

# Renewable energy. Sustainable investments.

**New Energy Solar<sup>1</sup> (ASX: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 aims to achieve attractive risk-adjusted financial returns for investors, and a positive social impact. In 2021, NEW sold its two Australian plants and completed the sale of 25% of Mt Signal 2 in California. NEW's portfolio is now located entirely in the US.

## MARKET SUMMARY (30 SEPTEMBER 2021)

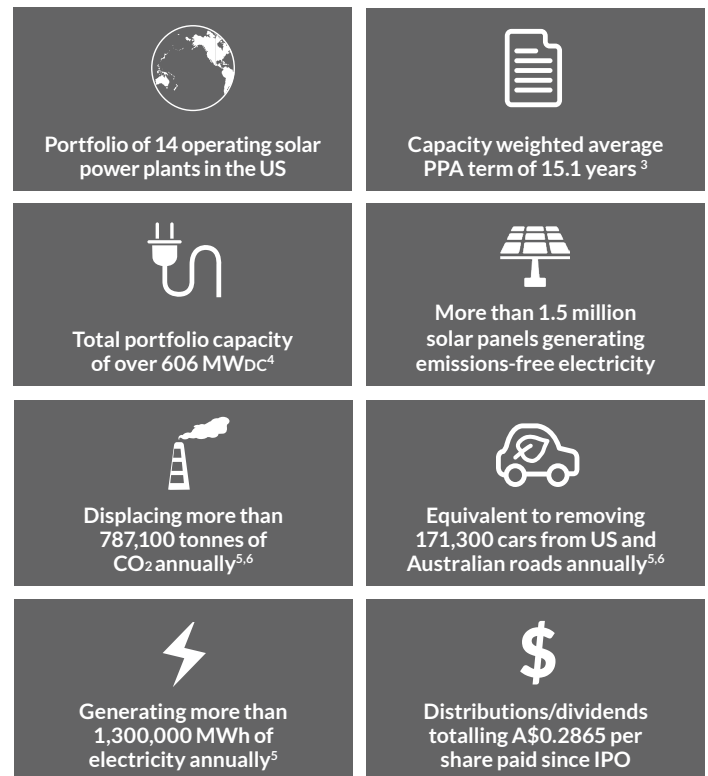
Stapled Security Price	A\$0.80
Securities Outstanding	357.4m
Market Capitalisation	A\$285.9m <sup>2</sup>

To learn more about New Energy Solar, please visit [www.newenergysolar.com.au](http://www.newenergysolar.com.au).

## Summary

Highlights during the quarter include:

- **Off-market buy-back program completed:** Following completion of the Australian asset sales on 30 July 2021, NEW conducted an off-market buyback from 20 September to 22 October 2021 buying back 35.5 million shares at \$0.91 per share.
- **First half dividend announced:** A dividend of three cents per security was paid on 26 August 2021.
- **Remediation of Rosamond plants:** Site restoration and powering up of progressive sections continues with the sites operating at 98% capacity at the end of October and expected to be at full capacity during November.
- **Portfolio performance:** Generation was 11.1% below weather-adjusted expectations, however due to business interruption proceeds and curtailment reimbursement, revenue was 8% below weather-adjusted expectations.



### AUSTRALIAN ASSET SALE

NEW completed the sale of its Australian assets, Beryl (110.9MW<sub>DC</sub>) and Manildra (55.9MW<sub>DC</sub>), on 30 July 2021. Following completion, NEW paid down corporate debt and set aside approximately \$44 million to be returned to shareholders via an off-market and on-market share buy-back.

### OFF-MARKET SHARE BUY-BACK<sup>7</sup>

A Share Buy-Back Booklet setting out how to participate in the off-market buy-back (**Buy-Back**) was dispatched to all investors on 20 September 2021. The Buy-Back was open to tenders from 20 September to 22 October 2021 with the results announced on 25 October.

