

NEW ENERGY SOLAR (ASX: NEW)

EXCHANGE RATE AND HEDGING COSTS FOR U.S. ASSET SALE PROCEEDS

New Energy Solar (ASX:NEW) advises that US\$217 million of the proceeds from the sale of its U.S. assets were converted into A\$325.8 million at an exchange rate of 0.66602 AUD/USD (the **Converted Proceeds**). Prior to conversion, US\$21.3 million was used to repay NEW's corporate debt facility, approximately US\$2.5 million will remain in escrow to allow for working capital adjustments for up to 180 days after closing, and NEW has retained approximately US\$14 million in the U.S. to meet the estimated future U.S. tax liability resulting from the sale along with other minor ongoing costs.

The Converted Proceeds are approximately A\$13.6 million more than anticipated at the time of announcement of the sale when the prevailing exchange rate was 0.6950 AUD/USD¹. The net cost of the hedging arrangements implemented by NEW² to protect the proceeds against adverse currency movements was approximately A\$0.1 million³.

Payment of the A\$0.82 per Share Capital Return⁴ is scheduled to occur on or around 1 December 2022. The amount available for subsequent return or returns of capital is expected to be approximately A\$0.205 per Share (**Potential Future Capital Return(s)**). Combined with the \$0.82 per Share Capital Return, the total amount expected to be returned to Shareholders is expected to be approximately \$1.025 per Share. This estimate is approximately 4.5 – 8% more than the previously estimated range of \$0.95 - \$0.98 per Share, reflecting the favourable AUD/USD outcome and a better-than-expected working capital outcome for Q3 2022.

It is important to note that Potential Future Capital Return(s) require Shareholder approval, the estimate of the amount available for such capital returns is based on assumptions regarding receivables and future payables, and the final amount returned to Shareholders may be more or less. The table following summarises the key classes of assets and liabilities and the calculation supporting the estimated amount available for the Potential Future Capital Return(s).

¹ Based on the conversion of US\$217 million at 0.6950 compared with the conversion of US\$217 million at 0.66602.

² See ASX announcement on 29 August 2022.

³ Comprising option premiums of approximately A\$4.4 million and option profits of approximately A\$4.3 million.

⁴ Capitalised terms not otherwise defined have the meanings prescribed in the Notice of Extraordinary General Meeting dated 22 August 2022.

New Energy Solar

Australia

Level 32, 1 O'Connell Street, Sydney NSW 2000

T 1300 454 801 F 1300 883 159

E info@newenergysolar.com.au W nes.com.au

United States

276 Fifth Avenue, Suite 805, New York NY 10001

T 646 860 9900

	A\$m ⁵	A\$ per Share
Assets		
Cash prior to Closing (ex-Converted Proceeds)	5.1	0.016
Net Proceeds retained in U.S.	21.2	0.066
Converted Proceeds	325.8	1.016
Escrow Amount	3.8	0.012
Australian asset sale receivable	7.9	0.025
Total Assets (A)	363.7	1.135
Current and Estimated Future Liabilities		
Capital Return (\$0.82/Share)	262.9	0.820
Disposal fee	10.6	0.033
Other transaction fees outstanding	0.9	0.003
U.S. tax liability ⁶	19.9	0.062
Payable and future IM fees	1.7	0.005
Professional services and consultants	1.0	0.003
Wind-up costs	1.0	0.003
Total Current and Estimated Future Liabilities (B)	297.9	0.929
Potential Future Capital Return(s) (A-B)	65.8	0.205

As described in the Notice of Extraordinary General Meeting dated 22 August 2022, following the Capital Return, the Company intends to submit a de-listing application to the ASX and, if approved by the ASX, will seek approval from Shareholders at a future Extraordinary General Meeting to remove the Company from the Official List of the ASX. Further details of the Proposed De-Listing and Potential Future Capital Return(s) will be announced in due course.

For more information, please contact info@newenergysolar.com.au

Authorised for release by the Board of New Energy Solar Limited.

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 provide investors with exposure to the global shift to renewable energy. The Business successfully acquired a portfolio of large-scale solar power plants with long term contracted power purchase agreements in the U.S. and Australia. The entire portfolio has now been sold and capital is being returned to shareholders.

New Energy Solar's shares trade on the Australian Securities Exchange under the ticker, NEW.

⁵ USD assets and liabilities converted to AUD at AUD/USD=0.66602. Totals may not sum due to rounding.

⁶ Based on the upper end of the US\$9 – 13 million range set out in the Notice of Extraordinary General Meeting dated 22 August 2022.

