Generating a more sustainable future

Interim Report

for the six months ended 30 September 2023

Our Objectives

Investment Objective

To provide ordinary shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, through a diversified portfolio of solar energy infrastructure assets with the addition of complementary technologies, such as energy storage.

Strategic Objectives

Investment

Expand and strengthen the portfolio in line with the Company's Investment Policy.

Enhance growth and diversification through the introduction of energy storage and international solar assets.

Operational

Consistently achieve operational outperformance of the portfolio attributable to active asset management.

Pursue continuous improvement in the management of operating costs associated with the portfolio.

Environmental

Contribute towards a net zero sustainable future and help mitigate climate change.

Enhance local biodiversity for the surrounding areas where we operate.

Social

Contribute to energy security in the UK and other markets where we operate by increasing energy supplied to the energy market.

Continue to actively engage with and support the communities located close to our solar assets.

Governance

Act in a manner consistent with our values of integrity, fairness and transparency.

Maintain strong and constructive relationships with our shareholders and other key stakeholders.

Performance Highlights

Financial Highlights[1]

NAV per ordinary share as at 30 September 2023[1]

108.3p

(31 March 2023: 114.3p)

Ordinary shareholders' NAV as at 30 September 2023

£640.0m

(31 March 2023: £674.4m)

Financial Debt Gearing as at 30 September 2023[2]

29.8%

(31 March 2023: 28%)

Dividends per ordinary share for the period ended 30 September 2023

4.18p

(30 September 2022: 3.76p)

Cash dividend cover (pre-scrip dividends) for the period ended 30 September 2023

1.8x

(30 September 2022: 1.8x)

Total Gearing as at 30 September 2023[3]

46%

(31 March 2023: 45%)

NAV total return per ordinary share for the period ended 30 September 2023

-1.6%

(30 September 2022: 11.6%)

Ordinary shareholder total return for the period ended 30 September 2023

-13.8%

(30 September 2022: 11.0%)

Ordinary shareholder annualised total return since IPO

5.1%

(31 March 2023: 7.0%)

Operational Highlights

Total capacity installed as at 30 September 2023[5]

933MW

(31 March 2023: 889MW)

Total electricity generation for the period ended 30 September 2023

599GWh

(30 September 2022: 639GWh)

Operating solar assets as at 30 September 2023[6]

100

(31 March 2023: 99)

Generation in line with budget for the period ended 30 September 2023

0.0%

(30 September 2022: 6.1%)

ESG Highlights

Kilotonnes of CO_2e emissions avoided p.a[4]

252.5

(30 September 2022: 266.5)

Equivalent UK homes powered for the period[4]

334,200

(30 September 2022: 354,300)

1 Refer to the Alternative Performance Measures for calculation basis.

2 Financial debt gearing excludes the £200m preference shares.

3 Total gearing is the aggregate of financial debt, look through debt and £200m of preference shares. The preference shares are equivalent to non-amortising debt with repayment in shares.

4 www.greeninvestmentgroup.com/green-impact/green-investment-handbook.

5 Includes share in private equity vehicle (NextPower III). NESF's 6.21% share of NextPower III on a look through equivalent basis has an operational capacity of 33MW (31 March 2023: 24MW).

6 Not including the $50m commitment into private equity vehicle (Next Power III).

Contents

NextEnergy Solar Fund Overview

A specialist solar energy and energy storage fund listed on the London Stock Exchange as a FTSE 250 investment company

Provides shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, by investing in a diversified portfolio of utility-scale solar energy and energy storage infrastructure assets

Managed by solar specialists:
- Nextenergy Capital, Investment Adviser
- WiseEnergy, Asset Manager

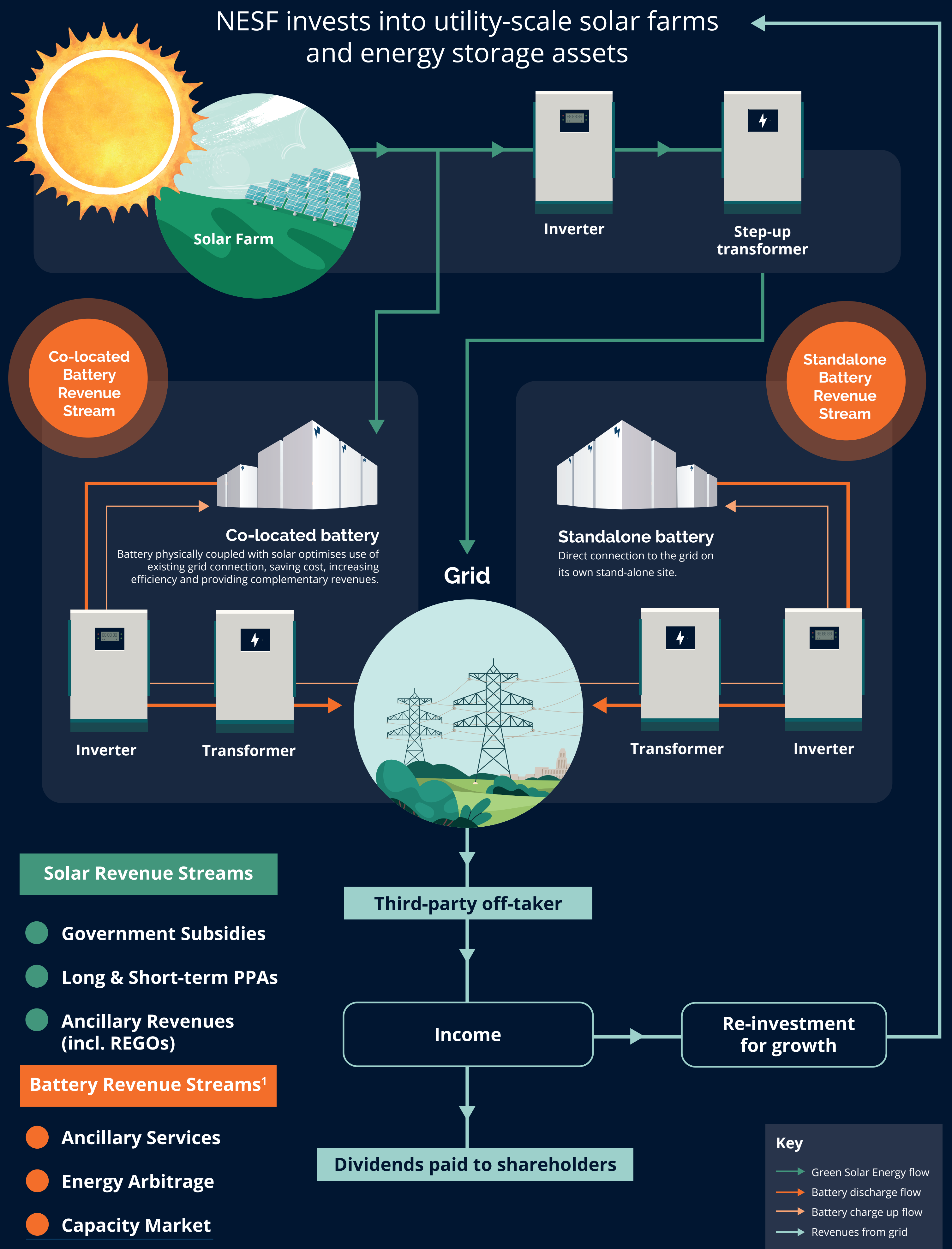
Both leading managers in the solar energy infrastructure sector

Diversified portfolio:
- 100 Operating solar assets
- 1 International private equity solar fund investment
- 2 European solar co-investments
- 2 Joint venture partnerships into UK standalone energy storage

Powering the equivalent of 334,200 UK homes (equivalent to Manchester and York) with renewable energy for the period

Cumulative asset outperformance since IPO

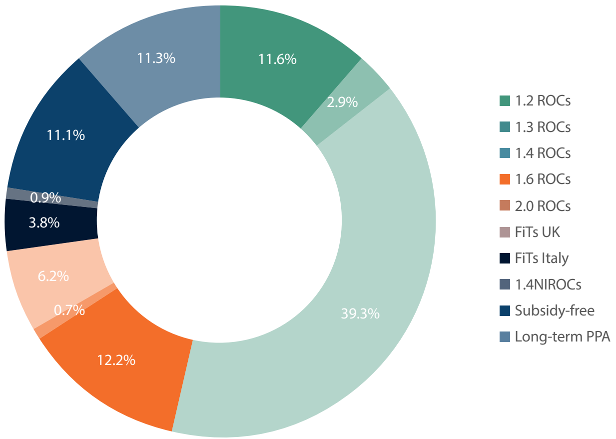
How does NEXTENERGY SOLAR FUND make its revenue?



