

27 April 2016

NextEnergy Solar Fund Limited ("NESF" or the "Company")

2015/16 Year-End Update and Move to Quarterly Dividends

Operating highlights

- Portfolio installed capacity increased 90% to 414MWp spread across 33 projects* (2015: 217MWp and 16 projects)
- Invested capital up 89% to £480.1m* (2015: £251.6m)
- Energy generation outperformance of 4.1% versus budget with irradiation 0.4% above forecasts

Financial highlights

- Total Financial debt including acquisition commitments of £216.6m (2015: no financial debt)
- Long-term fully-amortising debt of £100.4m and £116.2m of short-term facilities drawn*
- Final dividend of 3.125p per share expected to be declared in June 2016; on track for a full year dividend of 6.25p per share
- Shift to quarterly dividends; first quarterly dividend to be paid in September 2016

NESF, the specialist investment company that invests in operating solar power plants in the UK, announces an operating update following the end of its financial year on 31 March 2016 and a move to a quarterly dividend payment schedule.

The Company will now pay dividends to shareholders on a quarterly basis, starting from the first quarter of the Company's current 2016/17 financial year. The first quarterly dividend will cover the period from April to June 2016, and is expected to be declared in September 2016. The second quarterly dividend will cover the period July to September 2016, and is expected to be declared in December 2016. The subsequent quarterly dividends will follow accordingly.

For the year ended 31 March 2016, NESF expects to declare a second and final dividend of 3.125p per share in June 2016. When added to the first interim dividend of 3.125p, this represents a total yearly dividend of 6.25p per share. The Company intends to increase subsequent dividends in line with the Retail Price Index ("RPI") on a yearly basis, which amounts to 1.0% for the 2016/17 dividend.

At year-end, the Company's total portfolio amounted to 33 solar plants totalling 414MWp with an invested capital of £480.1m* (31 March 2015: 16 projects totalling c.217MWp and invested capital of £251.6m). NESF's portfolio of operating solar plants comprised 30 projects totalling 396 MWp with an invested capital of £461.2m. In addition, at year-end the Company had secured three plants via binding contracts: Ellough Phase 2 (8.0MWp, investment value £8.0m), Hall Farm (5.0MWp, investment value £5.0m) and Green Farm (5.0MWp, investment value £5.8m). Post-period end, the Company

completed the Hall Farm acquisition. In addition NESF expects to complete the Ellough Phase 2 and Green Farm acquisitions before the end of the first quarter of the current financial year.

The portfolio has generated electricity significantly above budget for the 2015/16 financial year. Total energy generated was 4.1% in excess of targets while solar irradiation recorded across the portfolio was 0.4% above forecasts (2015: 4.8% higher energy generation and 0.4% lower irradiation versus forecasts across the portfolio). The continued portfolio outperformance underlines the investment skills of the Company's Investment Advisor, NextEnergy Capital, and the asset management capabilities of NESF's long-term operating asset management service provider, WiseEnergy.

At 31 March 2016, inclusive of the commitments made for acquisitions, the Company had drawn financial debt totalling £216.6m* (2015: no financial debt). Of the total financial debt, £100.4m was long-term fully amortising debt, while the remainder of £116.2m was drawn under the Company's short-term credit facilities. NESF expects to increase its credit facilities marginally in the first quarter of the current financial year and increase the portion of long-term amortising debt in the portfolio as it refinances its short-term debt facilities.

The Company expects to publish its annual results for the year ending 31 March 2016 on or around June 27, 2016.

NESF has been informed by NextEnergy Capital Limited ("NEC"), the Investment Advisor, that NEC has started acquiring shares in the Company as per its earlier communication.

Kevin Lyon, Chairman of NESF, commented:

"NESF has made strong progress during the past year, more than doubling our portfolio of solar plants and increasing installed capacity by 90%. We continue to acquire assets below average market prices, demonstrating our team's capital deployment and investment abilities.*

"We are pleased to continue an unbroken record of operating outperformance since our IPO . Energy generation outperformed forecasts by 4.1%, an impressive result given largely stable irradiation.

"Our stable capital structure has benefitted from the availability of financial debt to the solar sector and our attractive, long-term, fully-amortising debt facilities contribute to improving financial returns and dividend cover going forward.

"We are looking forward to growing the Company further during the current year."

Notes:

* Including the Radius acquisition announced on 5 April 2016 and completed.

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Notes to Editors:

NextEnergy Solar Fund (NESF)

NESF is a specialist investment company that invests in operating solar power plants in the UK. Its objective is to secure attractive shareholder returns through RPI-linked dividends and long-term capital growth. The Company achieves this by acquiring solar power plants on agricultural, industrial and commercial sites.

NESF has raised equity proceeds of £285.4m since its initial public offering on the main market of the London Stock Exchange in April 2014. It also has credit facilities of £223.1m in place (Macquarie: £100m, MIDIS: £55.0m, Bayersische Landesbank: £45.4m and NIBC: £22.7m).

NESF is differentiated by its access to NextEnergy Capital Group (NEC Group), its Investment Manager, which has a strong track record in sourcing, acquiring and managing operating solar assets. WiseEnergy is NEC Group's specialist operating asset management division, providing solar asset management, monitoring and other services to over 1,200 utility-scale solar power plants with an installed capacity in excess of 1.5 GW.

Further information on *NESF*, *NEC Group* and *WiseEnergy* is available at www.nextenergysolarfund.com, www.nextenergycapital.com and www.wise-energy.eu.