

Renewable energy. Sustainable investments.

New Energy Solar¹ (NEW, the Business) invests in large-scale solar power plants generating emissions-free power sold under long-term power purchase agreements (PPAs) with credit-worthy offtakers.

As Australia's first ASX-listed solar infrastructure business, NEW has invested more than A\$1.3 billion in solar plants across the United States (US) and Australia, enabling investors to achieve attractive risk-adjusted financial returns, and positive social impact.

To learn more about New Energy Solar, please visit www.newenergysolar.com.au.

Summary

Highlights during the quarter include:

- Minimal impact from the COVID-19 pandemic on the business, with the portfolio solar plants operating and NEW's Investment Management team working remotely. A more detailed COVID-19 statement is available on the New Energy Solar website.
- NEW's portfolio now being fully operational with the substantial completion of Mount Signal 2 (MS2) solar plant in January 2020.
- Term Conversion² of MS2's construction debt facility on 31 March 2020.
- Progress on the asset sale process to improve the market's understanding of NEW's asset values.

While COVID-19 has presented significant social and financial challenges for businesses, NEW acted quickly to minimise the financial impact of the pandemic and implemented a business continuity plan, including requiring the entire Investment Management team to work remotely.

There has been no direct impact on the day-to-day operations of NEW's solar plants to date. It is NEW's expectation that, in most states, electricity generation including solar will be an essential service meaning the plants would continue running and service personnel would be permitted to travel to site to conduct work.

The Investment Manager has a capable and experienced internal portfolio management team which has access to remotely-gathered performance data for all our operating plants. The team also works closely with the third-party operations and maintenance providers who manage the day-to-day operations of our assets and are the first line of response should there be any operational issues.



Substantial completion of the 200-megawatt (MW_{DC}) MS2 plant, located in the Imperial Valley in California was achieved on 17 January 2020. Subsequently, on 31 March 2020 the Business transitioned MS2's construction debt to longer-term debt, repaying the \$209.3 million construction loan with a \$203.4 million long-term loan. At the same time, the final tranche of funding from the Tax Equity investor was used to repay the second component of construction financing, the Tax Equity Bridge Loan.

MS2 represents the 16th operating asset in the New Energy Solar portfolio, a significant increase from four operating plants at the time of New Energy Solar's ASX-listing in December 2017. NEW's entire portfolio is now operational, with operational capacity 70% higher at 772 MW_{DC} compared to 454 MW_{DC} at the end of December 2018³.

Despite measures to contain the spread of COVID-19, the asset sale process for a part interest in two of NEW's assets, as announced in November 2019, and/or the sale of up to a 50% interest in NEW's US and/or Australian portfolio holding companies is progressing. There is no guarantee that the process will result in a transaction, and any decision to sell assets will be dependent on it continuing to be in the best interest of securityholders and there being no material change in market conditions.

NEW's 16 operational solar power plants (the **Operating Portfolio**) generated approximately 281,000 megawatt hours (MWh)⁴ of electricity during the quarter. This is estimated to have displaced the equivalent of 180,000 tonnes of CO₂, which is comparable to removing approximately 51,000 cars from the road and powering 42,000 houses, during the quarter.

PORTFOLIO SUMMARY⁶

OREGON PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Bonanza	6.8	PacifiCorp
● Pendleton	8.4	PacifiCorp
Total	15.2	

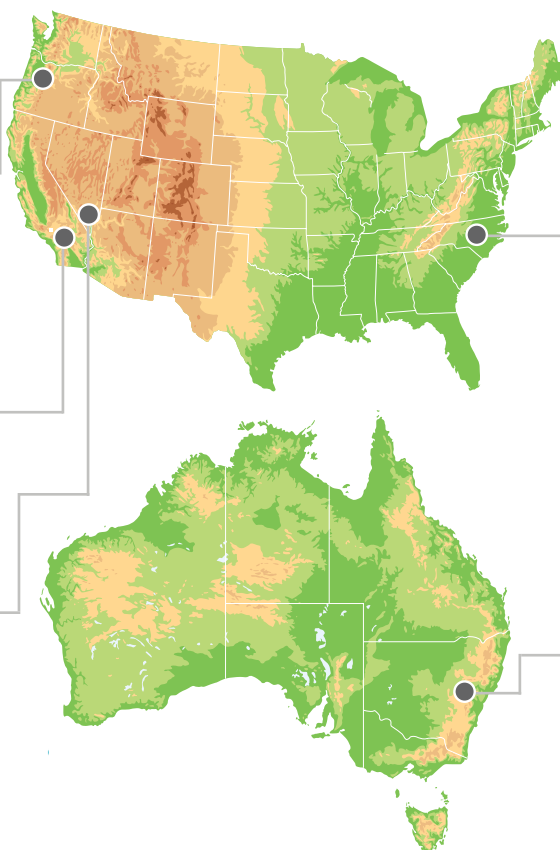
CALIFORNIA PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Stanford	67.4	Stanford University
● TID	67.4	Turlock Irrigation District
● Mount Signal 2	199.6	Southern California Edison
Total	334.4	

