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20 February 2025

NextEnergy Solar Fund Limited

("NESF" or "the Company")

Unaudited Quarterly Net Asset Value & Operational Update

NextEnergy Solar Fund, a leading specialist investor in solar energy and energy storage, announces it has today published its Q3 Net Asset Value and Operational Update for the period ended 31 December 2024.

Key Highlights

Financial:

- Net Asset Value ("NAV") per Ordinary Share of **97.4p** (30 September 2024: 97.8p).
- Ordinary Shareholders' NAV of **£565.7m** (30 September 2024: £572.2m).
- Gross Asset Value of **£1,071m** (30 September 2024: £1,104m).
- Financial debt gearing (excluding Preference Shares) of **28.6%** (30 September 2024: 30.2%).
- Total gearing (including Preference Shares and total look-through debt) of **47.2%**¹ (30 September 2024: 48.2%¹).
- Weighted average cost of debt (including Preference Shares) of **4.9%** (30 September 2024: 4.9%).
- Weighted average cost of capital of **6.6%** (30 September 2024: 6.6%).
- Weighted average discount rate across the portfolio of **8.0%** (30 September 2024: 8.0%).

Dividend:

- The Board is pleased to reaffirm its full-year dividend target guidance of **8.43p** per Ordinary Share for the financial year ending 31 March 2025.
- The full-year dividend target per Ordinary Share is forecast to be covered in a range of **1.1x - 1.3x** by earnings post-debt amortisation.
- Total Ordinary Share dividends paid since IPO of **£346m**.
- As at 19 February 2025, the Company offers an attractive dividend yield of **c.12%**.

Portfolio:

- **101**² operating assets (30 September 2024: 102²).
- Total installed capacity of **934MW**² (30 September 2024: 983MW²).
- Remaining weighted asset life of **25.0 years** (30 September 2024: 25.6 years).

Share Buyback Programme:

- As at 31 December 2024, the Company had purchased **10,089,403** Ordinary Shares for a total consideration of **£7.8m** through its up to £20m Share Buyback Programme, producing a NAV uplift of **0.4p** per Ordinary Share.
- As at 19 February 2025, **12,484,767** Ordinary Shares have been purchased for a total consideration of **£9.4m** and are currently being held in the Company's treasury account.

Capital Recycling Programme:

- As at 19 February 2025, the Capital Recycling Programme has:
 - Sold three asset sales totalling **c.145MW** of capacity from the 245MW Programme.
 - Raised **£72.5m** total capital.
 - Added a total estimated Net Asset Value uplift of **2.76p** per Ordinary Share.
- The remaining **100MW** in the Programme is progressing through a competitive sales process to third-party buyers. The Company will publish further updates about Phase IV of the Programme in due course.

Capital Structure:

- As at 31 December 2024:

Debt facilities	Original size (£m)	Amount outstanding (£m)
Long-term amortising debt	£212.5m	£148.6m
Short-term revolving credit facilities	£205m	£134.4m
Total financial debt		£283.0m
Preference shares	£200m	£198.4m

Total debt	£481.4m³
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- Short-term revolving credit facilities drawn of **£134.4m** (30 September 2024: £153.4m).
- Long-term amortising debt paid down by **£60.4m** (30 September 2024: £52.4m). The remaining outstanding long-term debt of £148.6m is on track to fully amortise in line with the remaining subsidy life of the portfolio's government subsidies.
- Of the Company's total debt of **£481.4m³**:
 - **72%** remains at a fixed rate of interest (including the Preference Shares).
 - **28%** remains at a floating rate of interest via the short-term revolving credit facility.
- Total look-through debt of **£23.6m** (30 September 2024: £23.5m). This represents the total combined short and long-term debt in the Company's investment into NextPower III LP, and its two co-investments (Agenor and Santarem) on a look-through equivalent basis. This is included in the Company's total gearing ratio of 47.2%.

ESG & Sustainability:

- Published its first [Nature Strategy Report](#) in November 2024 outlining the Company's strategic plan for nature and nature targets, which includes commitments to strong nature-related governance, evidence-led action plans, use of Science-Based Targets, and ongoing transparent disclosures.
- The Company continued to maintain its Article 9 Fund classification under the EU Sustainable Finance Disclosure Regulation and EU Taxonomy Regulation.

