



11 November 2020

NEW ENERGY SOLAR (ASX:NEW)

INVESTOR PRESENTATION RECAPPING RECENT ANNOUNCEMENTS

New Energy Solar¹ (ASX:NEW) has today released an investor presentation about some of its recent announcements. In lieu of face-to-face investor meetings this year, investors can also access a webinar and hear Chief Executive Officer, John Martin and Chief Investment Officer, Liam Thomas discussing the presentation and providing a brief operational update.

The webinar is available on New Energy Solar's website and can also be accessed [here](#).

For further information, contact:

Fleur Jouault

Investor Relations – New Energy Solar

+61 2 8662 9757

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

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 609 396 983). For more information, visit: www.newenergysolar.com.au

¹ New Energy Solar Limited (Company) and Walsh & Company Investments Limited (as responsible entity for New Energy Solar Fund (Trust)) (RE) (together **New Energy Solar**, **NEW** or the **Business**)

New Energy Solar

Australia

Level 15, 100 Pacific Highway North Sydney NSW 2060

T 1300 454 801 **F** 1300 883 159

E info@newenergysolar.com.au **W** www.newenergysolar.com.au

United States

One Liberty Plaza, 3rd Floor, New York NY 10006

T 646 860 9900



New Energy
Solar

Update – November 2020

Disclaimer



This presentation is prepared by New Energy Solar Manager Pty Limited (ACN 609 166 645) (**Investment Manager**), a corporate authorised representative (CAR No. 1237667) of Walsh & Company Asset Management Pty Limited (ACN 159 902 708, AFSL 450 257), and investment manager for New Energy Solar Fund (ARSN 609 154 298) (**Trust**), and New Energy Solar Limited (ACN 609 396 983) (**Company**). The Trust and the Company (together with their controlled entities) are referred to as the '**Business**', '**NEW**' or '**New Energy Solar**'.

This presentation may contain general advice. Any general advice provided has been prepared without taking into account your objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice with regard to your objectives, financial situation and needs. Past performance is not a reliable indicator of future performance.

This presentation may contain statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. The Investment Manager and its advisers (including all of their respective directors, consultants and/or employees, related bodies corporate and the directors, shareholders, managers, employees or agents of any of them) (**Parties**) do not make any representation as to the accuracy or likelihood of fulfilment of the forward-looking statements or any of the assumptions upon which they are based. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward looking statements and the Parties assume no obligation to update that information.

The Parties give no warranty, representation or guarantee as to the accuracy or completeness or reliability of the information contained in this document. The Parties do not accept, except to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained in this presentation.



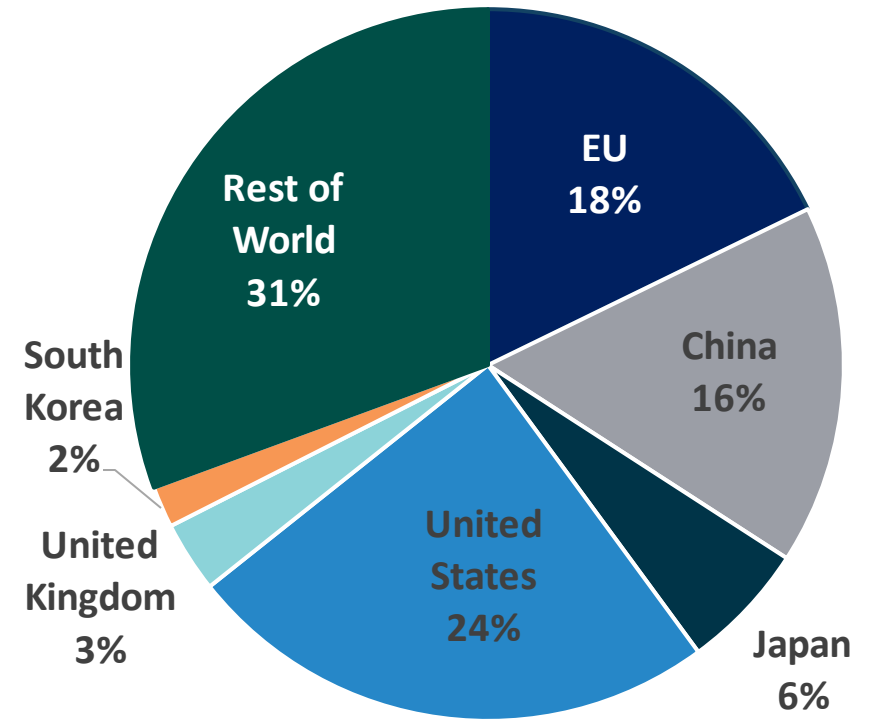
Momentum of energy transition increasing