1 Definitions can be found in the glossary on page 83

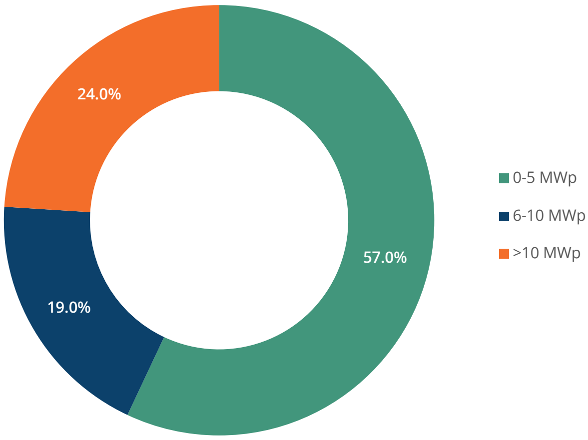
Snapshot of Our Diversified Portfolio

By Subsidy/PPA [1]



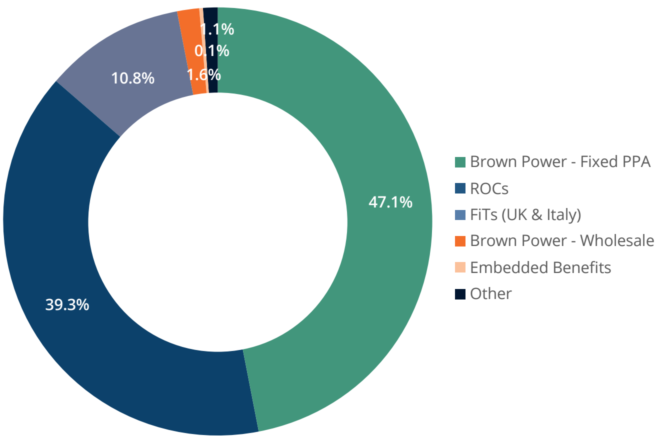
% of assets by MW capacity

By Installed Capacity [1]



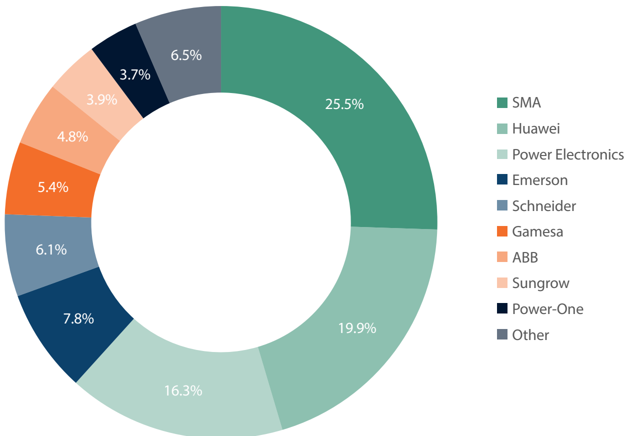
% of assets

By Revenue Type [1]



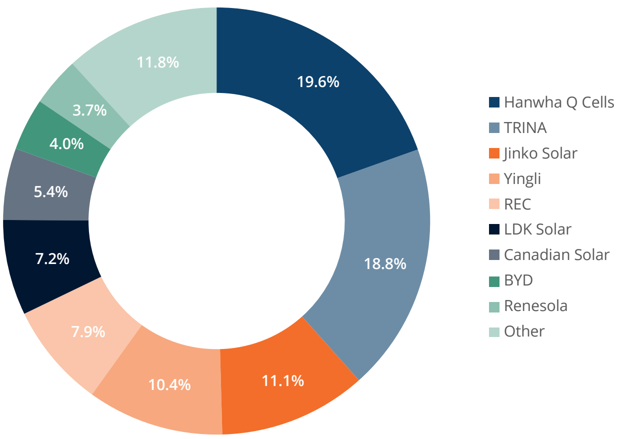
% of total revenue for the period ended 30 September 2023

By Inverter Manufacturer [1]



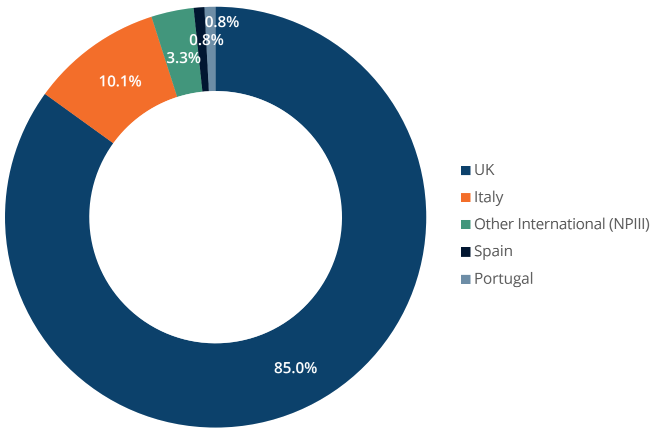
% of assets by MW capacity

By Solar Module Manufacturer [1]



% of assets by MW capacity

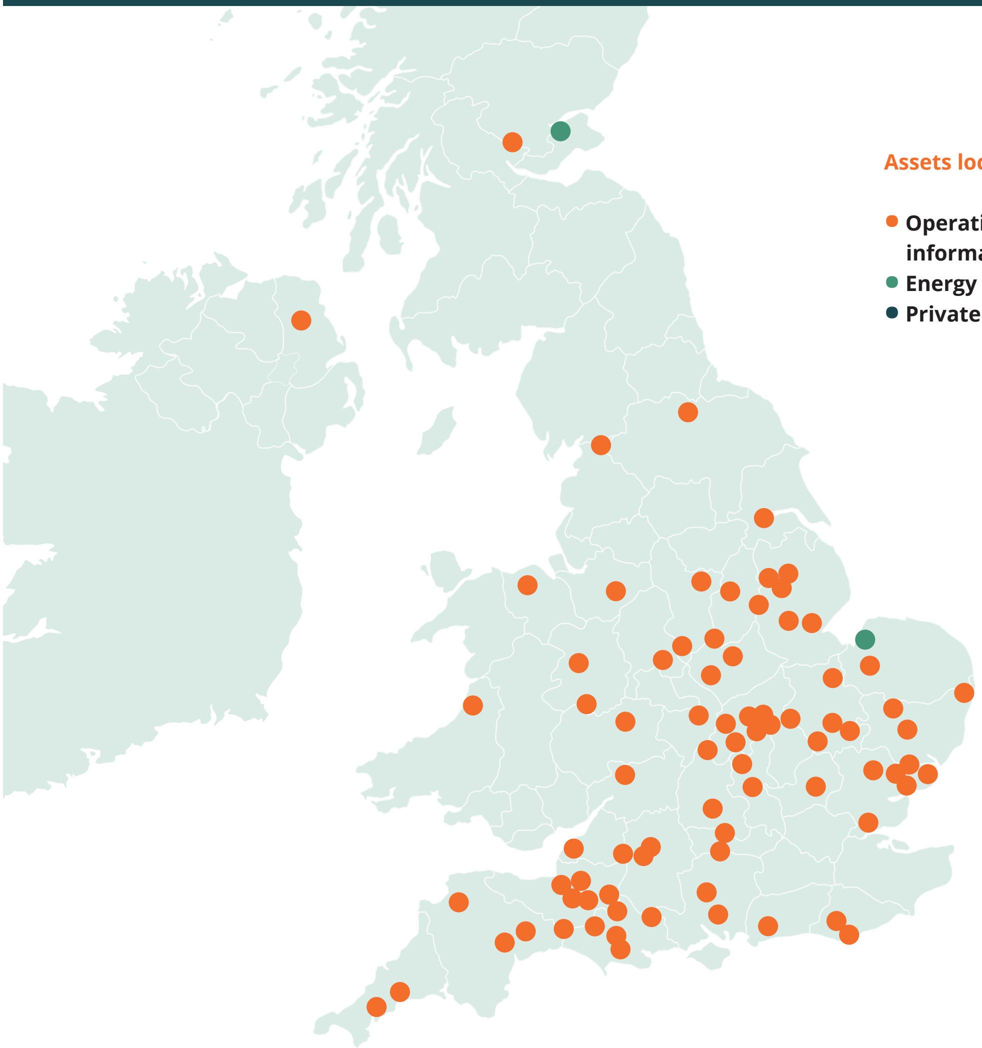
By Location [1]



