tariffs

Italy Energy Market Prices

Forecast Italy Power Price (Real 2019 - €/MWh) ⁽¹⁾



Notes:

(1) Source: Independent Energy Market Consultant

Portfolio's Secured Power Prices

- NEC continues to secure higher power prices through its flexible PPA framework

	Apollo - ROC Assets (226 MW)		Radius and NIBC assets (112 MW)	
	Output Locked	Locked Price (£/MWh)	Output Locked	Locked Price (£/MWh)
Summer 2019	88.9%	56.0	88.9%	56.0
Winter 2019 / 2020	53.0%	58.4	52.9%	58.4
Summer 2020	25.8%	54.7	25.8%	54.7
Winter 2020 / 2021	20.0%	59.6	19.6%	59.6

- Power prices are contracted with different off-takers either through a trading framework agreement or short term fixed PPA

	Three Kings (53 MW)	Private Wire (5 MW)	UK FiT Assets (53 MW)	
	Locked Price (£/MWh)	Locked Price (£/MWh)	Export Tariff - 43MW (£/MWh)	Export Tariff - 10MW (£/MWh) ⁽¹⁾
Summer 2019	38.7	55.0	53.8	38.2
Winter 2019 / 2020	41.1	55.0	53.8	38.8
Summer 2020	39.2	55.0	55.2	39.2
Winter 2020 / 2021	41.5	55.0	55.2	39.2

- NEC continues to optimise the PPA structure to allow the capture of higher prices and diversifying its suppliers in order to obtain the best market terms available

	Remaining UK assets (208 MW)	
	Locked Price (£/MWh)	Power Curve (£/MWh)
Summer 2019	54.4	56.3
Winter 2019 / 2020	56.0	54.8
Summer 2020	54.6	51.1
Winter 2020 / 2021	58.0	53.0

- Solis portfolio has only limited exposure to the Italian wholesale power market (15% of Solis revenues)

	Solis (34 MW)
	Italian Power Curve (€/MWh)
Summer 2019	57.5
Winter 2019 / 2020	58.7
Summer 2020	59.8
Winter 2020 / 2021	57.0

Notes:

(1) Company can choose not to elect for Export tariff at any given time for a period of 12-months

Strategic Focus 2019/20

- Optimisation of revenues and reduction of operating expenses of current portfolio of assets
- On-boarding and integration of acquired portfolios
- Construction of subsidy free assets in the UK
- Opportunistic acquisition of UK projects with subsidies, depending on value



Financial Results

Financial Highlights

- Net Asset Value grew from £605m to £645m. **NAV per share increased to 110.9p**
- **First Issuance of Preference Shares for £100m** on 13 November 2018 following shareholder approval on 8 November 2018
 - Proceeds applied to repayment of long-term and short-term debt facilities
- Debt financing: **36% gearing level** (2018: 31%) including Preference Shares
 - New £70m Revolving Credit Facility closed in July 2018 and subsequently fully drawn down
 - Pre-existing £20m Revolving Credit Facility available and undrawn
- Earnings per share of 12.37p
 - On track to pay a dividend of 6.65p (2018: 6.42p) per share for the year ended 31 March 2019
 - Targeting dividend of 6.87p for the year ending 31 March 2020 (up 3.3% from 2019)
 - **Cash dividend cover pre-scrip of 1.3x** (2018: 1.1x)
- **Ongoing charges ratio stable at 1.1%** (2018: 1.1%)

Track Record since IPO

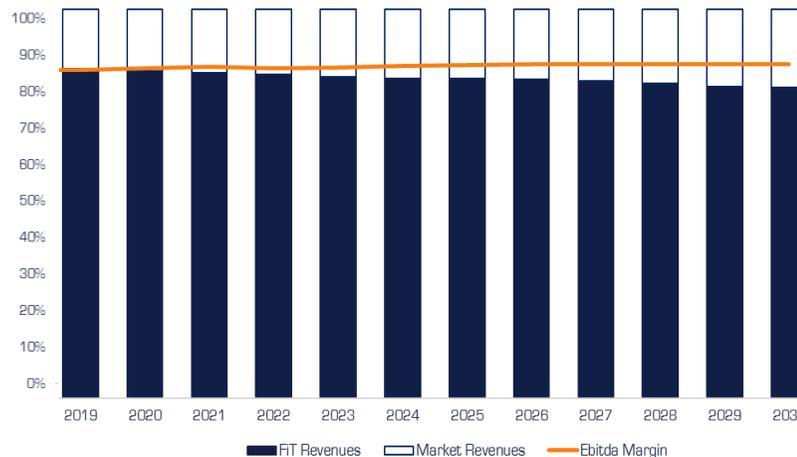
Financial KPI	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Period ended 31 March 2015
Ordinary shares in issue	581.7m	575.7m	456.4m	278.0m	240.3m
Ordinary share price	117.5p	111.0p	110.5p	97.75p	103.75p
Market capitalisation of ordinary shares	£683m	£639m	£504m	£272m	£249m
NAV per ordinary share	110.9p	105.1p	104.9p	98.5p	103.3p
Total ordinary NAV	£645m	£605m	£479m	£274m	£248m
Premium/(discount) to NAV	6.0%	5.6%	5.3%	(0.8%)	0.4%
Earnings per ordinary share	12.37p	5.88p	13.81p	0.78p	9.13p
Dividend per ordinary share	6.65p	6.42p	6.31p	6.25p	5.25p
Dividend yield	5.66%	5.78%	5.71%	6.39%	5.06%
Cash dividend cover – pre-scrip dividends	1.3x	1.1x	1.1x	1.2x	1.8x
Preference shares in issue	100m	–	–	–	–
Debt outstanding at subsidiaries level	£269m	£270m	£270m	£217m	£0m
Gearing level (debt + preference shares/GAV)	36%	31%	36%	44%	0%
GAV	£1,014m	£875m	£749m	£489m	£248m
Weighted average cost of capital	5.4%	5.8%	5.9%	5.8%	7.5%
Weighted average lease life	25.2 years	23.3 years	24.6 years	25.7 years	26.2 years
Shareholder total return – cumulative since IPO	46.7%	33.6%	26.7%	6.1%	5.9%
Shareholder total return – annualised since IPO	9.5%	8.5%	9.1%	3.2%	6.3%
Shareholder total return	11.8%	6.2%	21.1%	0.2%	5.9%
FTSE All-Share total return	8.8%	1.4%	20.9%	(3.6%)	5.5%
Ordinary NAV total return	11.8%	6.3%	14.4%	3.7%	3.3%
Ordinary NAV total return – annualised since IPO	8.1%	7.0%	4.9%	1.9%	4.0%
Invested capital	£896m	£734m	£522m	£481m	£252m
Ongoing charges ratio	1.1%	1.1%	1.2%	1.2%	1.5%
Weighted average discount rate	7.0%	7.3%	7.9%	7.7%	7.5%