IEA says global policy support represents “profoundly important development”¹

Country/Region	Commitment Summary
European Union	Net zero greenhouse gas emissions by 2050
UK	Net zero carbon emissions by 2050
China	Carbon neutrality by 2060
Japan	Net zero carbon emissions by 2050
South Korea	Carbon neutrality by 2050
United States (Democrat platform)	Zero carbon emissions from electricity grid by 2050

Contribution to 2019 Global GDP²



Notes: 1. International Energy Agency World Energy Outlook 2020 2. World Bank data GDP (current US\$)

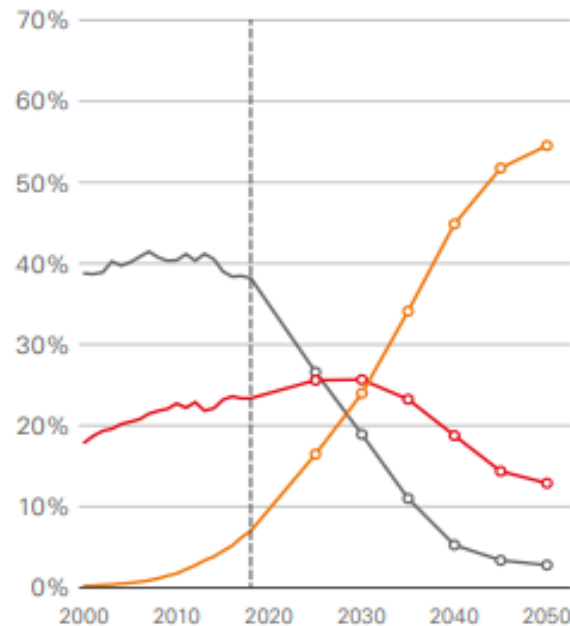
BP modelling¹ shows future electricity mix will rely on renewables



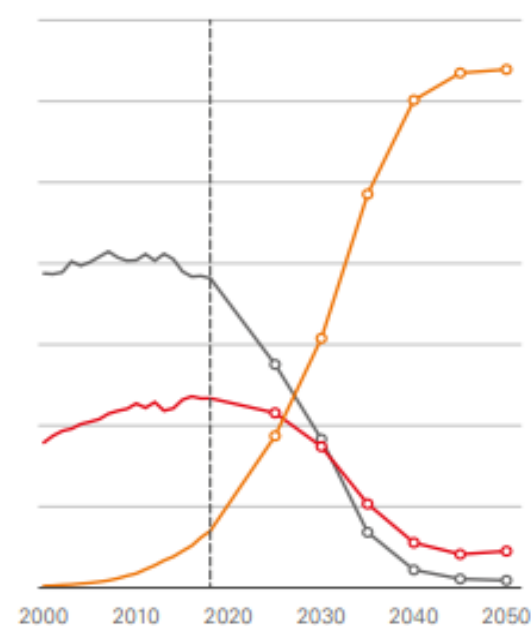
All BP scenarios show renewables as primary generation source with wind and solar accounting for over 60% of global power generation by 2040 in net-zero scenario