% of invested capital

1 Figures are stated to the nearest 0.1% which may lead to rounding differences

UK

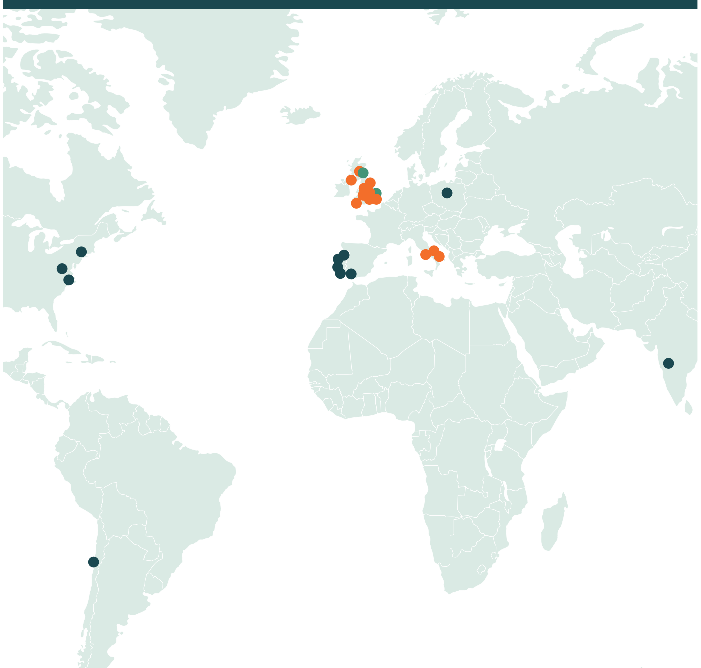


Assets locations

- **Operating Assets (for more information see pages 34 and 35)**
- **Energy Storage Assets**
- **Private OECD Infrastructure Fund Assets**

- c.866 MW of Solar PV assets operational in UK
- c.35 MW of Solar PV assets operational in Italy
- $50m investment into NPIII, which holds 172 solar assets globally
- 300 MW of Energy Storage assets under construction / development

The World



Italy

Why Invest in NextEnergy Solar Fund?

RELIABLE INVESTMENT WITH ATTRACTIVE GROWTH PROSPECTS

- Provides a regular attractive dividend for income seeking investors.
- Offers a natural hedge against inflation with a high proportion of regulated revenues linked to RPI.
- Large diversified operating portfolio with incremental growth prospects through the introduction of complementary technologies, such as energy storage.

PROVEN AND STABLE TECHNOLOGY

- Reliable and predictable source of electricity due to high consistency in yearly irradiation and minimal moving parts.
- Long useful life (25-40 years) with high proportion of contracted cash flows from operating solar assets.

ABUNDANT CLEAN ENERGY SOURCE

- Enough solar energy hits the Earth in a single hour to power the energy needs of the entire human population for a year.
- Provides increased energy independence and security.

COST-EFFECTIVE ELECTRICITY GENERATION

- Active portfolio management provides prudent cost of operation, maintenance and replacement of assets.
- Solar is one of the cheapest forms of renewable energy generation and quickest to construct.

CLIMATE CHANGE SOLUTION

- Fundamental to achieving a more sustainable future by contributing to the UK's targets of 70GW solar capacity by 2035 and net zero by 2050.
- Meaningful contribution to reducing CO_2e emissions through the generation and storage of clean electricity, reducing reliance on fossil fuels across the grid.
- Investment in solar provides significant biodiversity benefits to the communities that surround our assets.
- Through NESF's investment in NPIII, the Company is supporting de-carbonisation globally.

EMBRACING INNOVATION

- The Asset Manager consistently pushes boundaries with the use of latest technologies, such as bi-facial PV modules.

SPECIALIST MANAGEMENT

- NESF benefits from the expertise of its investment manager, NextEnergy Capital.
- NextEnergy Capital is one of the world's largest specialist solar investors, managing $3.9bn worldwide.

Helen Mahy
Chairman
November 2023

Chairman's Statement

"I am delighted to be able to present my first report to you since taking over as Chairman of NextEnergy Solar Fund in August. Today we are announcing another period of steady progress which demonstrates the Company's resilience in the face of many challenges. As a result of the uncertainties in both the macroeconomic and geopolitical environments, our share price continues to trade at a discount along with the renewables peer group and wider investment company sector, which is disappointing and is restricting the flow of capital into the sector. However, the current level of the share price discount presents an attractive entry point for new and existing investors into NextEnergy Solar Fund.

The Board has taken decisive action to help narrow the discount through the introduction of its phased capital recycling programme, having announced its intention to sell a sizeable portfolio of mature subsidy-free assets to unlock value, reduce debt, and in time provide a range of new investment opportunities, including international solar PV and energy storage. The Board also remains committed to consider share buybacks if appropriate. It will not hesitate to implement a buyback programme if it believes it to be in the best interest of all shareholders.

NextEnergy Solar Fund's underlying portfolio continued to produce strong, reliable returns for shareholders through our diversified portfolio of 100 solar assets that provided stable cash flows to service the dividend and interest payments and all other ongoing expenses. Whilst there is a disconnect between the portfolio and the current share price, renewables continue to offer a powerful long-term investment case, with solar energy and associated technologies such as energy storage offering investors highly attractive, long-term stable returns."

I am pleased to present the Interim Report for NextEnergy Solar Fund Limited ("NESF" or "Company") for the six months ended 30 September 2023. During this period, the ordinary shareholders' Net Asset Value ("NAV") was £640.0m equivalent to 108.3p per ordinary share (31 March 2023: £674.4m, 114.3p per ordinary share). Ordinary Shareholder Total Return was -13.8% (30 September 2022: 11.0%) and the ordinary share NAV total return was -1.6% (30 September 2022: 11.6%). Energy generated during the period was 599GWh (30 September 2022: 639GWh), and the portfolio achieved a generation performance in line with budget (30 September 2022: 6.1%). Without the impact of Distribution Network Operator Outages ("DNOOs"), the portfolio achieved generation outperformance of c.3.4%.

NESF is a leading specialist in solar energy generation, driven by a consistent mission to deliver clean energy. Utility scale solar remains the cornerstone of the Company's future growth strategy, alongside the steady adoption of UK energy storage. The Company is determined to build on the positive momentum achieved from its existing portfolio of operating solar assets and is proud to play a crucial role in the UK's energy mix, not only strengthening energy independence but also reducing the reliance on carbon emitting fossil fuels. The Company's ongoing investment in these technologies contributes positively to the ongoing green revolution. The combined impact of interest rate increases and cost of living considerations has driven capital away from small and mid-cap listed investment companies and towards gilts, leading to share prices trading at a discount to NAVs for a sustained period across the infrastructure sector. Despite these challenges, the Company's portfolio continues to provide resilience by offering a strong covered dividend that is underpinned by inflation-linked revenue streams. The Company remains well protected by its defensive capital structure, which includes £200m of fixed rate preference shares. The preference shares significantly reduce the Company's variable interest rate exposure and demonstrate the Company's forward-thinking approach to delivering robust returns to shareholders. In the current high interest rate environment the Preference Shares offer considerable value and benefits to the Company and its Shareholders.