Solis Portfolio

- High risk-adjusted returns (9.4% at acquisition)
- Positive contribution to dividend cover – 1.4x supporting the Company’s overall dividend targets
- NAV accretion – Solis portfolio is valued with a discount rate of 8.0% (2018: 9.0%) as a result of deleverage and increased market value of solar PV assets in Italy
- Low risk profile – c.85% of revenues are subsidised, debt fully repaid, stable EBITDA margins in excess of 80% and efficient currency hedge
- Diversify market risk – Italy is amongst the ten largest solar market globally

Business Case: Solis Acquisition and performance

- Acquisition of eight solar plants in Italy in December 2017 for a total installed capacity of 34.5MWp and total value of €132m
- The €74.7m long term project financing in place was fully repaid following issuance of the preference shares in November 2018
- FX hedging structure extended - 92% of the expected cashflows generated by the Solis portfolio are fully hedged for the next 15 years at an average FX rate of 0.89 EUR/GBP inclusive of hedging costs
- Positive Asset Management Alpha of 2.5% for the first full year of operation since onboarding



Asset	Irradiation Delta	Generation Delta	Generation Alpha
Macchia Rotonda	5.4%	6.1%	0.7%
Iacovangelo	3.8%	6.7%	2.9%
Armiento	4.5%	7.0%	2.5%
Inicorbaf	4.5%	6.8%	2.3%
Gioia del Colle	(1.1%)	3.9%	5.0%
Carinola	3.0%	7.4%	4.4%
Marcianise	3.1%	5.8%	2.7%
Riardo	3.0%	2.6%	(0.4%)
Solis portfolio	2.9%	5.4%	2.5%

Portfolio Valuation

Discount rates

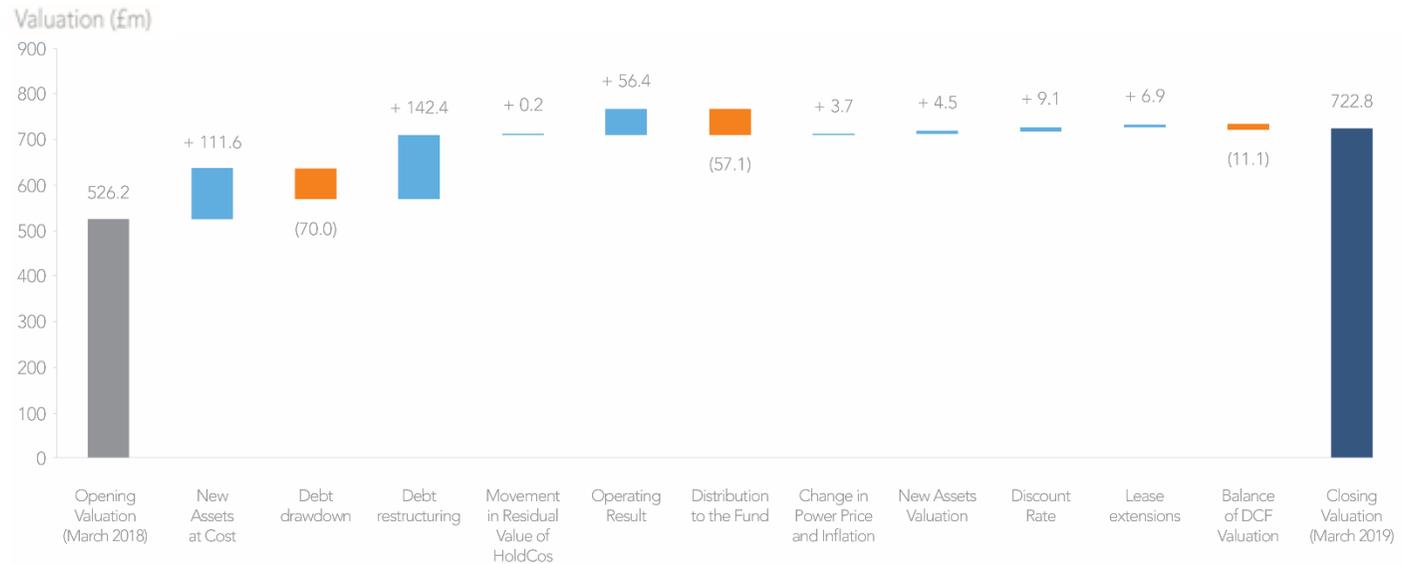
- **6.5% unlevered discount rate** for UK operating solar assets (2018: 6.75%)
- Up to 1.0% risk premium for the levered assets/portfolios
 - Resulting **levered discount rates of up to 7.50%** for levered assets
- Discount rate of 8.00% for the Italian Solis portfolio implying **1.50% risk premium** (2018: 1.25%)
- Weighted average discount rate decreased to 7.0% (2018:7.3%)

Drivers of portfolio valuation

- Slight upward revisions in UK power price forecasts with an increase of 0.1% compared to March 2018 and captured short term electricity prices higher than the budget through flexible trading framework
- Upward revision of the long-term UK RPI to 3.0% (2018: 2.75%)
- Value uplift generated by acquisitions at attractive IRR relative to the discount rate (24 assets)
- Positive operating results achieved by the solar PV assets, net of dividends and fund costs
- Uplift coming from lease extension and aggregation of a number of SPV legal entities