Investment Manager Update:

- NextEnergy Group announced that it bolstered its leadership and senior management team with several key appointments and promotions. This adds significant expertise and experience to ensure its successful trajectory for NextEnergy Group's next wave of anticipated global growth across the renewables sector.
 - **Ross Grier:** Promoted to Chief Investment Officer of NextEnergy Capital.
 - **Andrew Newington:** Appointed as Senior Advisor and Chair of the Investment Committee of NextEnergy Capital.
 - **Carrie Cushing:** Appointed as Group Chief People Officer of NextEnergy Group.
 - **Armin Sandhövel:** Appointed to NextEnergy Group's Advisory Board.
 - **Zoey Carver:** Appointed as Group Chief Technology and Information Officer of NextEnergy Group.
- For more information please see the NextEnergy Group Press Release [here](#).

Management Fees:

- As part of its ongoing detailed dialogue around the future strategy of the Company, the Board is in discussion with the Company's Investment Manager on its management fee structure. A further announcement in connection with this is expected to be made after the end of the Company's financial year, 31 March 2025.

Helen Mahy, Chairwoman of NextEnergy Solar Fund Limited, commented:

"NextEnergy Solar Fund is pleased to report stable Q3 performance given the backdrop of financial markets, global politics, and adverse weather conditions. The Board and the Company's Investment Manager have an acute focus on proactively narrowing the share price discount, making good progress over the quarter by purchasing c.4.5m shares from its up to £20m Share Buyback Programme, and raising £72.5m in total capital from its Capital Recycling Programme to date."

Ross Grier, Chief Investment Officer of NextEnergy Capital said:

"NextEnergy Solar Fund continues to deliver reliable returns to shareholders through well-covered quarterly dividends derived from strong cash flows. There is a lot to be positive about looking forward, with multiple political and macroeconomic tailwinds that we expect to benefit NextEnergy Solar Fund, its shareholders, and the renewable energy sector as a whole. NextEnergy Group has also bolstered its leadership and senior management team with significant hires to help drive growth across all its platforms and directly strengthen NextEnergy Solar Fund. We continue to work hard alongside the Board to ensure the Company is in the best position possible to capitalise on the multiple opportunities ahead."

Quarterly NAV Bridge Breakdown:

	NAV p/share	NAV
At 30 September 2024	97.8p	£572.2m
Time value	2.4p	£14.0m
Project actuals	(0.7p)	(£4.1m)
Power price forecasts	0.2p	£1.4m
Changes in short-term inflation	1.2p	£7.2m
Revaluation of NextPower III LP investment	(0.5p)	(£3.1m)
Cash dividends paid	(2.5p)	(£14.6m)
Sale of Staughton	0.9p	£5.4m
Share buyback	0.2p	(£3.3m)
Capital movements (no net NAV impact)		
- New assets at cost	0.8p	£4.4m
- Repayment of revolving credit facilities using cash on hand	3.2p	£19.0m
- Cash on hand, used to fund investments	(4.0p)	(£23.4m)
Other movements in residual value	(1.6p)	(£9.4m)

At 31 December 2024	97.4p	£565.7m
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The movement in the NAV over the period was driven primarily by the following factors.

NAV Accretive:

- **Time Value:** The time value reflects the change in the valuation as a result of changing the valuation date, prior to adjusting for any outflows of the Company. The increase in value is attributable to the unwinding of the discount applied to cash flows for the period when calculating the discounted cash flow.
- **Share Buyback Programme:** Shares purchased in the period as part of the Company's Share Buyback Programme of up to £20m. The Programme used £3.3m of cash on hand to purchase 4,446,694 Ordinary Shares in the period, resulting in an increase in the NAV per Ordinary Share of 0.2p.
- **Capital Recycling Programme:** The sale of Staughton solar farm, a 50MW operating solar asset for £30.3m through Phase III of the Capital Recycling Programme.
- **Power Price Forecasts:** An increase in short-term (2025-2030) UK power price forecasts provided by third-party consultants. This is due to the upward revision of gas price forecasts driven by lower than expected temperatures over the Q3 period and the anticipated higher demand for gas in summer 2025. See power curve assumptions graph below.
- **Inflation Forecasts:** A slight increase in short-term inflation assumptions from 2026 to 2029. The Company continues to take a consistent approach to its inflation assumptions, using external third-party, independent inflation data from HM Treasury Forecasts and long-term implied rates from the Bank of England for its UK assets. For international assets, IMF forecasts are used. Long-term assumptions are aligned with market consensus including transition to CPI from 2030. See breakdown of UK inflation assumptions below.