The Board continues to closely monitor the Company's share price and confirms its commitment to consider implementing a share buyback programme if the share price continues to trade at a material discount. If the average discount over a financial year is more than 10%, the Company is required to propose a discontinuation vote at the subsequent AGM. Notwithstanding the challenges faced across the industry, the Board firmly believes that the Company is in a strong position to capitalise on the opportunities available both now and in the future. Through access to deep financial and technical expertise housed in its Investment Adviser and Asset Manager, the Company has been a longstanding pioneer in the solar sector and has ambitious plans to continue delivering the clean energy transition. Given the high dividend and uniquely diversified portfolio of assets, NESF is an extremely attractive investment to those seeking a reliable source of income amidst the current market.

Since my appointment as Chairman in August, it has been a productive period for the Company. I have enjoyed the opportunity to meet with shareholders, listen to comments, and understand their perspectives on the Company. I will continue to have an open dialogue with investors as I believe it is key to the future of the Company.

The Board hosted a full strategy day in September, which was attended by all its key advisers, to consider the challenges and opportunities surrounding the strategic options available to maximise the risk-adjusted returns to shareholders as well as NESF's wider positive impact.

Active Management

NESF provides value to its shareholders through the active management of the portfolio. Disciplined allocation of capital remains key for maintaining strong financial performance for shareholders and positioning the Company for its next stage of growth. In April 2023, the Board announced a phased capital recycling programme. The programme involves the divestment of five subsidy-free UK solar assets totalling 236MW, the proceeds from which will be initially used to reduce the amount drawn against the Group's £177m of revolving credit facilities (short-term debt facilities which are the only debt product that the Company uses that is not interest rate hedged).

Post period end, the Company completed the first phase of its capital recycling programme by successfully completing the sale of Hatherden, a 60MW ready to build solar project, for £15.2m, of which £8.7m is consideration for the acquisition and £6.5m is the reimbursement of invested capital. The transaction is NAV accretive to shareholders and will generate an estimated uplift of 1.27p, which will be reflected in the Company's NAV per share as at 31 December 2023. The transaction represents a 2.0x multiple on invested capital and an attractive 57% IRR. Hatherden, located in Hampshire, UK, was developed as part of the Company's self-developed project pipeline and consists of a 60MW ready to build solar project and the development rights for a 7MW co-located energy storage project. The accretive value of the transaction demonstrates how the Company maximised value throughout the development of Hatherden, including various initiatives ranging from securing an import connection and associated rights for installation of the 7MW co-located energy storage project, increasing the installed capacity of the project from 50MW to 60MW through technical optimisation, and securing a Contract for Difference ("CfD") contract under Auction Round 4 for 100% of its generation capacity. The Company continues to progress a competitive sales process with third-party buyers for the remaining phases of the programme. Further updates will be made to the market in due course.

Once complete, the phased capital recycling programme will bolster the Company's free cash flows, provide a new precedent in the sector to unlock value from operational portfolios, and strengthen its dividend cover. The programme will also provide optionality for the Company to progress value-accretive investments across its pipeline of future opportunities for long-term growth and potentially take more direct action to narrow the current discount to the Company's NAV per share, including implementing a share buyback programme, if appropriate.

NESF maintains and continues to build an attractive pipeline of long-term investment opportunities in the UK and international renewable energy markets. The Company regards UK energy storage as a highly complementary asset class to the existing solar portfolio that will provide multiple diversification benefits for shareholders over the medium term. The Company's first standalone 50MW energy storage asset in Scotland, known as Camilla, is expected to be completed in the first half of 2024. As such, the Company will not consider proposing to investors an amendment to its investment policy in energy storage from 10% of the Company's Gross Asset Value until Camilla is energised, generating revenues, and has demonstrated the importance of this asset class within the NextEnergy Solar Fund portfolio going forward. The Company will continue to maintain its disciplined approach to capital allocation to ensure investment activity is accretive and in line with the Company's strategy.

Dividends

The Company is targeting a sector leading dividend of 8.35p per ordinary share for the current financial year ending 31 March 2024, an 11% increase from the previous year's dividend of 7.52p. The Company maintains a progressive annual dividend policy where the Board considers the percentage increase each year. Throughout the nine years since IPO, the Company has maintained a covered dividend and achieved all its dividend targets. The Company continues to target a covered dividend both in the current financial year and beyond.

The Board has approved a second interim dividend payment of 2.09p per ordinary share, which will be payable on 31 December 2023 to ordinary shareholders on the register as at the close of business on 23 November 2023. Following the payment of the second interim dividend, the Company would have paid total dividends of 4.17p per ordinary share in respect of the six months ended 30 September 2023 (30 September 2022: 3.76p).

Six months ended:	Cash dividends	Scrip dividend	Total distributions
30 Sep 2023	£22.7m	£0.6m	£23.4m
30 Sep 2022	£20.9m	£0.7m	£21.6m

Market Developments in Solar and Energy Storage

The UK government continues to support investment in solar and other renewable technologies to meet its net zero targets by 2050. Earlier this year, the Department for Energy Security and Net Zero ("DESNZ") announced that the UK Government intends to increase its solar deployment target to 70GW by 2035. As the electricity grid transitions towards renewables, flexibility becomes more critical in order to match energy supply with daily peaks in demand. Energy storage assets bridge this gap, by charging solar energy at its generation peak and redistributing that energy to the grid when demand rises. The electrification of additional end-uses, such as heating and transport, will raise these peaks and increase the hourly, daily and seasonal variability of electricity demand in the future. Subsequently, the National Grid forecasts up to 50GW of storage will be necessary to support a flexible grid and net zero by 2050. The UK market for grid-scale energy storage remains mature, competitive and active. The Company is well-placed to benefit from these tailwinds.

The current economic climate and net zero scenarios provide strong validation for the Company's growth and investment strategy in solar and energy storage assets. Solar has demonstrated itself as one of the cheapest and most sustainable forms of energy available. It is instrumental to the UK's goals of delivering national energy security and independence, by sheltering consumers from volatile global energy markets. Energy storage greatly compliments solar PV technology providing further diversification to NESF's portfolio from a technology, revenue, and geographic perspective. Together, investments in these technologies further underpin the business and environmental case for the Company's strategy and help contribute towards its goal of driving a more sustainable future.

Energy markets remain susceptible to exogenous shocks, for example the recent Israel-Hamas conflict, although the extreme volatility experienced following Russia's invasion of Ukraine continues to abate. The Company continues to strike the balance for longer term price risk mitigation through its power price hedging strategy.

The Company continues to deliver robust and resilient operational performance, focused on generating attractive financial returns for shareholders, playing an integral role in delivering the energy transition and pioneering positive social and environmental impacts.

Sustainability and ESG[1]

Sustainability and ESG remain at the forefront of NESF's strategy and purpose. During the period NESF's portfolio generated 599GWh of clean electricity which contributed to the avoidance of 252,500 tonnes of CO_2e emissions (30 September 2022: 266,500, tonnes CO_2e), the equivalent to powering 334,200 UK homes for six months (30 September 2022: 354,300), or taking 166,900 cars off the road for six months (30 September 2022: 176,200 cars). NESF prides itself on its detailed approach to sustainability disclosures, including under the European Union Sustainable Finance Disclosures Regulation Article 9 obligations. In addition, its investments are fully aligned with the EU Taxonomy.