NAV and Portfolio Valuation Bridges

Portfolio Valuation Bridge – For the year to 31 March 2019



NAV Bridge – For the year to 31 March 2019



Debt Financing Strategy



Macquarie Infrastructure Debt Investment Solutions ("MIDIS")



- NESF has total debt facilities outstanding of £269m which represent 36% of GAV, of which £70m is Santander RCF

- Additional £20m available through NIBC RCF

- Average all-in cost of debt of 3.2%

- Bayern, UniCredit, ING and short term facilities have been repaid after the first issuance of Preference Shares



- Fully amortising facility (£149m outstanding) expiring in 2035 with unique NAV-enhancing features (grace period, DSRF, flexible PPA)

- Fully amortising facility (£51m outstanding) expiring in 2034
- Debt in place at completion of Radius portfolio in April 2016
- Replacement of DSRA with LoC in March 2018

- Revolving Credit Facility of £20.0m, undrawn and available until February 2020
- Revolving Credit Facility of £70.0m, fully drawn and available until July 2020

Robust Dividend Cover

- During the period the Company generated cash income of £57.1m, had net operating costs of £6.7m and paid a preference shares dividend of £1.8m
- Issuance of preference shares has improved cashflows by £4.5m in the period
- For illustrative purpose only, a theoretical principal instalment on the Apollo financing for the period would have reduced cashflow by £3.0m with an impact of 0.1x on cash dividend cover

Dividends paid	Month of payment	Amount per ordinary share (p)	Total pre-scrip dividends £'000	Total post-scrip dividends £'000
For the period 2014/15		5.2500	10,946	10,946
For the year 2015/16		6.2500	17,372	17,372
For the year 2016/17		6.3100	25,039	20,681
For the year 2017/18		6.4200	36,840	27,737
First quarterly dividend for year 2018/19	Sep-18	1.6625	9,608	7,105
Second quarterly dividend for year 2018/19	Dec-18	1.6625	9,646	8,350
Third quarterly dividend for year 2018/19	Mar-19	1.6625	9,666	9,303
Total dividends declared to date		29.2175	119,117	101,494
Fourth quarterly dividend for year 2018/19	Jun-19	1.6625	9,671	8,915

Cash income ⁽²⁾	£'000	Pre-scrip dividends £'000	Post-scrip dividends £'000
Cash income for year to 31 March 2019	57,071 ⁽¹⁾		
Net operating expenses for year to 31 March 2019	(6,748)		
Preference shares dividend	(1,822)		
Net cash income available for distribution	47,501		
Ordinary shares dividend paid during year		38,159	31,518
Cash dividend cover		1.3x	1.5x

(1) Cash income differs from the Income in the Statement of Comprehensive Income. This is because the Statement of Comprehensive Income is on an accruals basis.

(2) Alternative Performance Measure.

Summary Income Statement

	1 April 2018 to 31 March 2019 £m	1 April 2017 to 31 March 2018 £m
Income	55.6	41.1
Movement in Investment Portfolio value	24.5	(2.9)
Net Income	80.1	38.2
Total expenses	(8.6)	(6.3)
Finance income	0.0	0.3
Profit and comprehensive income	71.6	32.2
Earnings per share	12.37p	5.88p

Summary Balance Sheet and Cash Flows

During the period

- NAV attributable to ordinary shareholders increased by £40m
- Investment Portfolio increased by £135m
- Cash at bank at 31 March 2019 was £19m

Balance Sheet	31 March 2019 £m	31 March 2018 £m
Investment Portfolio	616.4	481.4
Residual net assets of Holding Companies	106.4	44.8
Current assets	60.7	104.3
Current liabilities	(39.4)	(25.5)
Net asset	744.0	605.0
Preference shares	(99.0)	-
Net assets attributable to ordinary shareholders	645.0	605.0
Net asset per ordinary share	110.9p	105.1p
Statement of Cash Flows	31 March 2019 £m	31 March 2018 £m
Net cash used in operating activities	(124.1)	(78.5)
Net cash generated from investing activities	0.0	0.3
Proceeds from issue of ordinary shares	-	124.4
Proceeds from preference shares	99.0	-
Dividends paid on ordinary shares	(31.5)	(30.1)
Cash at the beginning of the year	75.9	59.8
Cash at the end of the year	19.3	75.9



Q&A – Appendix

NESF Overview

NextEnergy Solar Fund

- Attractive acquisition values sourced by NextEnergy Capital
- Operational outperformance supported by WiseEnergy ensuring optimal asset management
- Targeting a quarterly dividends linked to UK RPI (6.65p/share for year 2018/19)
- Reinvestment of cash surplus to sustain NAV over time

About NextEnergy Capital Group (“NEC Group”)

- NextEnergy Capital IM Ltd and NextEnergy Capital Ltd are both members of the NEC Group. NextEnergy Capital Limited acts as the investment adviser to NextEnergy Capital IM Limited, the Investment Manager of NESF.
- Through its operating asset management division, WiseEnergy, the NEC Group has managed and monitored over 1,300 utility-scale solar power plants (with an installed capacity in excess of 1.9GW) for a client base which includes leading European banks and equity investors (including private equity funds, listed funds and institutional investors).
- The NEC Group also manages NextPower II LP, a €232m private equity fund dedicated to solar PV investments in Italy, and NextPower III LP, a \$96m private equity fund dedicated to solar PV investments globally.

ESG KPIs

31 March 2019

- **184,000 UK homes** powered for one year (equivalent to Northampton and Portsmouth combined)
- **195,600 tonnes** of CO₂ emissions avoided p.a.

31 March 2018

- **124,000 UK homes** powered for one year (equivalent to the city of Swansea)
- **158,600 tonnes** of CO₂ emissions avoided p.a.