NAV Deductive:

- **Cash Dividends Paid:** The dividends paid during the period, including both Ordinary and Preference Share dividend payments.
- **Project Actuals:** The project actuals figure was driven by generation performance, which was impacted by lower-than-expected irradiance levels over the period due to the weather, network outages and higher operating expenses. NESF reports individual generation figures twice a year in its interim and full-year results.
- **NextPower III LP Revaluation:** Movements in the fair value of the holding in NextPower III LP and the two co-investments reflecting operational and macroeconomic updates.
- **Other Residual Value Movements:** Includes changes in FX rates, fund operating expenses, capital expenditure provisions for asset health, such as repowering inverters and module replacements, and other non-material movements.

Inflation Rate (UK RPI) Assumptions

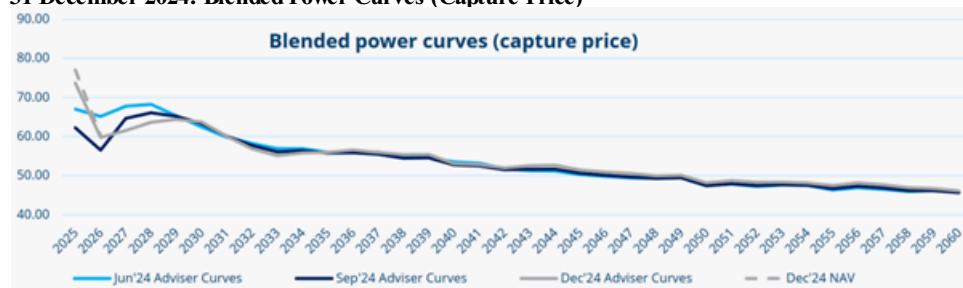
Calendar Year	31 December 2024	30 September 2024
2024/25	Published (3.60%)	3.60%
2025/26	3.40%	2.90%
2026/27	3.20%	2.80%
2027/28	3.40%	3.20%
2028/29	3.50%	3.10%
2029/30	unchanged	3.00%
2030/31 onwards	unchanged	2.25%

Discount Rate Assumptions

		31 December 2024	30 September 2024
Solar	UK unlevered	unchanged	7.50%
	UK levered	unchanged	8.20% - 8.50%
	Italy unlevered ⁴	unchanged	9.00%
	Subsidy-free (uncontracted) ⁵	unchanged	8.50%
	Life extensions ⁶	unchanged	8.50% - 9.50%
Energy Storage	Uncontracted	unchanged	10.00%
	Contracted	unchanged	7.00%

Power Curve Assumptions

31 December 2024: Blended Power Curves (Capture Price)



For the UK portfolio, the Company uses multiple sources for UK power price forecasts. Where power has been sold at a fixed price under a Power Purchase Agreement ("PPA") (a hedge), these known prices are used. For periods where no PPA hedge is in place, short-term market forward prices are used. After two years, the Company integrates a rolling

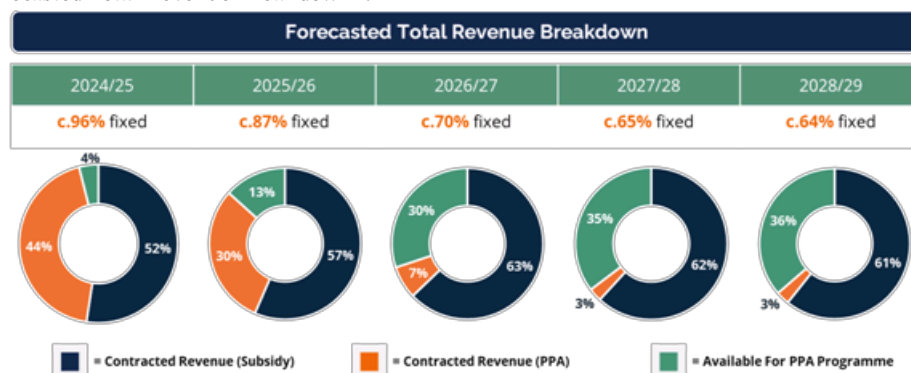
blended average of three leading independent energy market consultants' long-term central case projections.

For the Italian portfolio, PPAs are used in the forecast where these have been secured. In the absence of hedges, a leading independent energy market consultant's long-term projections are used to derive the power curve adopted in the valuation.

Power Purchase Agreement Strategy

c.50% of NextEnergy Solar Fund's revenues come from RPI-linked government-backed subsidies. The remaining c.50% of revenues are secured through NextEnergy Solar Fund's PPA strategy where the Company secures PPAs over a rolling 36-month period. This proactive risk mitigation helps secure and underpin both dividend commitments and dividend cover whilst reducing volatility and increasing the visibility of cash flows.

