

30 May 2017

**NextEnergy Solar Fund Limited (“NESF”, or the “Company”)**

**Related Party Transaction with WiseEnergy for the provision of accounting services**

The Board of NESF is pleased to announce the signing of an accounting services agreement (the “Agreement”) with WiseEnergy (Great Britain) Limited (“WiseEnergy”) for the provision of accounting, bookkeeping and back office services in respect of the Company’s solar assets. The Agreement is for a minimum period of 5 years. The Agreement will come into effect on or around 1 June 2017, including a transition period with the existing third party provider, who has been providing accounting, bookkeeping and back office services to the Company since July 2015.

Following a review by the Board of a number of third party providers of such services, the Board concluded that WiseEnergy would be able to provide the most extensive scope of services, with a dedicated team and tailored service, for a company owning solar assets and on a more efficient and cost effective basis than the current third party provider. The extensive scope of the WiseEnergy proposition is expected to provide an end-to-end and predictable solution for the Company in relation to its solar assets and at a cost approximately 20% below the current cost. Furthermore, the Company expects to benefit from relevant members of the WiseEnergy team being based in the UK.

Based on the size of the existing portfolio and the pipeline of acquisitions currently in execution and inclusive of any setup costs for new SPVs, the costs for the Company are expected to be approximately £650,000 in the first year and £600,000 per annum, with any increase in cost linked to RPI, over the subsequent 4 years, based on the current number of the Company’s subsidiaries.

WiseEnergy, which provides solar asset management, monitoring and other services to the Company, is under the common control of the wider NEC Group along with NextEnergy Capital Limited (Investment Adviser to NESF), NextEnergy Capital IM Limited (Investment Manager to NESF) and NextPower Development Limited (which was appointed as Developer by NESF at the time of the Company’s IPO in April 2014) and as such is a related party of the Company. Based on the amounts involved, the transaction constitutes a smaller related party transaction as set out in Listing Rule 11.1.10R.

The Board believes that the agreement will be beneficial to shareholders for the following reasons:

- Cost and transparency: a reduced and more transparent cost base for the Company.
- Control and oversight: increased control over the accounting, book keeping and back office function due to WiseEnergy’s UK location, together with a dedicated team focused on solar assets.
- Accountability: increased responsibility to ensure delivery of accurate information in a timely manner.

Kevin Lyon, Chairman commented:

“The Board believes that there is a strong commercial and operating rationale for the decision. We have conducted an extensive market research process, and the WiseEnergy proposal ensures significant cost savings compared to the current provider and provides the Company with a complete suite of services. The WiseEnergy team brings with it a wealth of experience in relation to solar assets and we are confident that this will result in increased efficiencies, bringing additional predictability and transparency to the cost base over the length of the contract together with a more dedicated level of service for the Company.”

For further information:

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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 £465m since its initial public offering on the main market of the London Stock Exchange in April 2014. It also has credit facilities of £270.2m in place (£150m from a

syndicate including MIDIS, NAB and CBA; MIDIS: £54.7m; Bayerische Landesbank: £43.8m; and NIBC: £21.7m).

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 1,250 utility-scale solar power plants with an installed capacity in excess of 1.7 GW.

Further information on NESF, NEC Group and WiseEnergy is available at [www.nextenergysolarfund.com](http://www.nextenergysolarfund.com), [www.nextenergycapital.com](http://www.nextenergycapital.com) and [www.wise-energy.eu](http://www.wise-energy.eu).