- The mission of the NEC Group is to generate a more sustainable future by leading the transition to clean energy
- Following an acquisition, WiseEnergy monitors and reports on specific ESG KPIs throughout the operation phase
- ESG KPIs can be either quantitative or qualitative and have been selected based on the Sustainable Development Goals framework

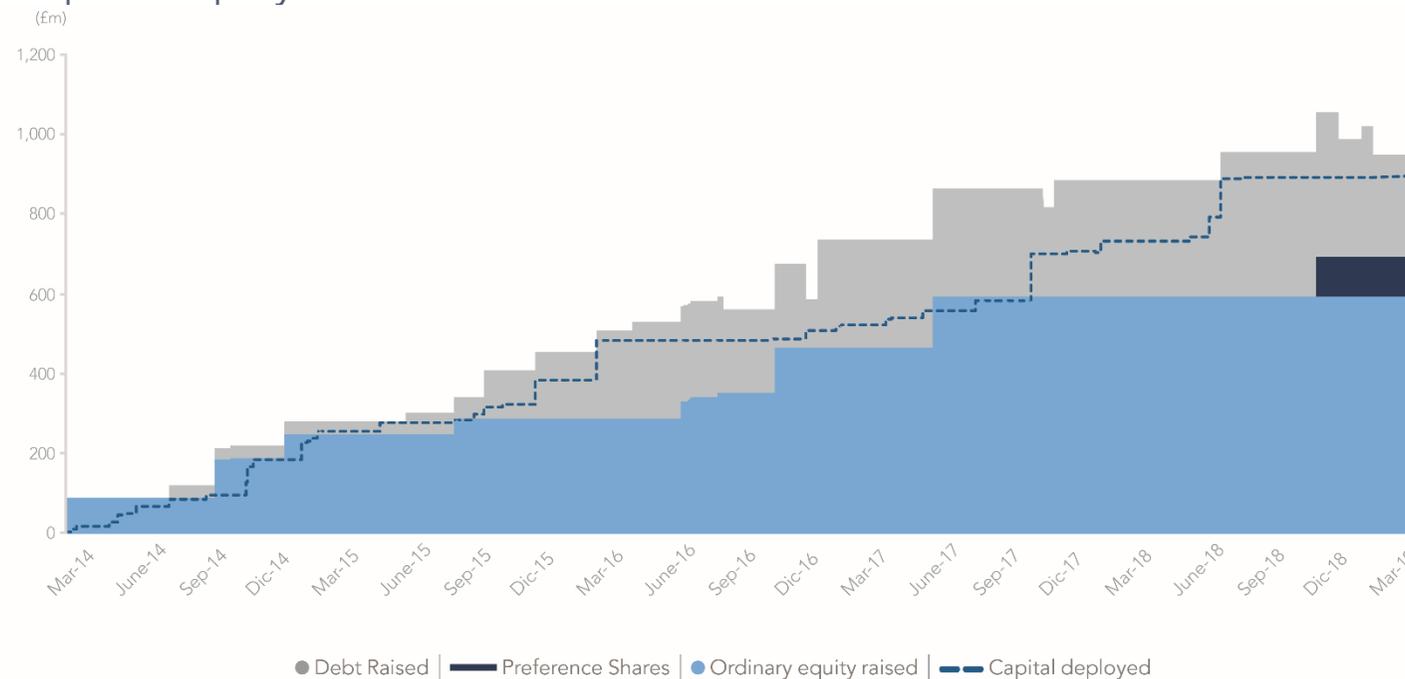
Capital Raise and Deployment

- During the period NESF has fully deployed all the capital raised through equity raising and debt financing
- During the period NESF issued an additional 6.0m new shares totalling £6.6m in the form of scrip dividends
- During the period, NESF issue the first tranche of Preference Shares for £100m

Date	Shares issued	Amount raised (£m)	Amount invested	Time to deployment
April 2014	85,600,000	85.6	100% by September 2014	5 months
November/December 2014	95,000,000	99.6	100% by January 2015	6 weeks
February 2015	59,750,000	61.4	100% by April 2015	6 weeks
September 2015	37,607,105	38.8	100% by November 2015	6 weeks
July/August/September 2016	64,100,926	64.7	Used to repay debt facility	Immediate
November 2016	110,300,000	115.3	100% by August 2017	10 months
June 2017	115,000,000	126.5	100% by August 2018	1 year 2 months
November 2018	100,000,000 ⁽¹⁾	100.0	Partially used to repay debt facility	2 months