NESF published its second annual Sustainability and ESG report in the period illustrating the breadth and depth of actions the Company has taken across the three pillars that comprise its approach to Sustainability and ESG - Biodiversity, Climate Change and Human Rights. Full details of the Company's approach towards climate change, biodiversity, community engagement, supply chain management, and other environmental and social topics can be found in this dedicated report.

I am confident that NESF will continue expanding on its positive impact into the future with its 100 operational solar assets providing a fantastic opportunity to achieve biodiversity net gain. The Company continues to implement new best practice standards through the implementation of Universal Biodiversity Management Plans and Exemplar site programmes, that also contribute to local growth and development wherever the assets are located.

The Company remains dedicated to ensuring best-practice labour standards are applied by all its contractors, whereby

1 NESF's ESG data has been calculated by the Green Analytics team of the Green Investment Group, a third-party climate related data provider.

NESF has a zero-tolerance towards human rights abuses, as per the Company's Modern Slavery Act Statement.

The Board are proud that NESF continues to support the NextEnergy Foundation, an international charity founded in 2016 with a mission to participate proactively in the global effort to reduce carbon emissions, provide clean power sources in regions where they are not available and contribute to poverty alleviation.

Corporate Governance

Robust corporate governance provides the Company's shareholders and other key stakeholders confidence in the Company's trustworthiness, fairness and transparency. The practice of good governance is integral to the management of the Company and plays an important role in shaping the Company's long-term sustainable success and achieving our strategic objectives.

During the period and as part of the Board succession plan, Kevin Lyon retired as Chairman of the Company ahead of the last AGM, having served his full nine-year tenure. We welcomed Paul Le Page who brings a wealth of experience from both the investment and solar infrastructure sectors. Paul will succeed Vic Holmes at the end of his nine-year tenure as Senior Independent Director from 1 January 2024. Patrick Firth, who currently serves as Chairman of the Audit Committee, will also step down in 2024 having served his full nine-year tenure and when a suitable candidate has been appointed.

The Board and I would like to thank Kevin and Vic for their dedicated service and contribution in building NESF's reputation as a leading specialist investor in solar energy and energy storage.

Principal Risks & Uncertainties

The Company recognises that effective risk management is important to its long-term sustainable success. The Board is responsible for defining the level and type of risk that the Company considers appropriate, ensuring it remains in line with the Company's Investment Objective and Investment Policy that sets out the key components of its risk appetite. NESF's principal risks remain unchanged from those stated in the 31 March 2023 Annual Report. In no particular order, these continue to include the following:

- Electricity generation falling below expectation: the volume of solar irradiation available on a given day is out of the Company's control and this is a risk on the performance of the assets.
- A decline in the price of electricity: exposure to the wholesale energy market impacts the prices received for energy generated by and revenues forecast for the operating assets of the Company.
- Adverse changes in government policy and political uncertainty: changes to UK government policy and net zero strategies may have material effects to domestic deployment forecasts for solar and ancillary technologies. International conflicts and geopolitical tensions may impact trade of commodities, such as oil and gas, which have subsequent downstream impacts on power price volatility and supply chain stability for solar equipment.
- Financial market volatility: contractionary monetary policy and subsequent cost of living considerations can drive risk-averse investment away from investment trusts into short term gilts, increase investor concerns about cost of debt and cause households to liquidate excess savings. These factors may lead to volatility in the Company's share price.
- Uncertainty in long-term energy storage revenue forecasts: energy storage assets generate revenues by trading power price volatility and providing services to the networks. Power price volatility forecasts use assumptions that may require refinement as the energy markets evolve to provide greater confidence as to revenue potential.

A more detailed analysis of the Company's risks and uncertainties can be found on page 44 of this report.

Outlook and Conclusion

The Company has positioned itself well through the tough equity market environment and we are confident that our planned strategic initiatives and the Investment Advisers active portfolio management will bear fruit for investors and should narrow the current share price discount.

The Company has an excellent operational portfolio which continues to generate the cash flows to support an attractive dividend as well as its interest costs. Alongside the portfolio, the Company has identified an exclusive pipeline of solar and energy storage opportunities that provides potential for future accretive growth in the NAV and enhanced revenue returns.

The Board would like to thank the Investment Adviser, NextEnergy Capital, and its employees for their hard work, continuing to deliver substantial value in support of the Company's ambitions to deliver sustained high performance and significant positive impact. Ross Grier's new position as Chief Operating Officer and Head of UK Investments, and Stephen Rosser's continued performance as Investment Director & UK Counsel, show that NESF's future is in safe hands. NextEnergy Capital remains at the forefront of the industry and continues to grow its expertise in renewable investment, such as the recent appointments of a Head of Energy Storage and Head of Grid Connections.

I would also like to thank all my Board colleagues for their commitment to NESF and its governance and especially to my predecessor Kevin Lyon who stepped down in August after steering the Company through the first nine very successful years of its development.

I look forward to the Company going from strength to strength over the coming years whilst making an impactful contribution towards the UK's economy and achieving net zero, the clean energy transition, and the UK's energy security and independence.

Helen Mahy CBE,
Chairman
21 November 2023

Staughton
Bedfordshire
50.0MW
Long-term PPA

Investment Adviser's Report

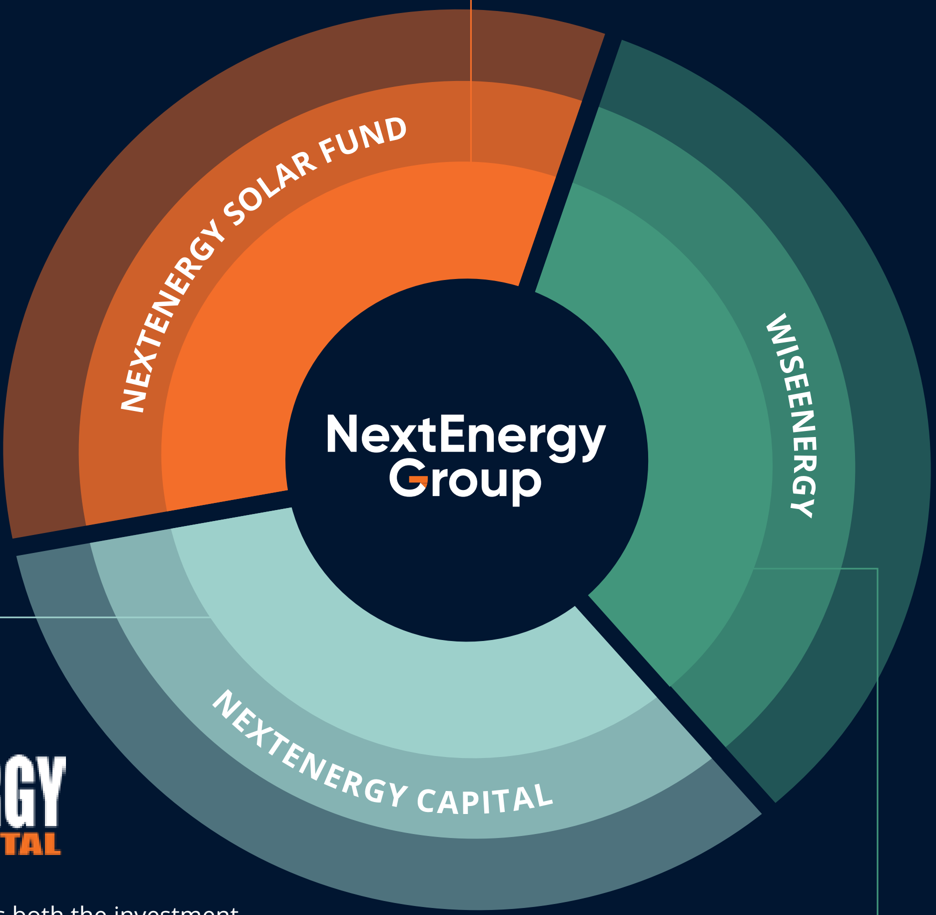
NextEnergy Group is a leading specialist solar and energy storage investment manager and asset manager. It has $3.9bn of funds under management and employs over 300 people worldwide. The NextEnergy Group is responsible for the acquisition and management of the Company's portfolio, including the sourcing and structuring of new investments and advising on the Company's financing strategy.