Share of global power generation by energy source

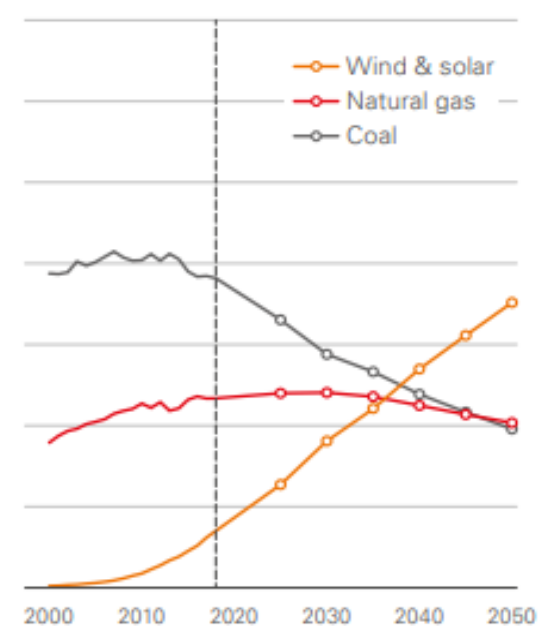
Rapid



Net Zero



Business-as-usual



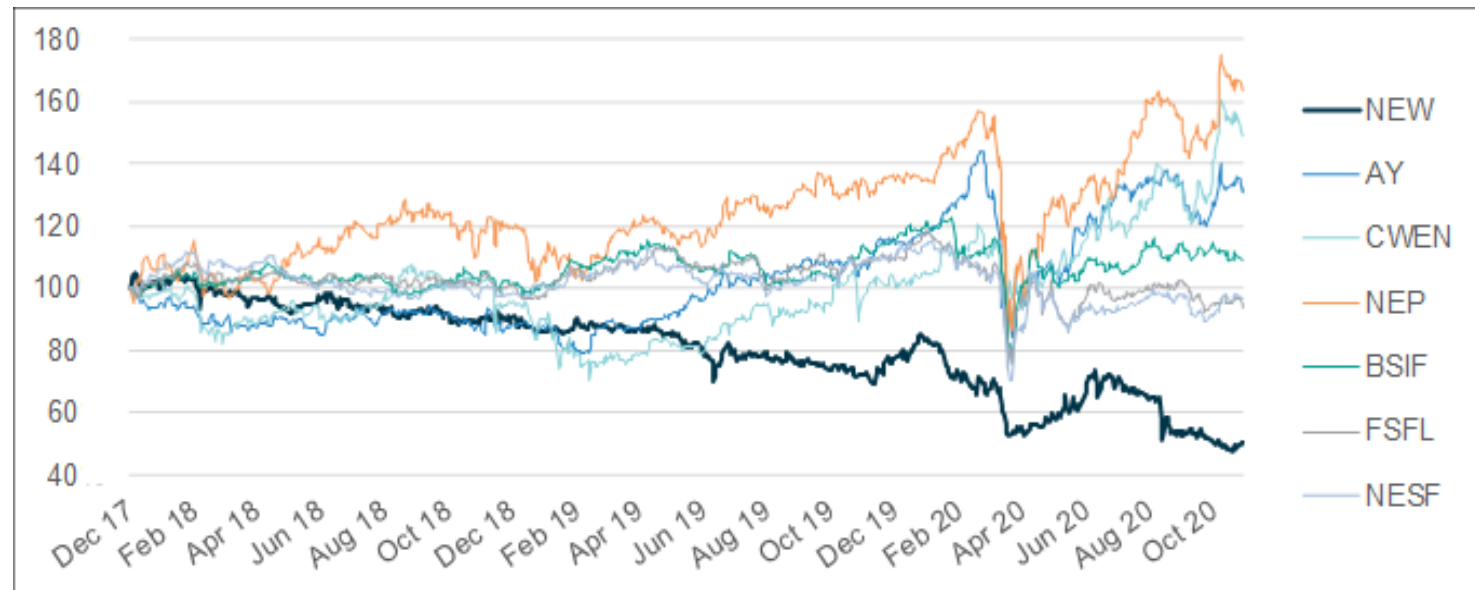
Notes: 1. Extracted from BP Statistical Review of World Energy 2020 69th edition

NEW trading is inconsistent with sector



Value of high-quality portfolio constructed on time and on budget not recognised

NEW has underperformed UK and US comparables¹



Notes: 1. Chart data from Bloomberg L.P. Historical performance is not an indicator of likely future performance.