The Buy-Back resulted in the acquisition of 35.5 million shares at the Final Price of \$0.91 per share. The Final Price was determined by applying the Final Share Buy-Back Adjustment Percentage of 17% to the Reference Price of \$1.10.

Due to strong demand for the Buy-Back, a 17.5% scale back of successful tender offers was required. The scale back was designed to minimise disadvantaging smaller Eligible Shareholders by ensuring that Eligible Shareholders who would be left holding 500 or fewer Shares would have all of their Shares bought back in full.

In accordance with the process outlined in the Share Buy-Back Booklet and subject to exclusions due to any Minimum Price conditions, Eligible Shareholders who tendered their Shares at a Share Buy-Back Discount equal to or larger than 17%, or as a Final Price Tender, had Shares bought back.

Shares tendered at Share Buy-Back Discounts of 5-15% and tenders conditional upon a Minimum Price above the Final Price were not bought back. Shares that were tendered but not bought back were available for trading by the relevant Shareholders on 26 October 2021.

Following the Buy-Back, NEW's issued capital was reduced from 357.4 million shares to 321.9 million shares with the issued capital bought back comprising 9.9% of the capital base prior to the Buy-Back.

**PROGRESS ON RESTORATION OF ROSAMOND PLANTS**

Following damage from a fire in June 2020, which damaged approximately 32% of the site, as at the end of October, the Rosamond Plants had reached 98% capacity. NEW expects the final 2% to be restored during November, however testing will continue for some time to ensure any fire damage is appropriately remedied. The insurers continue to make payments for the restoration works and additional testing of the site continues. The restoration team has accumulated almost 60,000 onsite hours with a peak head count of over 50 workers, installing over 50,000 modules.



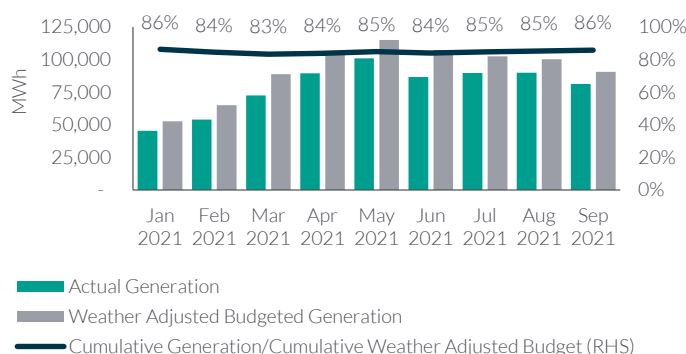
**PORTFOLIO PERFORMANCE**

Following the sale of the Australian assets, performance data is provided for NEW's 14 solar power plants, all located in the United States.

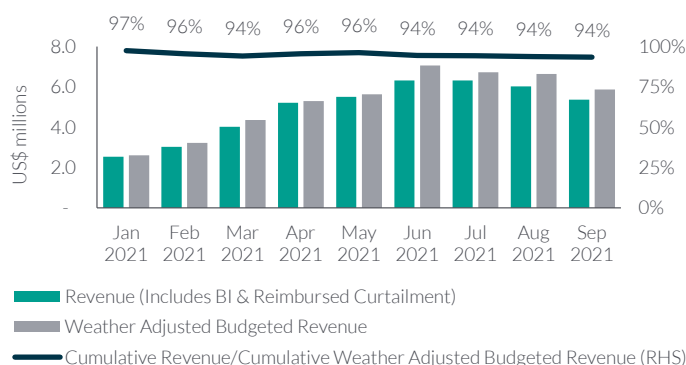
The plants performed 11.1% below weather-adjusted expectations in the three months to 30 September 2021 as a result of the ongoing remediation at the Rosamond plants, curtailment at MS2, and inverter issues at NC-31 and NC-47. Business interruption insurance payments for part of the quarter at the Rosamond plants and compensation for the curtailment at MS2 partially reduced the revenue impact, however revenues for the quarter were still 8% below weather-adjusted expectations.