Introduction from Ross Grier, Chief Operating Officer & Head of UK Investment at NextEnergy Capital

"I am proud of the continued progress across the NextEnergy Solar Fund platform, especially given the continued macroeconomic pressures and volatility across the UK equity markets, which has seen unprecedented movements in the share prices across the entire listed renewable infrastructure sector and beyond. In times like these, capital allocation discipline is key and the team have temporarily paused the acquisition of new plants and diverted the focus to ensuring the existing portfolio is being actively managed. This year has continued to demonstrate the depth and quality of the NESF portfolio and the team, not only showing resilience, but also showcasing the value that is added from having an active manager that is driven to provide value, stability, and growth for its shareholders. NESF is NextEnergy Capital's flagship listed fund where the Company continues to deliver outstanding returns to shareholders through well-covered quarterly dividends derived from cash flows from its 100 operational solar assets."

NEXTENERGY SOLAR FUND

NextEnergy Solar Fund is a renewable energy investment company listed on the premium segment of the London Stock Exchange and is a constituent of the FTSE 250. NextEnergy Solar Fund is a solar+ company that invests into solar energy and energy storage by directly owning primarily utility scale solar assets, alongside complementary ancillary technologies, such as energy storage.



NEXTENERGY CAPITAL

NextEnergy Capital is both the investment manager (NextEnergy Capital IM Ltd) and investment adviser (NextEnergy Capital Ltd) to NextEnergy Solar Fund. It was founded in 2007 as a specialised solar investment management company and to date, has approximately $4 billion under management. NextEnergy Capital provides active portfolio management and disciplined capital allocation for the Company daily, in addition to management, due diligence and advisory activities.

WISE ENERGY

WiseEnergy is the operating asset manager to NextEnergy Solar Fund and is part of the NextEnergy Group. It focuses on the day to day running of the assets, which includes technical and financial analysis of the Company solar and battery storage assets and ensures each SPV's suppliers perform in accordance with contracts. WiseEnergy also manages each SPV's administrative and financial functions and requirements.

Investment Adviser's Investment Committee

The Investment Adviser's Investment Committee comprises Michael Bonte-Friedheim, Aldo Beolchini, Giulia Guidi and Ross Grier, who have in excess of 100 years' combined industry experience.

Michael Bonte-Friedheim is Founding Partner and CEO at NextEnergy Group

Giulia Guidi is Head of ESG at NextEnergy Capital

Aldo Beolchini is Managing Partner and Chief Investment Officer at NextEnergy Capital

Ross Grier is Chief Operating Officer & Head of UK Investment at NextEnergy Capital

Barnby
Nottinghamshire
5.0MW
1.2 ROC

Market Development: Solar

Solar is one of the cheapest and most sustainable forms of energy which can be deployed at speed. As outlined in the Electricity Generation Costs 2023 report published by the Department for Energy Security and Net Zero, ground mount solar PV has one of the lowest Levelized cost of electricity ("LCOE") of all renewable generation technologies. The UK Government illustrates strong support for solar, with the Solar Taskforce being established to drive forward the Government's ambitions to achieve its solar deployment target to 70GW by 2035. The UK Government's CfD programme further indicates the Government's inclination towards renewables. In particular, the recent AR5 results saw solar PV outbidding offshore wind projects, indicating the market's preference for solar energy.

Market Development: Battery Storage

Energy Storage is crucial to meet the UK Government's decarbonisation targets by 2035. The UK National Grid forecasts that 50GW of battery storage is necessary by 2050 to meet the net zero target and to provide support to a grid that is predicted to have a high proportion of renewables. With the UK market having a mature, competitive and active environment for grid-scale energy storage, such targets could be achieved with sufficient investment.

Results

NextEnergy Capital Limited, the Investment Adviser, continues to provide dedicated robust support to the Company. This has enabled the Company to deliver a resilient performance, capitalise on value-accretive opportunities and successfully navigate the complex challenges faced over the 6-month period of persistent inflation driving high interest rates and relatively large discounts to NAV across the infrastructure industry. We are closely monitoring economic and governmental developments to assess the potential future impact on the Company's activities. As at 30 September 2023, the NAV per ordinary share was 108.3p (31 March 2023: 114.3p). The change in NAV over the six month period reflects a decrease in power price forecasts (-2.3p per ordinary share), which was partially offset by an upward revision in short-term inflation forecasts (+1.3p per ordinary share).

Alignment of interest

As at 6 November 2023, NextEnergy Group employees held 2,775,490 shares in NESF.[1]

Investment Highlights

NESF is at a significant point in its journey, utilising the opportunities presented with the global energy transition to clean energy. These investment opportunities aim to achieve robust financial returns for shareholders, increase dividend cover and add diversification to the Company's portfolio.

The Company envisages that realisation of the current pipeline will be funded through its capital recycling programme, announced in April 2023. This programme involves the phased divestment of a 236MW portfolio of subsidy-free UK solar assets. Following the period end, the Company completed the first phase of the programme through its divestment of Hatherden, a 60MW ready to build UK subsidy-free solar asset in Hampshire. The proceeds of the programme will be used to:

- Reduce the Group's £177m of short-term debt levels known as revolving credit facilities ("RCF"), which are the only debt product in NESF's capital structure that is not interest rate hedged. The reduction in gearing will reduce debt service burden, strengthen free cash flows, and further increase dividend cover;
- Provide flexibility for the Board to commit to a share buyback programme if appropriate and the share price continues to trade at a material discount to the Company's NAV per share; and
- Continue to progress its attractive pipeline of energy storage and solar PV projects, a key component of

1 Excludes shares held by employees under automatic reinvestment schemes or monthly purchase arrangements which may exist

NESF's evolution and vital for society's drive towards a decarbonised grid.

Where appropriate, the Company continues to look for opportunities to expand its portfolio through strategic investments in both solar and energy storage assets. During the 6 months to 30 September 2023, the Company has continued to maintain a significant pipeline of UK and International solar assets, UK energy storage assets as well as international solar co-investment opportunities through NESF's $50m commitment to NPIII ($46.3m currently drawn).

Energy storage is a key component of NESF's strategic endeavours and is a highly complementary technology to solar PV. It captures the benefits of solar's predictable generation profile and the flexibility of energy storage assets to derive attractive revenues. Energy Storage inclusion in the Company's portfolio provides multiple diversification benefits, ranging from a technology, revenue, and geographic perspective. To assist in NESF's next phase of strategic growth, the Investment Adviser has hired a Head of Energy Storage, Dario Hernandez, and a Head of Grid Connections, Christopher McKaig, who bring a combined total of over 30 years' experience.

UK Battery Storage Investments

NESF has been investing in energy storage projects since 2018. The Investment Adviser has built up considerable expertise in managing energy storage assets and running them in conjunction with solar assets. NESF has developed a strong relationship with Eelpower Limited ("Eelpower"), a specialist in UK energy storage with a proven track record of delivering projects, which has provided the Company with access to leading UK energy storage opportunities.

The Company's first 50MW standalone energy storage project, known as Camilla, is currently under construction in Fife, Scotland. The project is part of a Joint Venture Partnership ("JVP1") with Eelpower Limited ("Eelpower") worth up to £100m and is owned 70% by NESF and 30% by Eelpower. Camilla will be energised in the first half of 2024 and will initially operate at one hour duration, though the Company intends to increase the duration of the project to two hours. Current construction works include the infrastructure necessary for this extension. Camilla has been selected to provide battery storage capacity in the UK Government's latest Capacity Market Auction. Once energised, the contracts are expected to deliver revenues of £576k per annum over 2026 to 2032, adding to Camilla's existing Capacity Market contract for delivery in winter 2025-26 worth £305k. As a result, Camilla will support the grid with critical flexibility during stress events for six winters from October 2026. Whilst these represent only a small percentage of the total revenues the asset is expected to generate, these contracts will provide a stable foundation for the operation of the asset.