NEVADA PLANTS

Name	Capacity (MW _{DC})	Offtaker
● Boulder Solar 1	124.8	NV Energy

KEY
● Operational



NORTH CAROLINA PLANTS

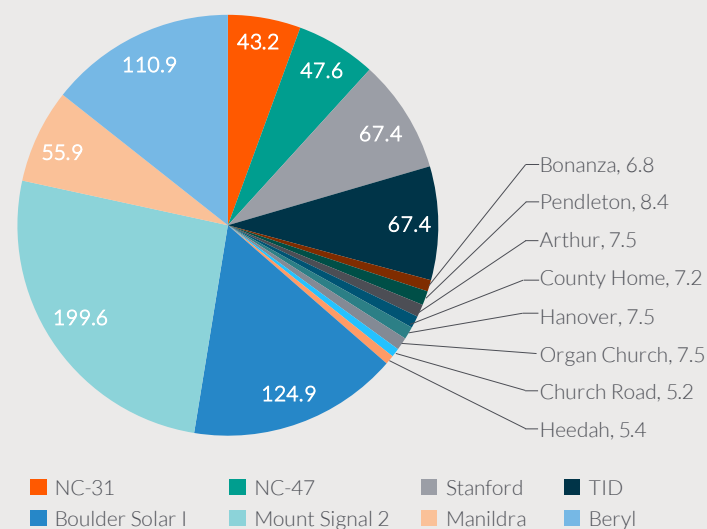
Name	Capacity (MW _{DC})	Offtaker
● NC-31	43.2	Duke Energy Progress
● NC-47	47.6	Duke Energy Progress
● Hanover	7.5	Duke Energy Progress
● Arthur	7.5	Duke Energy Progress
● Church Road	5.2	Duke Energy Progress
● Heedah	5.4	Duke Energy Progress
● Organ Church	7.5	Duke Energy Carolinas
● County Home	7.2	Duke Energy Progress
Total	131.1	

NEW SOUTH WALES PLANTS

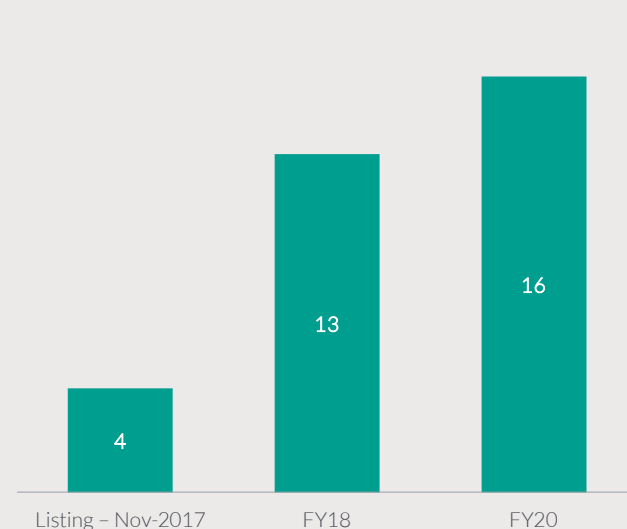
Name	Capacity (MW _{DC})	Offtaker
● Manildra	55.9	EnergyAustralia
● Beryl	110.9	Sydney Metro, and Kellogg's
Total	166.8	