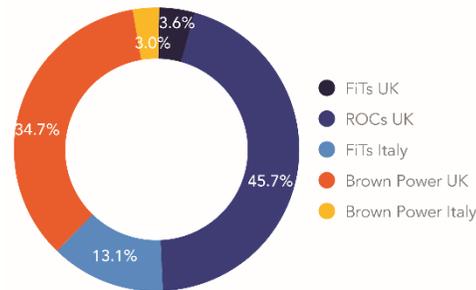
(1) Preference shares

Capital Deployment Timeline

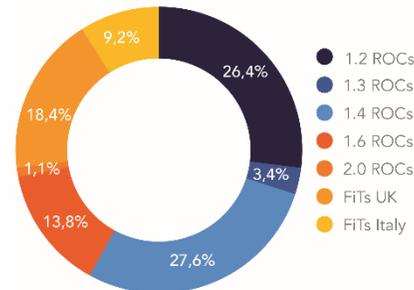


Investment Portfolio Diversification

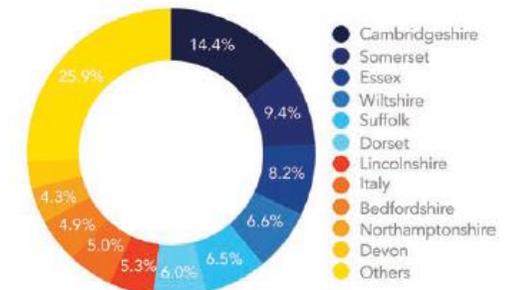
By Revenue Type



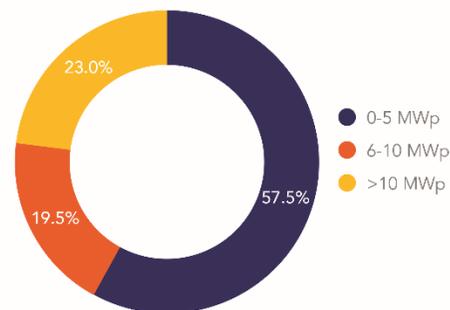
By Regulatory Regime



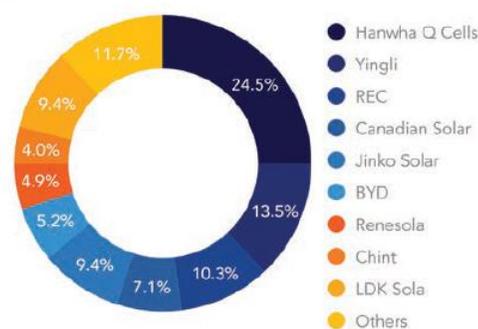
By Location



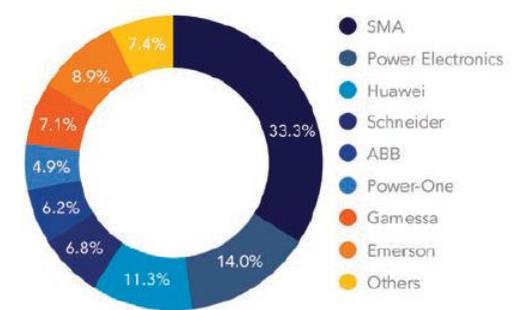
By Installed Capacity



By Solar Module Manufacturer



By Inverter Manufacturer

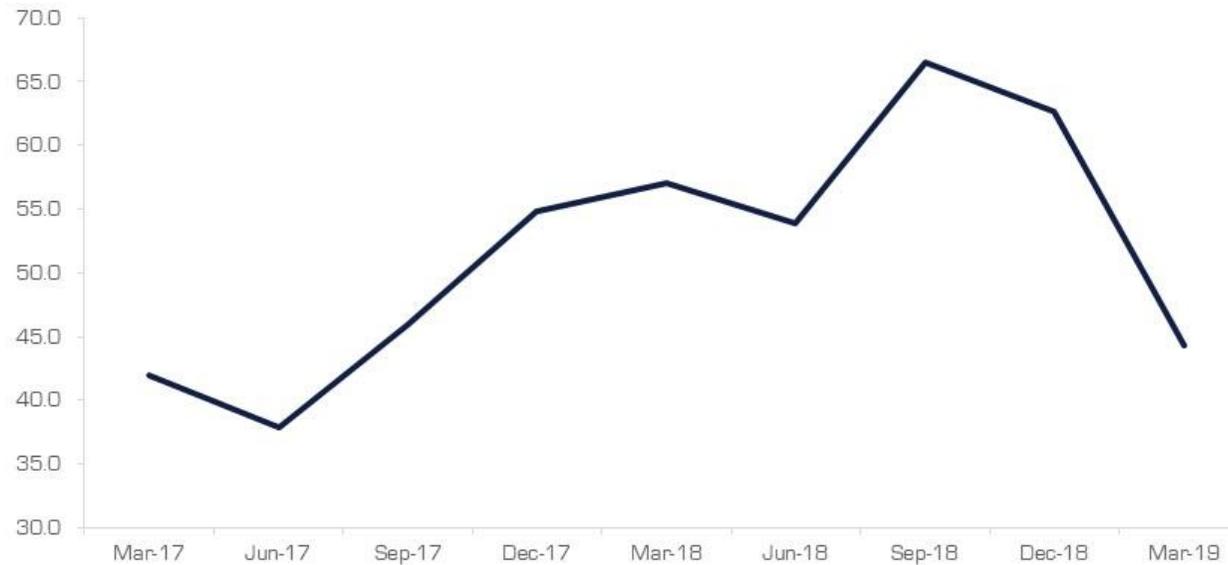


UK Energy Market

Power Prices

- During the year, the wholesale day ahead power market in the UK experienced a downward movement from £57/MWh in March 2018 to £44/MWh in March 2019
- The Company's flexible PPA framework allowed NESF to lock in higher power prices

Historical UK Power Prices (£/MWh) ⁽¹⁾



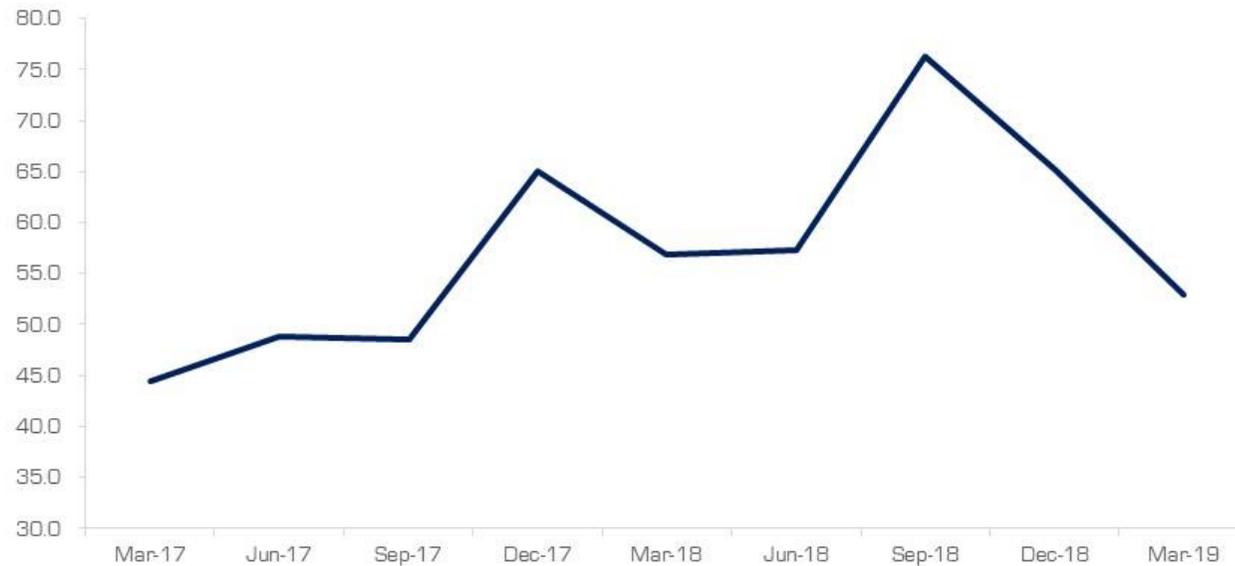
(1) Source: N2EX – UK Baseload – day ahead