The inverter outages experienced at NC-31 and NC-47 are currently being investigated with repairs expected to be complete in November 2021.

**US Portfolio Generation Performance**



**US Portfolio Revenue Performance**



**FIRST HALF DIVIDEND**

A dividend of 3 cents per share was paid on 26 August 2021. The dividend reinvestment plan did not operate for this dividend.

**COVID-19**

NEW's portfolio continues to operate with limited COVID-19 disruptions. The Investment Manager is monitoring potential COVID-19 impacts on the Business, such as changes to debt and equity markets, insurance markets and electricity prices. The Investment Management team in Sydney is able to return to the office, subject to vaccination and social distancing requirements, following the lifting of lockdown measures to contain the spread of the delta variant in Sydney. In New York, the team is also able to return to the office, subject to vaccination requirements. Continuation of pre-COVID-19 office and work conventions will remain dependent on official guidelines.

## PORTFOLIO SUMMARY<sup>4</sup>

OREGON PLANTS		
Name	Capacity (MW <sub>DC</sub> )	Offtaker
Bonanza	6.8	PacifiCorp
Pendleton	8.4	PacifiCorp
<b>Total</b>	<b>15.2</b>	

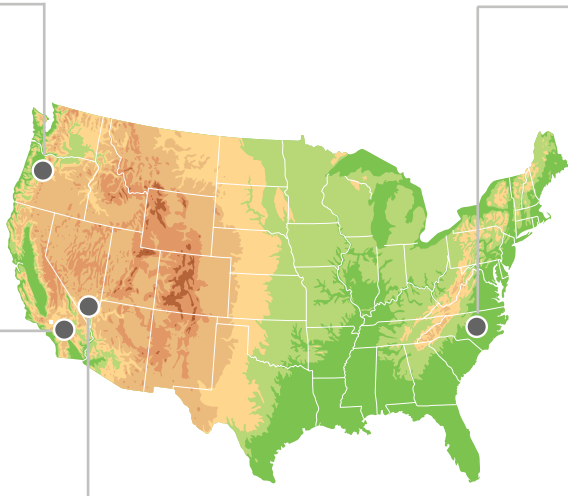
CALIFORNIA PLANTS		
Name	Capacity (MW <sub>DC</sub> )	Offtaker
Stanford	67.4	Stanford University
TID	67.4	Turlock Irrigation District
Mount Signal 2	199.6	Southern California Edison
<b>Total</b>	<b>334.4</b>	

NEVADA PLANTS		
Name	Capacity (MW <sub>DC</sub> )	Offtaker
Boulder Solar 1	124.8	NV Energy

NORTH CAROLINA PLANTS		
Name	Capacity (MW <sub>DC</sub> )	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
Heedeh	5.4	Duke Energy Progress
Organ Church	7.5	Duke Energy Carolinas
County Home	7.2	Duke Energy Progress
<b>Total</b>	<b>131.1</b>	



## ENDNOTES

- <sup>1</sup> New Energy Solar Limited (ACN 609 396 983), **New Energy Solar**, the **Business** or **NEW**.
- <sup>2</sup> Based on a \$0.80 NEW stapled security price and 357.4 million stapled securities outstanding as at 30 September 2021.
- <sup>3</sup> Capacity-weighted average PPA term remaining as at 30 September 2021.
- <sup>4</sup> Total portfolio of 606 MW<sub>DC</sub> includes plants that are wholly or partly owned by NEW.
- <sup>5</sup> Estimates use 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.
- <sup>6</sup> US CO<sub>2</sub> emissions displacement is calculated using data from the US Environmental Protection Agency's "AVoided Emissions and geneRation Tool" (**AVERT**). Australian CO<sub>2</sub> emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.
- <sup>7</sup> Capitalised terms used in this description of NEW's recently undertaken off-market share buy-back have the meanings given to them in the Share Buy-Back Booklet published on 20 September 2021.

## 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. 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  
Ph: +61 405 669 632

*Authorised for release by New Energy Solar Limited.*