

23 July 2019

NEW ENERGY SOLAR (ASX: NEW) **PPA WITH KELLOGG'S**

Highlights:

- NEW's Beryl Solar Power Plant has signed a corporate PPA with cereal manufacturer Kellogg's to December 2026, with option to extend to December 2029
- Reduces Beryl's exposure to fluctuating electricity and LGC prices
- Further diversifies offtakers and contract lengths in NEW's portfolio
- Five-year unlevered average yield of 8.2% per annum now expected for Beryl²
- Beryl reached commercial operations in June 2019

Further to its announcement on 15 July 2019, New Energy Solar¹ (**NEW**) announces that the Beryl Solar Power Plant (**Beryl**, the **Plant**) has entered into a binding Power Purchase Agreement (**PPA**) with Kellogg (Aust.) Pty. Ltd. (**Kellogg's**), a subsidiary of Kellogg Company. Kellogg Company is a leading global cereal company with net sales of over US\$13bn in 2018 and is a member of the RE100 initiative to transition to sourcing 100% of its global electricity needs from renewable sources. While the Kellogg's PPA commences on execution, it effectively contracts the purchase of electricity from the date the Plant began generation until the expiry date of 31 December 2026. Kellogg's has an option to extend the term for three years until 31 December 2029.

This agreement is in addition to Beryl's existing 15-year PPA, which represents approximately 69% of generation. The volume of electricity and Large-Scale Generation Certificates (**LGCs**) sold to Kellogg's will be approximately 29% of generation for the remainder of 2019, with this proportion decreasing over the life of the Kellogg's PPA. With respect to the period from the Plant's commissioning up to commercial operations, Kellogg's will retrospectively acquire all of the electricity and LGCs produced. By selling electricity and LGCs to Kellogg's rather than into spot markets, Beryl reduces its exposure to fluctuating electricity and LGC prices.

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

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With the Kellogg's PPA in place, NEW expects Beryl's five-year unlevered annual average gross yield to be 8.2%².

John Martin, CEO of NEW, said "We are pleased to be partnering with Kellogg's as an offtaker for Beryl. This agreement complements Beryl's existing PPA and contributes to the achievement of our strategy to build a portfolio of stable, long-term, contracted cashflows from investment-grade counterparties. In addition, the Kellogg's PPA further diversifies the range of offtakers and contract lengths in the portfolio, enhancing NEW's ability to deliver attractive, risk-adjusted returns to investors."

Esme Borgelt, Managing Director of Kellogg's Australia and New Zealand said "Our partnership with Beryl enables us to champion and support the clean energy revolution, helping to offset the greenhouse gas emissions from both our head office and manufacturing site in Australia as part of our broader sustainability commitments. It's through innovative partnerships like this, along with our ongoing focus on reducing energy demands within our value chain, that companies like Kellogg's can help reduce their impact on the environment."

Beryl commenced generating electricity in April 2019 and reached commercial operations in June 2019, increasing NEW's operating portfolio capacity by 110.9MW_{DC}. In its first year of operations, Beryl is expected to produce more than 199,000MWh of electricity³, equivalent to displacing approximately 153,000 tonnes of CO₂ emissions per annum, powering 25,000 Australian homes, or removing 45,000 cars from the road⁴.

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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

² Gross yield is measured before transaction costs, fees, debt service and tax. Yield calculated based on P50 generation estimates.

³ Based on P50 generation estimates.

⁴ Environmental estimates provided by First Solar.



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