Italy Energy Market

Power Prices

- During the year, the wholesale day ahead power market in Italy experienced an downward movement from €57/MWh in March 2018 to €53/MWh in March 2019

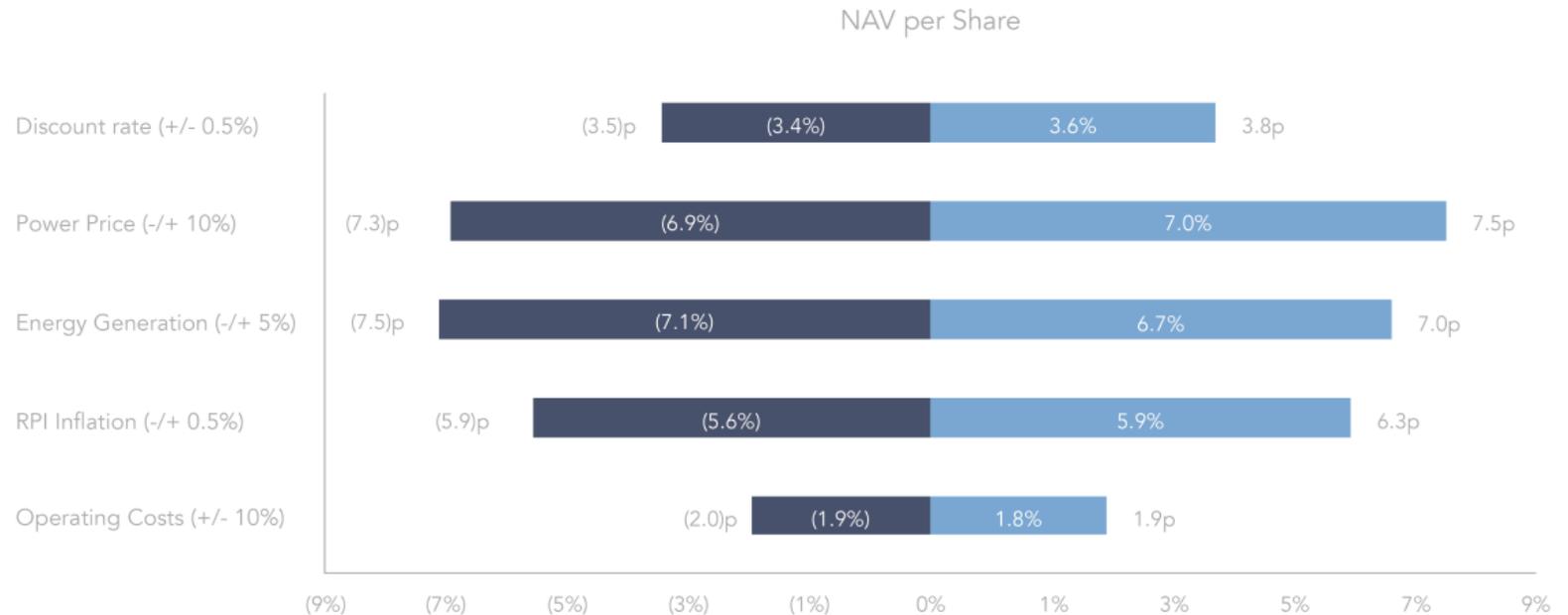
Historical Italy Power Prices (€/MWh) ⁽¹⁾



⁽¹⁾ Source: Gestore del Mercato Elettrico S.p.A.

NAV Sensitivities

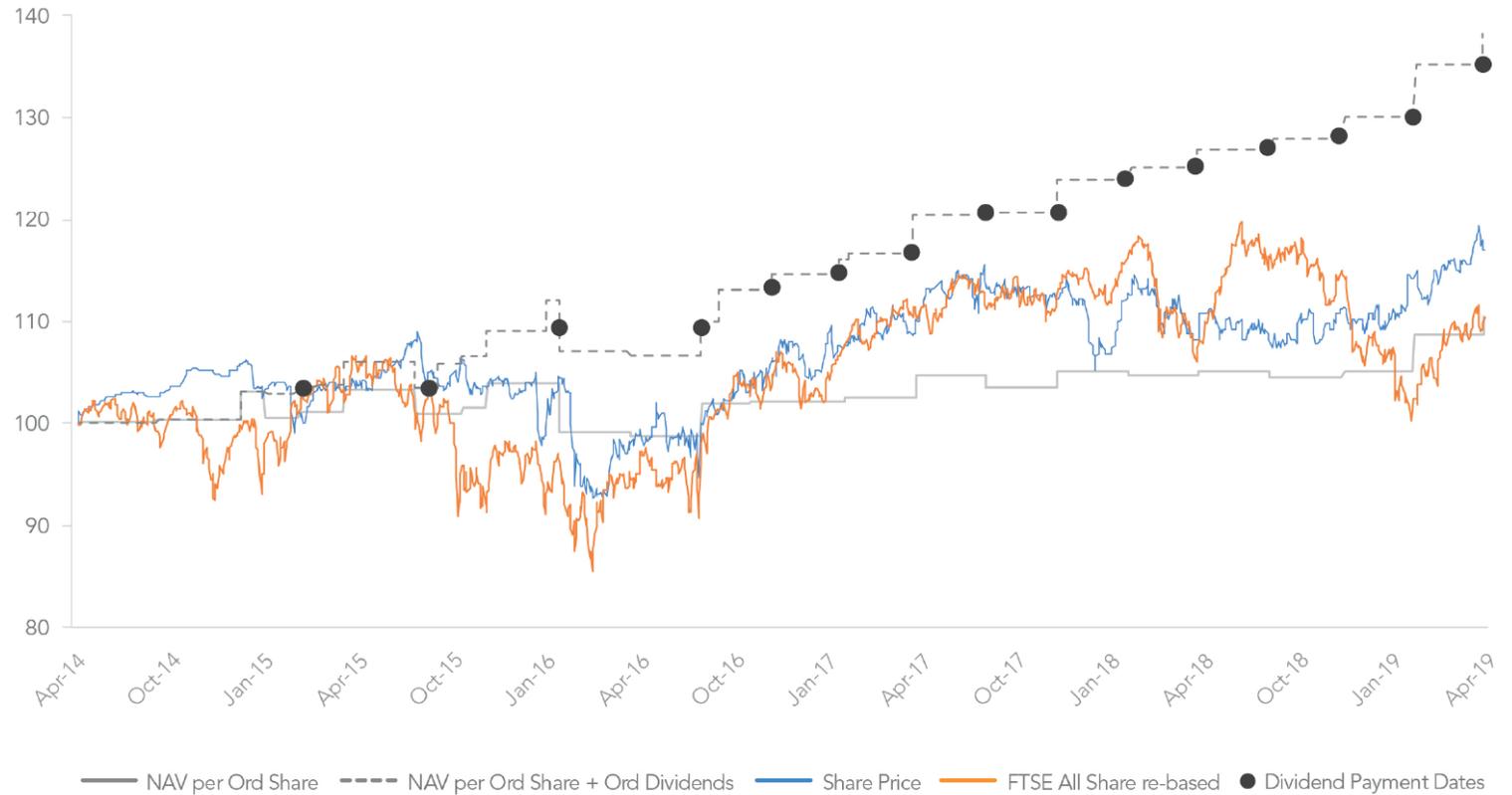
- The long-term sensitivity analysis highlights the % change in the investment portfolio value (£616m) as well as the subsequent impact on NAV per share
- As of 31 March 2019, the remaining weighted average lease life of the Company's assets was 25.2 years