In September 2022, the Company announced that it had advanced its position in the energy storage sector through a second joint venture partnership ("JVP2") worth up to £200m with Eelpower. JVP2 offers enhanced terms by increasing NESF ownership to 75%, with Eelpower holding the remaining 25%, reflecting the successful relationship built with Eelpower. The Company's first investment through JVP2 is called Lion, a high-quality 250MW battery storage project in the East of England, one of the largest energy storage projects announced in the UK to date. Once constructed, the project will provide vital grid balancing services whilst harnessing excess electricity generation from offshore wind at low import prices before exporting electricity at times of low generation and high prices.

The Directors have concluded that both Joint Venture Partnerships meet the control requirements of the relative accounting standards and are therefore accounted for as subsidiaries.

Co-located battery storage systems present an attractive growth opportunity across the portfolio as these assets offer both synergies with solar PV assets, as well as offering diversification to portfolio income. In April 2022, NESF announced a new co-located battery storage retrofit programme across the Company's UK operating solar farms. As part of this programme the first site for a co-located battery project was identified: an extension to the existing 11MW North Norfolk solar farm to include a 6MW/12MWh battery system. Planning permission for the co-located battery system has been secured and the Company is in discussions with the local Distribution Network Operator ("DNO") to confirm an energisation date. An additional four potential locations for co-located battery storage systems have been identified to date and are being progressed through their development stage.

There is clear recognition of the integral role batteries will play in the future GB energy system, as outlined in the Future Energy Scenarios published by National Grid ESO and NextEnergy Capital, alongside others across the industry, continue to work with Government, regulators and network operators to bring forward new connections. The landscape for new connections continues to evolve and there are encouraging signs that changes in regulations and processes across the network are enabling both active management of connection queues and acceleration of battery connections.

International Private Solar Funds With Co-investments

NESF has made a $50m commitment to NextPower III ESG ("NPIII"), a NextEnergy Capital managed private solar infrastructure fund that invests in OECD markets globally and a target gross IRR of between 13-15%. As of 1 September 2023, NPIII had acquired 1.2GW of solar assets with 172 individual assets across USA, India, Chile, Portugal, Spain, Greece, and Poland. As a result of this holding, NESF also benefits from international diversification in addition to unique co-investment opportunities. Co-investments allow NESF to take direct stakes in international solar assets alongside large international institutional investors on a no fee, no carry basis. This is particularly beneficial as it provides the Company with access to an attractive pipeline of potential international assets not available to other market participants or investors.

Energisation of the Company's first co-investment, a 24.5% stake in a Spanish 50MW solar project, Agenor Hive S.L. ("Agenor"), is expected to occur in Q4 FY2023/24 following its initial announcement in January 2022.

In May 2022, the Company announced a second co-investment in Portugal, Santarém. The Company acquired a 13.6% stake in the 210MW solar asset in Portugal for a consideration of €22.5m. Energisation of this project is expected to take place in H1 2024. Once energised, Santarém will benefit from a long-term PPA with Statkraft, a leading renewable producer in Europe's energy market. Under this agreement, Statkraft will acquire the electricity production from Santarém for eight years. The PPA builds on the existing successful relationship between NextEnergy Capital and Statkraft, following an earlier signed PPA between the two covering Agenor

These co-investments will benefit NESF in the following ways:

- Low revenue risk through entering PPAs with high-credit counterparties; and
- Additional geographical diversification.

UK Solar Investments

Since 2017, the Company sourced a pipeline of projects to be developed into operating subsidy-free assets and set a target of c.150MW to add into its portfolio. During the 6 months to date, the Company announced the energisation of Whitecross a 35MW subsidy-free solar asset in Lincolnshire. It is expected to generate electricity for approximately 10,000 households' annual electricity consumption. The asset is one of the five subsidy free assets for sale in the capital recycling programme. The Company has already completed its divestment of the first of the five assets, Hatherden, a 60MW ready to build UK subsidy-free solar asset in Hampshire for £15.2m. The transaction is NAV accretive to shareholders and will generate an estimated uplift of 1.27p, which will be reflected in the Company's NAV per share as at 31 December 2023. The transaction represents a 2.0x multiple on Invested Capital and an attractive 57% IRR.

Portfolio Performance

During the period, solar irradiation across the portfolio was 6.1% above budget (2022: 9.9%). Energy generated during the period was 599GWh (30 September 2022: 639GWh) and the portfolio achieved a generation performance in line with budget (30 September 2022: 6.1%). Without Distribution Network Operator Outages ("DNOOs"), portfolio generation for the period would have been c.3.4% above budget. Distribution Network Operators ("DNOs") complete rolling programmes of preventative maintenance and upgrade works. This ensures stability of the energy supplied to consumers and expansion of the networks, which contributes to the grid's ability to connect more distributed generation and improve the UK's energy security. In order to keep their staff safe, they often need to de-energise power lines to complete these works. The Asset Manager monitors actual performance versus expectations for operational assets. The generation performance of assets that are yet to pass Preliminary Acceptance Certificate ("PAC") in accordance with the engineering, procurement and construction ("EPC") contract are not reported by the Asset Manager.

Asset Management Alpha

The Asset Management Alpha is an important metric that allows the Company to identify the "real" outperformance of the portfolio due to effective asset management and excludes the effect of variation in irradiation. The "nominal" outperformance is calculated as the GWh generated by the portfolio versus the GWh expected in the assumptions used at the time of acquisition. This metric can be used for comparison with other peers in the solar industry.

	Irradiation (delta vs. budget)	Asset Management Alpha	Generation (delta vs. budget)
UK portfolio	6.6%	(6.4%)	0.2%
Italy portfolio	(0.9%)	(3.6%)	(4.5%)
Total[1]	6.1%	(6.2%)	0.0%

1 Figures are stated to the nearest 0.1% which may lead to rounding differences

Portfolio Optimisation

The Asset Manager focusses on implementing technical improvements across the portfolio, reducing operating costs through the utilising of existing insurance contracts and re-negotiating contractual terms by entering into new agreements with suppliers.

Asset Optimisation

In August 2022, the Company's Asset Manager conducted a market leading tender aiming to drive down costs of Operating and Maintenance ("O&M") contracts. Since its announcement, 37 contracts have been renewed, leading to an overall cost saving of 15.9%. This is equivalent to a total of £205k per year, or over £1m over the lifetime of the 5-year contract. During the 6 months ended 30 September 2023, 19 contracts totalling 181MWp were renewed as part of this new approach.

During the period, insurance claims were successfully closed out for storm damage and inverter outages in relation to solar assets Bosworth, Higher Hatherleigh, Raglington and Balhearty (for the business interruption claim only). The Company received a combined total settlement of £274k.

The Company has initiated a programme to replace aging inverters across its portfolio, prioritising those which have experienced increased failure rates, such as Emerson inverters. In total the Company currently anticipates replacing inverters for up to 13 assets (with a combined capacity of up to 135MW) over the next three years. The Investment Adviser and Asset Manager regularly review performance across the portfolio to identify opportunities to support and enhance long-term asset health as part of a rolling programme of strategic re-investment.

The Investment Adviser is reviewing options to make strategic re-investments across the portfolio to support and enhance long-term asset health.

Staughton
Bedfordshire
50.0MW
Long-term PPA

Six months ended 30 September[1]	No. of assets monitored	Solar Irradiation (delta vs. budget)	Asset Management Alpha	Generation (delta vs. budget)
2019	85	+4.8%	+0.2%	+5.0%
2020	86	+10.8%	+0.3%	+11.1%
2021	88	+2.4%	(1.2%)	+1.1%
2022	90	+9.9%	(3.8%)	+6.1%
2023	99	+6.1%	(6.2%)	0.0%
Cumulative from IPO to September 2023		**+3.7%**	**+0.2%**	**+3.9%**

1 Figures are stated to the nearest 0.1% which may lead to rounding differences

Short/medium-term power purchase agreements

NESF continues to lock in power price hedges over a 36-month period. This proactive risk mitigation helps secure and underpin both dividend commitments and dividend cover, whilst reducing volatility and increasing visibility of cash flows.

