

# Renewable energy. Sustainable investments.

**New Energy Solar<sup>1</sup> (NEW or 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 risk-adjusted financial returns for investors, and a positive social impact. NEW's portfolio is located entirely in the US.

## MARKET SUMMARY (30 SEPTEMBER 2022)

Security Price	\$0.96
Securities Outstanding	320.6m
Market Capitalisation	\$307.8m <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:

- **Portfolio performance:** Generation was below budget expectations by 6.2% and revenue was below budget expectations by 5.2% for the quarter to 30 September 2022. Weather accounted for the bulk of the production and revenue deficit.
- **Remediation of Rosamond plants:** Remediation is complete. MN8, the acquirer of the Rosamond plants, will finalise negotiations with insurers.
- **Capital return:** On 29 July 2022 shareholders approved the payment of approximately 3.5 cents per share as a capital return paid from the proceeds of the sale of the second 25% tranche of Mount Signal 2 (MS2).
- **Business update:** On 22 August 2022, NEW announced that agreement had been reached on the sale of NEW's U.S. asset portfolio to MN8 Energy, formerly known as Goldman Sachs Renewable Power LLC., (**Proposed Transaction**) for a gross purchase price of US\$244.5 million. NEW's economic ownership of the assets ended on 30 September 2022.



## PORTFOLIO PERFORMANCE

Performance data is provided for NEW's 14 solar power plants, all located in the United States.

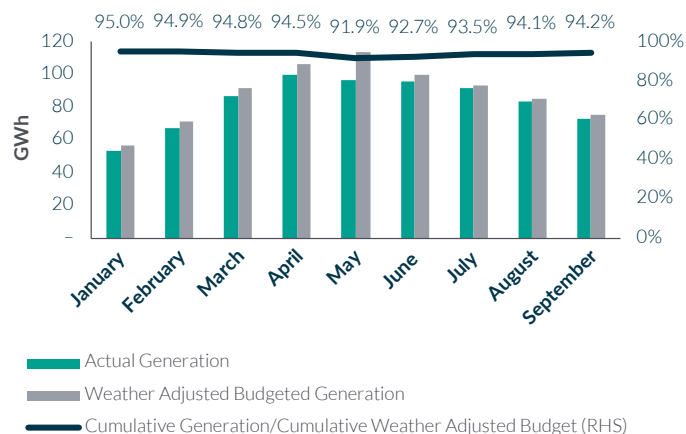
Poor weather was the largest driver of below-budget performance this quarter; with production 6.2% below budget and revenue 5.2% below budget. When measuring actual performance against weather-adjusted expectations production was 2.4% below and revenue 1.4% below these expectations for the quarter; the strongest weather-adjusted quarterly performance since Q3 2018.

For the calendar year to date, production for the nine months to 30 September 2022 is 3.6% below budget and revenue is 4.0% below budget (on a non-weather-adjusted basis). Performance for the year to date against weather-adjusted expectations for production is 5.8% below expectations and revenue is 5.6% below these expectations for the year.

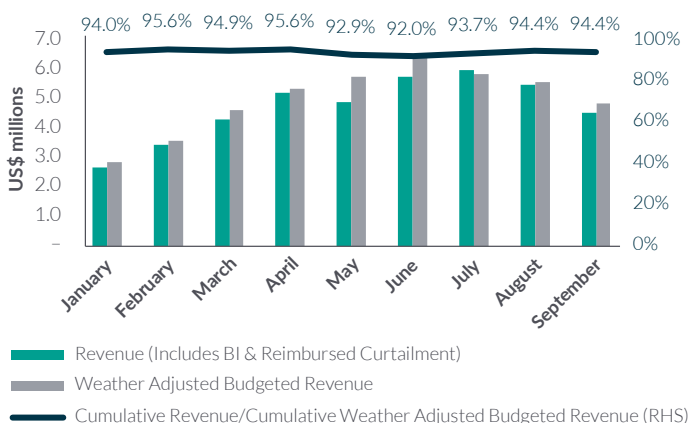
Across the west of the U.S, above average annual precipitation was observed this quarter which, at MS2, reduced soiling losses markedly. Economic curtailment by Southern California Edison impacted production and revenue this quarter, although curtailment was approximately 90% less than the level of curtailment experienced in Q2, and more than half of the curtailment experienced at MS2 was reimbursed.

Minor issues across the portfolio involving inverters, modules and trackers resulted in small production losses. Monitoring of the plant output and close collaboration with the O&M contractors has ensured repairs are underway and plant capacity is being restored expediently. It is important to note that, consistent with the commercial terms of the sale to MN8 Energy, NEW's exposure to plant performance ended on 30 September 2022.

**Portfolio Generation Performance**



**Portfolio Revenue Performance**



Rosamond, California

**CAPITAL RETURN FROM MS2 TRANCHE TWO PROCEEDS**

A capital return to shareholders funded by the proceeds from the sale of the second tranche of MS2 was approved by shareholders at an EGM on 29 July and the approximately 3.5 cent per share return was paid to shareholders on 19 August 2022.

**U.S. ASSET SALE UPDATE**

As a result of the sale process announced at the end of February 2022, NEW announced on 22 August 2022 that it had entered into the Proposed Transaction for the sale of its U.S. asset portfolio. At the time of announcement, NEW expected that its shareholders would receive:

- An initial return of capital of \$A0.82 per share, expected to be paid approximately six Business Days after completion of the Proposed Transaction; and
- A further return or returns of capital estimated to total between A\$0.13 and A\$0.16 (based on an AUD/USD range of 0.69 to 0.72) per share on winding up of NEW, expected to take place prior to the end of 2023.

Completion of the Proposed Transaction was subject to a number of conditions set out in the transaction documents including NEW shareholder approval, customary financier and offtaker consents, and customary U.S. regulatory approvals.

The Proposed Transaction and payment of the initial return of capital was approved by NEW shareholders on 26 September 2022. Thereafter, the necessary regulatory, financier and offtaker approvals were obtained and completion of the Proposed Transaction was announced on 21 November 2022.

Following completion, the initial capital return is scheduled to take place on or about 1 December 2022.

NEW advised on 24 November 2022 its updated estimate of remaining capital to be returned to shareholders of approximately A\$0.2057 per share. Combined with the \$0.82 per share to be paid on 1 December 2022, this takes the estimated total capital return to approximately \$1.025; 4.5%-8% more than the previously advised range of \$0.95-\$0.98 per share due to a favourable AUD/USD outcome and a better-than-expected working capital outcome during Q3 2022.

Under the terms of the Proposed Transaction, NEW ceased to have any exposure to the assets from 1 October 2022 and accordingly, this quarterly asset performance update is the final update.

## 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 \$0.76 NEW stapled security price and 320.6 million stapled securities outstanding as at 30 September 2022.
- <sup>3</sup> Capacity-weighted average PPA term remaining as at 30 September 2022.
- <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> U.S. CO<sub>2</sub> emissions displacement is calculated using data from the U.S. Environmental Protection Agency's "AVoided Emissions and geneRation Tool" (**AVERT**).
- <sup>7</sup> It is important to note that: any further capital returns require NEW 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 NEW shareholders may be more or less than A\$0.205.

## 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.*