The sensitivity highlights the percentage change in the portfolio resulting from a change in the underlying variables. It also shows the impact on the NAV per share.

Share Price vs NAV per Share

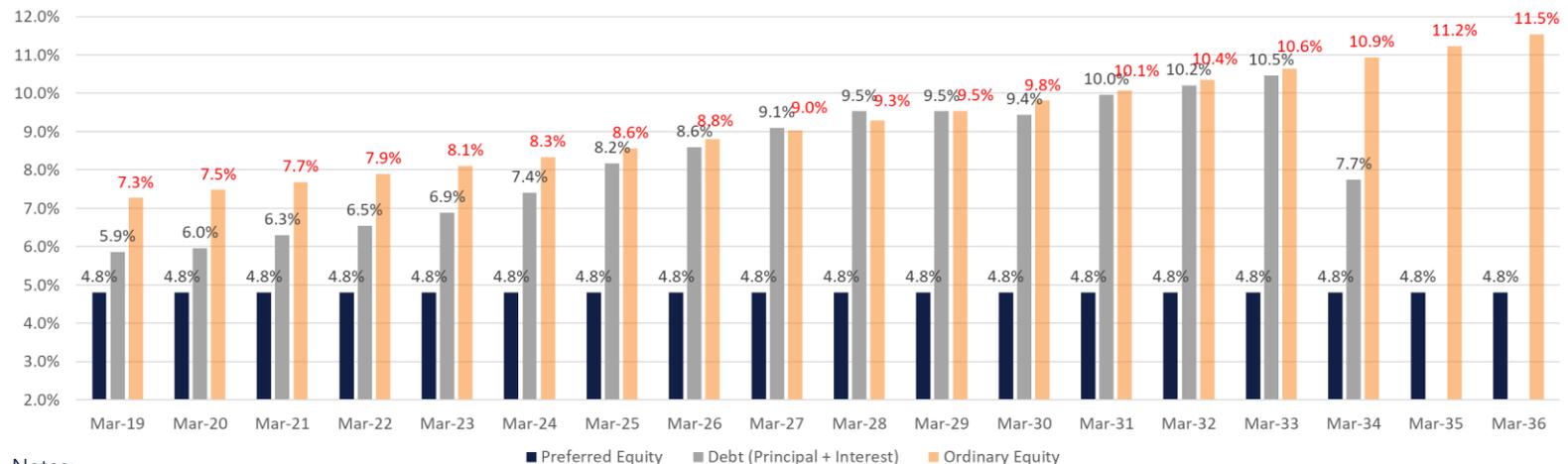
- NESF share price outperformed the FTSE All-Share by 13.8% since IPO
- Shareholder total return was 11.8% for the year ended 31 March 2019 (9.5% annualised since IPO)



Preference Shares

- An issuance of £200m is expected to increase dividend cover by 0.15x and returns by 1.09% for ordinary shareholders ⁽²⁾
- Simplify the capital structure by reducing the exposure to secured debt financing
- On 8 November 2018, the Shareholders approved the issuance of £200m of Preference Shares. The Company issued the first tranche of £100m and is expecting a subsequent issue by the end of the calendar year
- Value accretive features:
 - lower issue cost of 1.1% compared to other capital raising avenues
 - lower cash cost with a fixed preferred dividend of 4.75% and no redemption requirements
 - option to redeem at nominal value starting from 1 April 2030 for six years at sole discretion of the Company
 - non-redeemable / non voting shares⁽¹⁾ with holder's conversion right starting from 1 April 2036 at nominal value (plus unpaid dividend if any) relative to NAV per Ordinary Share at the date of conversion (thus no refinancing risk)

Alternative Funding Sources - Comparison of Fully-Costed Cost of Capital



Notes:

(1) Redemption rights in the event of delisting or change of control of the Company – Voting rights in the event of detrimental changes to the Investment Policy or Articles.

(2) Estimates only based on a typical UK solar portfolio and when compared to issuance of new ordinary shares.

Summary of Debt Financing Terms

Provider/ Arranger	Type	Borrower	Tranches	Facility amount £m	Amount outstanding £m	Termination (including options to extend)	Applicable rate
MIDIS/CBA/NAB	Fully-amortising long-term debt	NESH	Medium-term	48.4	48.4	Dec-26	2.91% ⁽¹⁾
			Floating long-term	24.2	24.2	Jun-35	3.68% ⁽¹⁾
			Index linked long-term	38.7	36.8	Jun-35	RPI index + 0.36%
			Fixed long-term	38.7	38.8	Jun-35	3.82%
			Debt Service Reserve Facility	7.5	–	Jun-26	1.50%
MIDIS	Fully-amortising long-term debt	NESH IV	Inflation linked	27.5	24.6	Sep-34	RPI index + 1.44%
			Fixed long-term	27.5	26.5	Sep-34	4.11%
Total long-term debt					199.3		
NIBC	RCF	NESH II	n/a	20.0	–	Feb-20	LIBOR +2.20%
Santander	RCF	NESH IV	n/a	70.0	70.0	Jul-20	LIBOR +1.30%
Total short-term debt					70.0		
Total debt					269.3		

(1) Applicable rate represents the swap rate.

