

25 November 2019

**NextEnergy Solar Fund Limited**

("NESF" or the "Company")

**Targeted Charging Review and NAV Update**

On 21 November 2019, after a year of consultation, the Office of Gas and Electricity Markets ("OFGEM") published its Targeted Charging Review ("TCR") document, detailing changes to the embedded benefits regime:

- OFGEM's partial reform does not go as far as to impose a charge, instead it reduces the variable payments that NESF receives on certain connection voltages in certain locations

If NESF takes a prudent approach and assumes no embedded benefits for the Balancing Services Use of System ("BSUoS") from April 2021 onwards, the Company's Investment Adviser ("IA"), NextEnergy Capital Limited, expects the impact on the Company's net asset value ("NAV") per ordinary share, to be in the region of -1.4p per ordinary share, in line with the estimate provided in the IA report section of the Interim Results. Assuming all else remains unchanged since 30 September 2019, the position today would be as follows:

- Ordinary shareholders' NAV of £641m (30 September 2019: £649m)
- NAV per ordinary share of 109.8p (30 September 2019: 111.2p)
- Gross asset value of £1,052m (30 September 2019: £1,060m)

NESF's dividend policy remains unchanged, with a target of 6.87p per ordinary share for the year ending 31 March 2020. Payment of the second interim dividend of 1.7175p per ordinary share will take place, as planned, on 31 December 2019.

For further information:

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Notes to Editors:

NESF is a specialist investment company that invests primarily in operating solar power plants in the UK. It is able to invest up to 15% of its Gross Asset Value in operating solar power plants in OECD countries outside the UK. The Company's 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.

As at 30 September 2019, NESF raised equity proceeds of £792m (including £200m of preference shares) since its initial public offering on the main market of the London Stock Exchange in April 2014. The Company's subsidiaries had financial debt outstanding of £211m, on a look-through basis including project level debt. Of the financial debt, £197m was long-term fully amortising debt, and £14m was drawn under a short-term credit facility.

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 and over the course of its activities has provided operating asset management, monitoring, technical due diligence and other services to over 1,300 utility-scale solar power plants with an installed capacity in excess of 1.9 GW.

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