

25 January 2023

NEW ENERGY SOLAR (ASX: NEW)

CHAIRMAN'S ADDRESS EXTRAORDINARY GENERAL MEETING

Good morning shareholders and welcome to the extraordinary general meeting or EGM of New Energy Solar Limited. The notice of meeting for this EGM today was despatched to shareholders on 23 December last year. I trust you have all had time to read the notice and the attached explanatory memorandum.

The purpose of this meeting is to approve two resolutions. The explanatory memorandum detailed the rationale for the resolutions. I will firstly describe the resolutions for which approval is sought, and then recap the events from the sale of NEW's assets to provide you with the context for this meeting today.

The resolutions to be put to the meeting today are as follows:

- **Resolution one** seeks approval to pay the tranche two capital return of 13.5 Australian cents per share from the proceeds of the sale of NEW's assets. The return will occur by way of an equal reduction of share capital of 13.5 Australian cents per NEW share.

Resolution one is an ordinary resolution requiring the approval of at least 50% of votes cast on this resolution.

- **Resolution two** seeks approval from NEW shareholders to remove NEW from the official list of the ASX.

Resolution two is a special resolution requiring the approval of at least 75% of the votes cast on this resolution.

As you are aware, these resolutions today are a further step in the process that started with the sale of NEW's US assets to MN8 Energy LLC, announced on 22 August last year. The transaction entailed the transfer of NEW's ownership interests in 14 utility-scale solar plants to MN8 Energy LLC, formerly known as Goldman Sachs Renewable Power LLC. The plants were located in California, North Carolina, Nevada and Oregon, and were operated by NEW. The sale price was US\$224 million, consistent with the net asset value of the plants at the time of the transaction.

Completion of the sale was announced on 21 November 2022. Through a combination of favourable US dollar/Australian dollar currency movements; solid asset performance; and currency hedging, the proceeds in Australian dollars improved approximately A\$13.6 million to A\$325.8 million.

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

At the close of the transaction, an initial capital return of 82 Australian cents per share was announced. This amount was paid to shareholders on 1 December 2022.

It was advised, following transaction completion on 24 November 2022, that the balance of the proceeds after the first capital return would be distributed to shareholders in two further capital returns, namely tranche two and tranche three, totalling 20.5 Australian cents per NEW share.

The first resolution put to shareholders today constitutes the approval required to pay the tranche two capital return of 13.5 Australian cents per NEW share. If approval is forthcoming, the record date for the payment of the tranche two capital return is 1 February 2023 and the payment date is expected to be on or around 8 February 2023.

As the sale of NEW's assets marks the effective end of the business as a renewable energy operating business, the proceeds from the sale will also be used to finalise operations and wind up NEW. One of the more significant expenses for a public company is listing and complying with listing requirements of the Australian Securities Exchange and other regulators. As a result, the NEW Board is moving to de-list NEW from the ASX. This will contribute to preserving as much of the asset sale proceeds for shareholders as possible.

De-listing does not mean you no longer have your NEW shares or that your shares are being taken away from you. You will continue to own shares in New Energy Solar. You will continue to have an entitlement to the tranche two and tranche three distributions of capital as the business is finalised and wound up. What de-listing does mean, is that you will no longer be able to trade your shares on a regulated, publicly-accessible exchange. Share transactions undertaken off-market remain possible, although the negotiation and arrangement of any such transactions will fall largely to individual shareholders.

The expected date for de-listing, which will be confirmed with ASX in the event shareholder approval is obtained today, is 28 February 2023. This means that the last trading day for NEW shares on the ASX would be 27 February 2023. To reiterate, de-listing does not mean that you will not receive the tranche two and tranche three capital returns. These will be paid in accordance with the arrangements you have in place with the share registry.

Once NEW is de-listed, the NEW Board and Management will work to discharge all of the business' remaining liabilities, realise any outstanding assets and begin the process of winding up including paying the tranche three capital return. Many queries have been received as to why the winding-up process will take the greater part of this year. As an Australian and US based business, the regulatory and taxation finalisation is time-consuming and a process that relies on the machinations of regulatory entities across two jurisdictions. One of the primary tasks is the lodgement and finalisation of NEW's US tax filings. This is typically undertaken from April to October each year. We have commenced work with our tax advisers to expedite the process this year, but cannot promise that completion, including final assessments from the IRS of US tax payable arising from the sale, will occur more quickly.

Once the business has been wound up and the final tranche three capital return paid to shareholders, shareholders are expected to have received A\$1.02 in capital returns. The decision to sell the NEW assets was undertaken because the value of the assets was not reflected in the



share price. Since mid-2020, the share price has not traded as high as \$1.02. While some shareholders are disappointed that there was not greater support for one of the Australian market's first listed renewable energy businesses, the NEW Board has acted with the financial interests of investors as its principal focus.

Finally, it is important to note that the NEW Board unanimously recommends that shareholders vote in favour of the resolutions to approve the payment of the tranche two capital return and the de-listing of NEW from the ASX. Each director who is also a shareholder intends to vote in favour of the resolutions.

I thank you for your support for NEW during this process and will now proceed to the formal part of the meeting.

END

Authorised for release by 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 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.

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