Forecasted Total Revenue Breakdown ⁷:



Available Capital

Out of the total £205m immediate Revolving Credit Facility available to the Company, c.£70.6m remained undrawn and available for deployment as at 31 December 2024. The Company had c.£6.7m immediate cash balance available at the Company level as at 31 December 2024 (this is separate from the cash currently held at Holdco/SPV level).

Future Pipeline

The Company owns the project rights for, or has exclusivity over, a carefully selected £500m pipeline of development projects in utility-scale solar (>400MW UK & OECD target markets) and UK energy storage (>250MW UK BESS). In addition to this proprietary £500m pipeline, the Company benefits from the right of first offer on relevant assets across both the NextEnergy Capital and Starlight development pipelines as and when projects in that pipeline have progressed to the necessary stage. The Company will evaluate future investments into the pipeline relative to the returns available from all alternative capital uses, including paying down debt and additional share buybacks.

Footnotes:

1. Includes total look-through debt of £23.6m (30 September 2024: £23.5m). This represents the total combined short and long-term debt in the Company's investment into NextPower III LP (NPIII), and its two co-investments (Agenor and Santarém) on a look-through equivalent basis.
2. On a look-through MW equivalent basis, this includes investment NPIII, where it owns 6.21%. Ownership in the international co-investments (13.6% of Santarém (210MW in Portugal) and 24.5% of Agenor (50MW in Spain)), and 70% ownership of the Company's standalone energy storage asset Camilla through its joint venture partnership.
3. Excludes total look-through debt of £23.6m.
4. Unlevered discount rate for Italian operating assets implying 1.50% country risk premium to 7.50%.
5. Unlevered discount rate for subsidy-free uncontracted operating assets implying 1.0% risk premium to 7.50%.
6. 1.0% risk premium added to UK unlevered (7.50%) and UK levered assets (8.20% - 8.50%) for cash flows after 30 years where leases have been extended.
7. As at 31 December 2024, fixed revenues include subsidy income, figures are stated to the nearest 0.1% which may lead to rounding differences. NextEnergy Solar Fund minimises its merchant exposure through its active rolling PPA Programme. The Programme locks in PPAs in the liquid market to ensure maximum contracted revenues are achieved. Pie charts exclude Camilla, 50MW standalone energy storage asset. Fixed prices (£/MWh) covered 83% (776MW) of the total portfolio as at 31 December 2024. Excludes Solis portfolio.

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Notes to Editors ¹:

About NextEnergy Solar Fund

NextEnergy Solar Fund is a specialist solar energy and energy storage investment company that is listed on the Main Market of the London Stock Exchange.

NextEnergy Solar Fund's investment objective is to provide Ordinary Shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, by investing in a diversified portfolio of utility-scale solar energy and energy storage infrastructure assets. The majority of NESF's long-term cash flows are inflation-linked via UK government subsidies.

As at 31 December 2024, the Company had an unaudited gross asset value of £1,071m. For further information please visit www.nextenergysolarfund.com

Article 9 Fund

NextEnergy Solar Fund is classified under Article 9 of the EU Sustainable Finance Disclosure Regulation and EU Taxonomy Regulation. NextEnergy Solar Fund's sustainability-related disclosures in the financial services sector are in accordance with Regulation (EU) 2019/2088 and can be accessed on the ESG section of both the NextEnergy Solar Fund and NextEnergy Capital websites.

About NextEnergy Group

NextEnergy Solar Fund is managed by NextEnergy Capital, part of the NextEnergy Group. NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector which now employs over 370 professionals. Since its inception, NextEnergy Group has been active in the development, construction, and ownership of solar assets across multiple jurisdictions. NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management), and Starlight (Asset Development).

- **NextEnergy Capital:** has over 18 years of specialist solar expertise having invested in over 530 individual solar plants across the world. NextEnergy Capital currently manages four institutional funds with a total capacity in excess of 3GW+ and has assets under management of 4.5bn. More information is available at www.nextenergycapital.com
- **WiseEnergy@:** is a leading specialist operating asset manager in the solar sector. Since its founding, WiseEnergy has provided solar asset management, monitoring and technical due diligence services to over 1,600 utility-scale solar power plants with an installed capacity in excess of 3.5GW. More information is available at www.wise-energy.com
- **Starlight:** has developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.10GW of both green and brownfield project developments across global geographies. More information is available at www.starlight-energy.com

Notes:

¹: All financial data is unaudited at 31 December 2024, being the latest date in respect of which NextEnergy Solar Fund has published financial information.

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