

20 February 2020

NextEnergy Solar Fund Limited

("NESF" or "Company")

Net Asset Value Update

- Ordinary shareholders' NAV at 31 December 2019 of £620m (30 September 2019: £649m)
- Net asset value per ordinary share of 106.1p (30 September 2019: 111.2p)
- Gearing of 40% (30 September 2019: 39%)
- Second interim dividend of 1.7175p per ordinary share for the year ending 31 March 2020 (year ended 31 March 2019: 1.6625p)
- Total capacity installed of 755 MW (30 September 2019: 705 MW)
- 90 operating solar assets (30 September 2019: 89)

The Company announces its unaudited Net Asset Value ("NAV") as at 31 December 2019. The NAV per ordinary share amounted to 106.1p as at 31 December 2019, compared to 111.2p as at 30 September 2019.

The movement in NAV per ordinary share was driven primarily by the following main factors:

- a significant reduction in the medium- and long-term forecasts for power prices in the UK as provided to the Company by its two appointed market consultants (3.9p negative impact per ordinary share)
- a reduction in short-term inflation forecasts (0.8p negative impact per ordinary share)
- secured lease extensions during the period (0.5p positive impact per ordinary share)
- Ofgem's Targeted Charging Review removing elements of the embedded benefit from 2021 onwards as announced by the Company on 25 November 2019 (1.4p negative impact per ordinary share)

NESF has not changed the discount rates employed across the portfolio for valuation purposes. The Company's policy is to change tax assumptions after confirmation in budget or pre-budget statements. In the event the UK corporation tax rate were to remain at 19% over the long-term, an increase from the Government's current fiscal policy of a reduction from 19% to 17% from 2020 onwards, the estimated impact to NAV per ordinary share would be a c.0.8p reduction.

The Company's December 2019 factsheet is available on the Company's website nextenergysolarfund.com.

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 31 December 2019, NESF had raised equity proceeds of £592m and issued preference shares of £200m 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 £212m, on a look-through basis including project level debt. Of the financial debt, £193m was long-term fully amortising debt, and £19m 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, nextenergycapital.com and wise-energy.eu.