

1 August 2014

NextEnergy Solar Fund Limited

Interim Management Statement

NextEnergy Solar Fund Limited (“NESF” or the “Company”), a specialist investment fund focused on operational solar photovoltaic (“PV”) assets located in the UK, is issuing this Interim Management Statement ('IMS') in accordance with FCA Disclosure and Transparency Rule 4.3 and in respect of the period since the Company’s admission to the Main Market of the London Stock Exchange on 25 April up until 31 July 2014.

Highlights

- £85.6 million initial public offering (“IPO”) in April 2014
- Approximately 73% of IPO proceeds committed to or invested in six solar assets
- Majority of capital invested in operating assets
- All operating assets performing in line with management expectations
- NESF on track for full-year dividend payout of 5.25 pence per ordinary share
- Significant pipeline of further investments under consideration

Background to the Company

NESF was admitted to trading on the Main Market of the London Stock Exchange on 25 April 2014 and had an opening NAV of 100 pence per ordinary share. The Company targets aggregate returns to investors that equate to an unlevered net IRR of between 7 and 9% and, with effect from the financial year beginning 1 April 2015, an annual dividend of 6.25 pence per ordinary share (adjusted in direct proportion to annual variations in RPI) in each financial year. The Company expects to pay a dividend of 5.25 pence per ordinary share for its first financial year ending 31 March 2015. The Company’s investment manager is NextEnergy Capital IM Limited, part of the NextEnergy Capital Group (the “IM”).

Portfolio

Since its IPO, NESF has acquired or committed to acquire six solar PV plants located in the UK. The total investment value of these six assets amounts to c. £62.5 million, or c. 73% of IPO proceeds. The majority of investment relates to the acquisition of operating solar power plants, while the remainder comprises plants which will be acquired by NESF upon commissioning. NESF has acquired or committed to acquire a 100% interest in each of the plants. The operating plants are all performing, and construction of the assets to be acquired at commissioning is progressing, in line with expectations. The portfolio is set out in the table below.

Project Name	Status	MW	Acquisition Value (£M)
Higher Hatherleigh	Operating	6.1	7.1
Shacks Barn	Operating	6.3	8.0
Gover Farm	In Construction	9.4	10.5
Bilsham	In Construction	12.5	15.0
Brickyard	In Construction	3.8	3.9
Ellough	Operating	14.9	18.0
Total		53.0	62.5

Pipeline

The Company, in conjunction with the IM, continues to progress execution of transactions that will allow full deployment of the IPO proceeds within four months from the IPO.

In addition, the IM has identified and is undertaking the due diligence on a large set of additional opportunities for the Company. These opportunities will enable the fund to present attractive incremental growth options to its investors in due course.

Outlook

Considering NESF's success in rapidly deploying capital to date, the transactions currently under execution as well as the further opportunities identified, the Directors believe that NESF continues to offer investors an attractive investment opportunity.

The market conditions continue to be favourable for NESF due to the number of assets currently under development and/or construction by third parties. Given the proposed change to the regulatory framework regarding the abolition of renewable energy obligations ("ROCS") in April 2015, NESF has observed increased levels of activity among developers and construction agents. The increased level of activity appears to be due to these market participants seeking to commission plants before the end of the ROCS regime. In turn, an increased number of plants being commissioned by short-term asset owners will result in more opportunities for NESF to acquire operating plants in the current tax year.

Enquiries

NextEnergy Capital Limited 020 3239 9054
 Michael Bonte-Friedheim
 Aldo Beolchini

Cantor Fitzgerald Europe 020 7894 7667
 Sue Inglis

Gareth Price

Shore Capital
Bidhi Bhoma
Anita Ghanekar

020 7408 4090

MHP Communications
Rupert Trefgarne
Jamie Ricketts

020 3128 8100

Notes to Editors:

NextEnergy Solar Fund

NextEnergy Solar Fund (www.nextenergysolarfund.com) is a specialist investment fund focused on operational solar photovoltaic ("PV") assets located in the UK. The Company intends to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term and an element of capital growth through the re-investment of net cash generated in excess of the target dividend.

Further information on *NextEnergy Capital* and *WiseEnergy* is available at www.nextenergycapital.com and www.wise-energy.eu.