- Total debt outstanding at period end was £269m which represents a gearing of 27% (36% when including preference shares)
- Average Cost of Debt is 3.2%
- NESH V entered into a 15 year FX hedging arrangement with Intesa over the expected dividends from the Solis portfolio. In March 2019, the hedging was increased to an additional c.€89m with an average forward exchange rate of 0.89 EUR/GBP including costs.

Important Notice

This document is issued by Next Energy Capital Limited ("NEC"), which is authorised and regulated by the UK Financial Conduct Authority ("FCA") with registered number 471192. The contents of this document are strictly private and confidential and accordingly may not be published, reproduced, copied, transmitted or disclosed to any third party.

This document is an advertisement and not a prospectus. Investors should not purchase or subscribe for any transferable securities referred to in this document except on the basis of information in the prospectus dated 10 November 2014 (and any supplement thereto) (the "Prospectus") published by NextEnergy Solar Fund Limited (the "Fund") in connection with its placing programme to issue up to 250,000,000 ordinary shares ("Ordinary Shares") and/or C shares, which will be admitted to the premium segment of the Official List of the Financial Conduct Authority (the "Official List") and to trading on London Stock Exchange plc's main market for listed securities (the "London Stock Exchange"), (together, "Admission"). A copy of the Prospectus is available from the Fund's website. This document is not an offer to sell, or a solicitation of an offer to acquire, securities in the United States or in any other jurisdiction. Neither this document nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

The information contained in this document has been prepared in good faith but it is subject to updating, amendment, verification and completion. This document and any terms used herein are a broad outline of the Fund only and are furnished on a confidential basis for the purpose of evaluating a potential investment in the Fund. This document is designed solely to assist exploratory discussions with a limited number of potential investors. Recipients of this document who intend to purchase or subscribe for shares in the Fund are reminded that any purchase or subscription must be made solely on the basis of the information contained in the Prospectus.

None of the Fund, NEC, Cantor Fitzgerald Europe, Macquarie Capital (Europe) Limited, Shore Capital and Corporate Limited or Shore Capital Stockbrokers Limited or any of their respective directors, officers, employees, agents or advisers or any other person makes any representation, warranty or undertaking express or implied, as to the accuracy or completeness of the contents of this document, which has been prepared for background purposes. In particular, but without prejudice to the generality of the foregoing, past performance is no guarantee of and may not be indicative for future results and no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any assumptions, targets, forecasts, projections, estimates or prospects with regard to the anticipated future performance of the Fund or any other information herein. No responsibility or liability is accepted by any such person for the occurring or completeness of the contents of the document or for any errors, misstatements or omissions herein. The exclusion set out in this paragraph do not extend to an exclusion of liability for, or remedy in respect of, fraudulent misrepresentation.

The Fund is incorporated in Guernsey, Channel Islands and is a registered closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, and the Registered Collective Investment Scheme Rules 2008. The Fund is not an Authorised Person under the UK Financial Services and Markets Act 2000 ("FSMA") and, accordingly, will not be registered with the FCA. The Fund will therefore only be suitable for professional or experienced investors, or those who have taken financial advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors do not apply to listed funds. By investing in the Fund you will be deemed to be acknowledging that you are a professional or experienced investor or have taken appropriate professional advice and accept the reduced requirements accordingly. You are wholly responsible for ensuring that all aspects of the Fund are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Fund and the potential risks associated with investing in it, you should not invest in the Fund.

An investment in the Fund will be suitable only for sophisticated investors who fully understand and are willing to accept high risks and lack of liquidity involved in the Fund's investment strategy. The Fund's investment practices, by their nature, may be considered to involve a high degree of risk.

No information contained herein constitutes an offer, a solicitation or invitation to make an offer or recommendation, to acquire or dispose of interests in the Fund or other investment instruments, nor to effect any transaction, or to conclude any legal act of any kind whatsoever. Nothing contained herein constitutes financial, legal, tax, investment or other advice, nor should any investment or any other decisions be made solely based on the information set out herein.

The interests in and documents constituting the Fund are not the subject of any filing with, nor have the interests been approved or disapproved by, any governmental agency, regulatory authority or any national securities exchange. Accordingly, such interests in and documents constituting the Fund shall not be registered under the securities laws of any jurisdiction, other than as required to qualify for exemptions from supervision, registration, prospectus and reporting requirements of such laws. The Fund and its management entity shall not be supervised, regulated or passed upon by any securities or investments regulatory body.

The information provided is confidential, for personal use and for informational purposes only, subject to changes without notice. It is not to be reproduced, duplicated, distributed, transmitted or used in whole or in part for any other purpose by any recipient hereof. Any recipient acting in the capacity of a discretionary investment manager must not distribute or transmit the whole or any part of this document to any of its clients or other third parties. Accordingly, no person has been authorised to give any information or to make any statement regarding the Fund other than which is contained herein and, if given or made, such information or statement must not be relied upon as having been authorised.

The Fund has limited investment and trading history. Results can be positively or negatively affected by market conditions beyond the control of the Fund or any other person. The returns set out in this document are targets only. There is no guarantee that any returns set out in this document can be achieved or can be continued if achieved, nor that the Fund will make any distributions. There may be other additional risks, uncertainties and factors that could cause the returns generated by the Fund to be materially lower than the returns set out in this document.

This document may include "forward-looking statements". All statements other than statements of historical facts included in this document, including, without limitation, those regarding the Fund's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Fund's investments) are forward-looking statements. Forward-looking statements are subject to risks and uncertainties and accordingly the Fund's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Prospectus. These forward-looking statements speak only as at the date of this document. The Fund and NEC expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by FSMA, the Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.