NEW PORTFOLIO COMPOSITION (BY PLANT) AS AT 31 MARCH 2020

NEW Portfolio Composition (MW_{DC})⁶



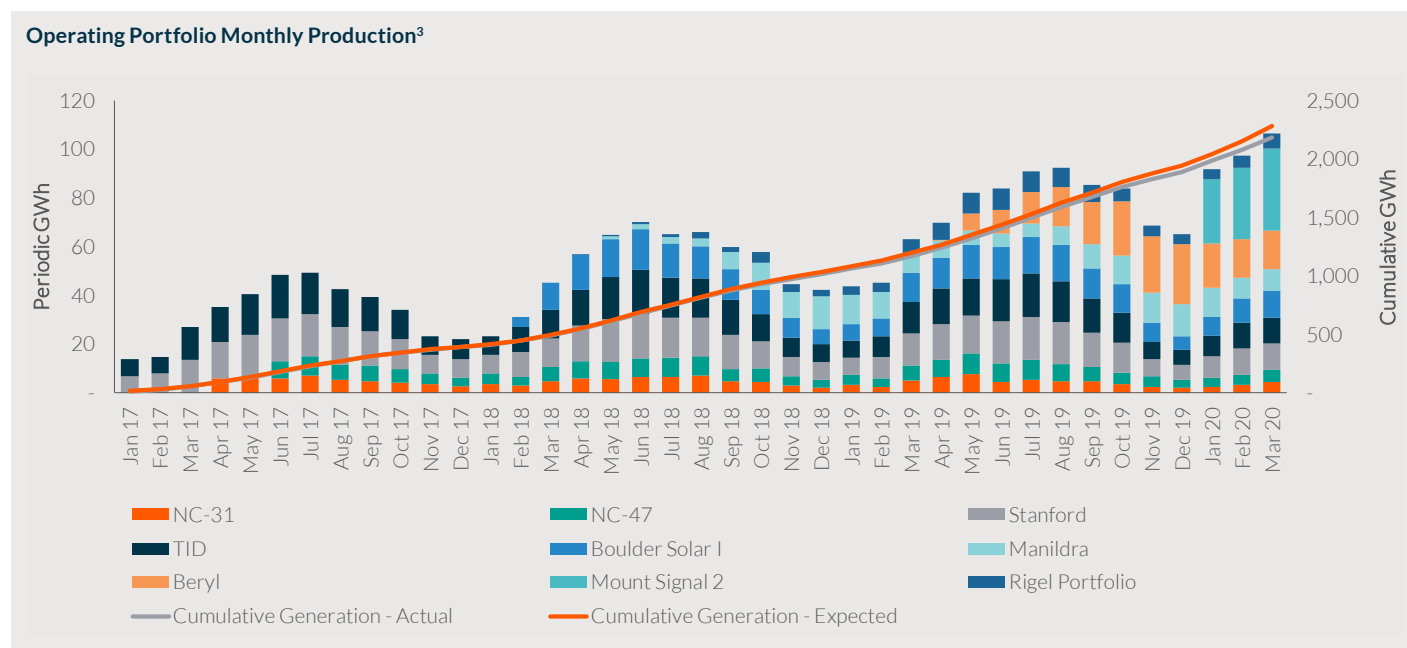
NEW Portfolio - Number of Operating Plants



PORTFOLIO UPDATE

OPERATING PLANTS⁴

NEW has interests in 16 solar power plants totalling 772 MW_{DC}⁷ of capacity as at 31 March 2020. The environmental impact of the portfolio’s production for this quarter is estimated to have displaced the equivalent of 180,000 tonnes of CO₂, which is comparable to removing approximately 51,000 cars from the road.



US PLANTS

NEW’s US portfolio generated a total of 202,000 MWh⁴ of electricity during the quarter, below the Investment Manager’s expectation for the quarter, impacted by poor weather in the US, grid work in the Imperial Valley, California and typical start-up operational issues at MS2. Pleasingly however, on a like-for-like basis, aggregated plant performance for the longer-established plants improved when compared to the corresponding period in 2019. In particular, a number of assets within the Rigel Portfolio exceeded production expectations, despite the unfavourable weather.

The initial operating period of MS2 required rectification of typical commissioning issues such as a breaker fault at a remote substation and warranty replacement of minor inverter components. Aside from these issues, the plant also experienced a number of interruptions to production resulting from curtailments imposed by regional grid operator CAISO during grid upgrades, including unscheduled repairs to improve a transmission line between the Imperial Valley and San Diego. Management believes that these initial operating and grid infrastructure issues have now been largely resolved, with some warranty replacement work continuing into the second quarter of 2020, and that production is likely to be consistent with expectations.

