

29 May 2019

**NEW ENERGY SOLAR (ASX: NEW)**  
**COMBINED ANNUAL GENERAL MEETING OF NEW ENERGY  
SOLAR LIMITED & MEETING OF NEW ENERGY SOLAR FUND**

**CHAIRMAN'S ADDRESS**

Good morning and welcome to the combined Annual General Meeting of New Energy Solar Limited and the General Meeting of New Energy Solar Fund.

Since our last annual general meeting and general meeting, the Business has made significant progress from growth to production, with 13 solar plants operating and generating revenue at the end of 2018, compared to four at the end of 2017. As of today, Organ Church in North Carolina has come into operation and NEW is the fifth largest, listed, pure solar infrastructure investor globally.

This transition in the nature of our portfolio resulted in significantly improved financial metrics for the Business. Total underlying revenues for 2018 increased 94% from the 2017 year to US\$42 million. Earnings also grew and earnings before interest, tax, depreciation and amortization for the portfolio increased 88% over the previous year to US\$32.6 million. Of this amount, US\$22.3 million was attributable to NEW securityholders which enabled the Business to distribute 7.75 cents per stapled security in 2018. Also of note, is the growth in net asset value per stapled security. At the end of December 2018, the NAV was \$1.60, which is 15 cents or 10.30% higher than the value at the end of 2017.

This progress is very pleasing both in terms of financial reward and environmental impact. For IPO investors the increase in the net asset value, together with distributions has contributed to a return on equity of 11.8%. In terms of the environmental dividend, over 2018 the Business displaced the equivalent of 1.2kg of CO<sub>2</sub> for each stapled security on issue.

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As you will have seen, the portfolio now includes two utility-scale solar plants in Australia. Both are in New South Wales, with one at Manildra near Orange, which is operating and generating revenue, and the other at Beryl, close to Gulgong, which is now generating power into the grid but has not yet reached completion. The Business held an investor day at the Manildra plant in October last year and over 200 of our securityholders were able to see the plant and understand how it operated. They were also able to meet the farmer, who leases the land on which the plant operates, and enjoy the hospitality of many of the Manildra community.

The momentum continues in 2019 with plants at Organ Church in North Carolina coming into commercial operation, the site at Beryl in New South Wales nearing completion in the coming weeks and the construction of the plant at Mount Signal in California expected to be completed later in 2019. The completion of the Beryl and Mount Signal projects, in particular, will add significantly to the Business' operating portfolio, increasing capacity by 67%.

Last month in April we saw the launch of the US\$200 million US Solar Fund. This fund is listed on the London Stock Exchange and will be managed by the manager of NEW. It will have a similar investment mandate to NEW, although it will not hold Australian assets.

We are very encouraged by the support that US Solar Fund has gained, with over 30 of the UK's leading institutional investors participating in the IPO. This demonstrates the value of the investment mandate that NEW has been implementing since its inception. In addition, the creation of US Solar Fund provides operational benefits for NEW, with the negotiation of a co-investment agreement allowing NEW to invest alongside US Solar Fund in larger, high quality US projects, and a reduction in the base management fee structure paid by NEW securityholders. The changed fee regime reflects the economies of scale that will flow to the manager from running two funds. The establishment of US Solar Fund will offer NEW the opportunity to continue to grow and diversify as well as provide NEW securityholders with an immediate benefit through lower fees and operating costs.

We look forward to a successful relationship with US Solar Fund.

Finally, I would like to thank John Martin, his team and my fellow board members for their work this year and for their enthusiasm for renewable energy, the development of which continues apace.



## About New Energy Solar

New Energy Solar was established in November 2015 to invest in a diversified portfolio of solar assets across the globe and help investors benefit from the global shift to renewable energy. The Business acquires large scale solar power plants with long term contracted power purchase agreements. In addition to attractive financial returns, this strategy generates significant positive environmental impacts for investors. Since establishment, New Energy Solar has raised over A\$500 million of equity, acquired a portfolio of world-class solar power plants, and has a deep pipeline of opportunities primarily across the United States and Australia. New Energy Solar's securities trade on the Australian Securities Exchange under the ticker, NEW. New Energy Solar is a listed stapled entity consisting of New Energy Solar Fund (ARSN 609 154 298) and New Energy Solar Limited (ACN 159 902 708). For more information, visit: [www.newenergysolar.com.au](http://www.newenergysolar.com.au)