Strategic review to address discount to asset value



Priority is delivering value for investors and improving trading performance

- Initial phase Strategic Review recommendation - sale of non-core and Australian assets to:
 - provide opportunity for longstanding investors to realise value; and
 - develop a simpler investment proposition for global energy investors
- Initiatives developed to reduce complexity and address lack of broad investor support for NEW attributable to factors including:
 - composition of NEW's security register and low levels of trading activity
 - scale of operations, market capitalisation and modest following by market analysts
 - inability of small-cap listed renewable companies to gain traction on the ASX
 - nature and complexity of the corporate structure and reporting
 - levels of gearing
 - location of assets in two very distinct markets



The path forward



Consolidating business with singular focus and scale in US

- Consolidating and improving performance of 14 US assets offers pure exposure to strong growth US market
- Australian assets are very saleable:
 - high quality assets with strong performance history
 - offtake is contracted under power purchase agreements with average term of 12 years¹
 - offtakers are NSW Government, EnergyAustralia and Kellogg's Australia
 - favourable grid access locations – in and near NSW renewable energy zones
 - low levels of renewable asset development in Australia heighten interest in established assets
- Proceeds from sale available for capital management and improving value for investors





Targeted timetable for re-shaping NEW

Clear program to improve value for investors

PRE-CHRISTMAS 2020

1. USF stake sold
2. Marketing of Australian assets
3. Finalising MS2 process

EARLY 2021

1. Indicative bids for Australian assets
2. MS2 proceeds received

JUNE 2021

1. Completion of Australian asset sales
2. Implementation of capital management





Implementation : non-core asset sales

Strategic review initiatives are underway

- USF shares (15 million) sold in block trade with 7.6 million shares of the unrestricted holding of Walsh & Company Investments Limited, representing 11% of USF issued capital
- Australian solar power plant sale process underway with RBC and NEW compiling material for due diligence
- Market activity for established renewable assets in Australia is encouraging:
 - private market sale of John Laing wind asset investments to First Sentier Investors for \$285 million¹
 - private market sale of 75% stake in Engie/Mitsui renewable energy trust to Infrastructure Capital Group for ~\$400 million²
 - takeover of ASX-listed Infigen by Spanish group Iberdrola³
 - takeover of ASX-listed Windlab by Federation Asset Management⁴
 - 85.6% of ASX-listed Tilt Renewables acquired by Infratil Limited and Mercury NZ Limited⁵

Note: 1. "First Sentier secures John Laing windfarms", AFR October 19, 2020, 2. "Engie, Mitsui sell 75% of renewable energy trust to Infrastructure Capital Group" Reuters October 13, 2020, 3. "Iberdrola locks in approved takeover offer for Infigen" pv-magazine-Australia July 24, 2020, 4. "Windlab in \$75m private equity takeover bid" AFR January 20, 2020, 5. Tilt Renewables Annual Report 2020



Optimising performance of US portfolio

Indications of improved second half 2020 performance

- 13 assets performing closer to weather-adjusted expectations in 2020 second half
- MS2 inverter and performance issues
 - inverters replaced and performing as expected
 - panel washing to address California fire smoke and ash deposits impeding performance
- Stanford and TID fire damage at Rosamond California
 - grass fire spread on to site and damage resulted in generation being reduced by approximately 32%
 - plants have business continuity and property damage policies
 - sites have been stabilised and negotiations with insurers commenced immediately
 - initial payment from insurers has been received, negotiations on repair schedule ongoing
 - subject to availability of replacement solar panels and components, repairs are anticipated to take up to nine months





Thank you