Repairs to storm damage at the NC-31 Solar Power Plant (NC- 31) are almost complete and weather adjusted performance improved every month for the quarter as storm-damaged modules and trackers were replaced and restored to service. Operations and Maintenance (O&M) contractors will complete commissioning and final testing of all storm repairs in Q2 2020.

Aside from the repairs at NC-31 in North Carolina, the remaining assets in the US portfolio are generating electricity for the fund with minor operational issues.

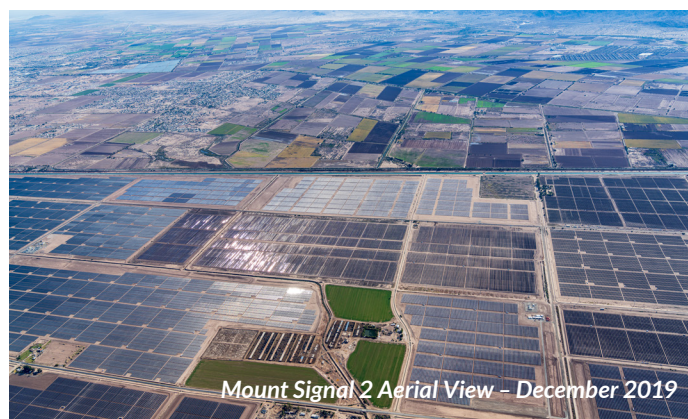
AUSTRALIAN PLANTS

During the quarter, Beryl experienced an outage which caused a disruption to the plant’s electricity generation. Component repairs associated with this outage are underway and expected to be completed in Q2 2020.

The longer-established Manildra performed well over the quarter, experiencing no major issues and contributing to NEW’s Australian portfolio generating approximately 79,000 MWh⁴ of electricity during the quarter.

FINANCIAL SUMMARY (31 DECEMBER 2019)

Stapled Security Price	\$1.025
Securities Outstanding	353.3m
Market Capitalisation	\$362.2m ⁵



ENDNOTES

- ¹ New Energy Solar Limited (ACN 609 396 983) (**Company**), and Walsh & Company Investments Limited (ACN 152 367 649, AFSL 410 433) as responsible entity of New Energy Solar Fund (ARSN 609 154 298) (**Trust**), together **New Energy Solar**, the **Business** or **NEW**.
- ² Term Conversion marks the repayment of MS2's \$209.3 million construction debt facility with a \$203.4 million long-term debt facility.
- ³ Calculated on a 100% ownership basis.
- ⁴ Production included for all solar power plants on a NEW equity interest basis.
- ⁵ Based on a \$1.025 NEW stapled security price and 353.3 million stapled securities outstanding as at 31 March 2020.
- ⁶ Total portfolio of 772 MW_{DC} includes plants that are wholly or partly owned by NEW and assumes every plant is operational for the period.
- ⁷ Accounts for plants on a 100% basis.
- ⁸ Estimates utilise the first year of each plant's electricity production once operational or acquired by the Investment Manager. Assumes all plants are owned by NEW on a 100% basis and that all plants are fully operational for the period.
- ⁹ US CO₂ emissions displacement is calculated using data from the US Environmental Protection Agency's "Avoid Emissions and generation Tool" (**AVERT**). Australian CO₂ emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.
- ¹⁰ Calculated using data from the US Environmental Protection Agency and the Australian Bureau of Statistics.

Important Notice:

This Quarterly Update (**Update**) has been prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645, CAR No. 1237667), the **Investment Manager** of New Energy Solar. An investment in the Business is subject to various risks, many of which are beyond the control of the Investment Manager and the Responsible Entity of the Fund. Past performance is not a reliable indicator of future performance. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of the Investment Manager and the Business, their officers, employees, agents, analysts nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to Australian dollars.

For further information, contact:

Fleur Jouault

Head of Investor Relations – New Energy Solar

New Energy Solar

+61 405 669 632

Authorised for release by New Energy Solar Limited and Walsh & Company Investments Limited as responsible entity of New Energy Solar Fund.