NextEnergy Group's energy trading desk ensure that the Company's electricity sales strategy increase the certainty of revenue streams whilst mitigating the negative impact of short-term fluctuations in the power markets. Secured pricing comprises fixed price contracts and hedging under the trading frameworks.

UK hedging summary[1]	FY2023/24	FY2024/25	FY2025/26
Generation hedged	94%	44%	13%
Power price hedged	£79.2	£91.4	£147.2

1 Covers 80% (716MW) of the total portfolio as at 6 November 2023

For the six months ended 30 September 2023, the Italian portfolio derived 73% of revenues from subsidies (principally FiTs) and 27% of revenues resulted from the sale of electricity under fixed price agreements covering 100% of Italian electricity generation for calendar year 2023 at a weighted average fixed price of c.€104/MWh (calendar year 2022: €64/MWh).

OFGEM audits

During the period, no material adjustments to the NAV were made as a result of Office of Gas and Electricity Markets ("OFGEM") audits. Since IPO, 31 OFGEM audits have been successfully signed-off without impacting ROC accreditations. The NextEnergy Group has staff who are experienced in dealing with the ongoing audits. Engagement with OFGEM is through professional advisers and senior NextEnergy Group staff. The team has identified and mapped contractual recourse associated with identified risk of loss for completed and ongoing audits.

Portfolio Valuation

Introduction

The Investment Adviser works closely with a leading, independent third-party financial modelling company to carry out the fair market valuation of the Company's underlying investment portfolio in line with the Company's accounting policies. The valuation is carried out quarterly (ad hoc valuations may also be undertaken from time to time, for example in conjunction with an equity fund raising). The Company's valuation principles are based on a discounted cash flow methodology except for NPIII which is valued using the estimated attributable NAV. Assets which are not yet operational, or where the completion of the acquisition is not imminent at the time of valuation, use cost as a proxy for fair value.

Following extensive internal review, the Investment Adviser arranges a committee meeting to scrutinise movements in the valuation during the period and consider long-term assumptions, such as the discount rate. The valuation is then presented to the Investment Manager with explanations for movements in the portfolio valuation and the NAV during the period. Following scrutiny and approval by the Investment Manager, the Investment Adviser presents the valuation to the NESF Board of Directors together with supporting explanatory information. Once approved by the NESF Board, the valuation is published via RNS. All board and committee meetings are minuted and documented.

A review is arranged with the auditors on a semi-annual basis. The auditors conduct an independent review of the interim financial statements and an audit of the annual report and financial statements. On a periodic basis, a specialist third-party modelling company conducts a detailed review and validates the Fund's model, to provide assurance of its structural integrity and confirms it is correctly updated and maintained. The Board reviews the operating and financial assumptions used in the valuation of the Company's underlying portfolio.

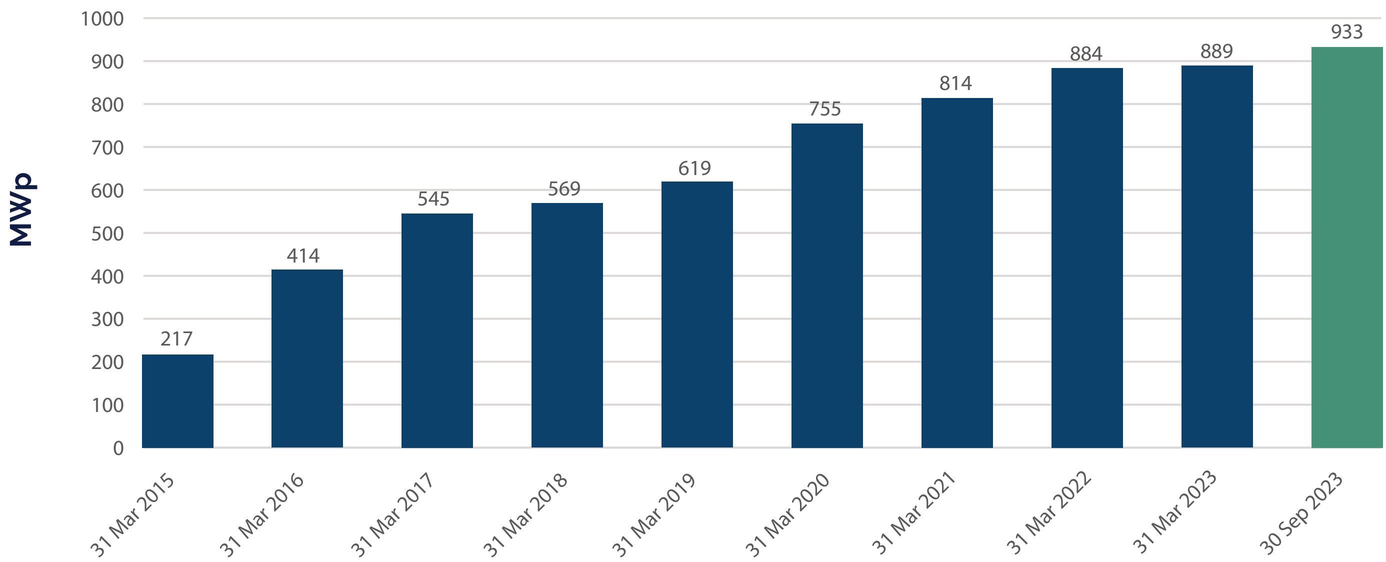
Portfolio valuation – key assumptions	As at 30 September 2023	As at 31 March 2023
UK long-term inflation	2.25%	2.25%
UK short-term inflation (1 year horizon)	6.8%	4.9%
Weighted average discount rate	8.0%	7.3%
Weighted average asset life	26.4 years	26.3 years
UK short-term power price average (2023-2027)	£91.4/MWh	£105.2/MWh
UK long-term power price average (2028-2042)	£52.2/MWh	£50.9/MWh
Italy power price average (20 years)	€86.3/MWh	€92.6/MWh
UK corporation tax rate	25%	25%

Managing NESF's energy market management

PPA sourcing and structuring	Energy and market risk management	Market and pricing analysis
Run competitive off-taker selection processes through our extensive network in the power markets Quantitative evaluation of the offers in term of risk and reward and devise optimal project-specific solutions Individual view of market price risks and opportunities and delivery obligations in order to find the optimal PPA structure	Measure, monitor and manage merchant exposure through selling at spot, entering into short-term, medium-term and long-term PPAs Constant dialogue with investors, banks and off-takers on developing new and innovative structures for risk diversification to enable us to increase portfolio returns	The Investment Adviser provides pricing for NESF projects, supported by multiple independent short and long-term third-party power price forecasts Undertake rigorous analysis and monitoring of the main drivers for power prices in target markets Monitor policy/regulatory developments in the UK and other OECD target markets to obtain an holistic energy market overview

Installed Capacity

Installed Capacity since IPO (MWp)[1]



1 Includes share in private equity vehicle (NPIII). NESF's 6.21% share of NextPower III on a look through equivalent basis has an operational capacity of 33MW (31 March 2023: 24MW)

Forecast power prices methodology

For the UK portfolio, the Company uses multiple sources for UK power price forecasts. At the short end (up to three years), where PPAs exist the Company uses the PPA prices that have been secured. For periods where there are no PPAs in place, short-term market forward prices are used. After two years, the Company integrates a rolling blended average of three leading independent energy market consultants' ("Consultants") long-term central case projections. This approach allows mitigation of any delay in response from the Consultants used by the Company in publishing periodic (quarterly) or ad hoc updates following any significant market development.

For the Italian portfolio, a leading independent energy market consultant's long-term projections are used to derive the power curve adopted in the valuation.

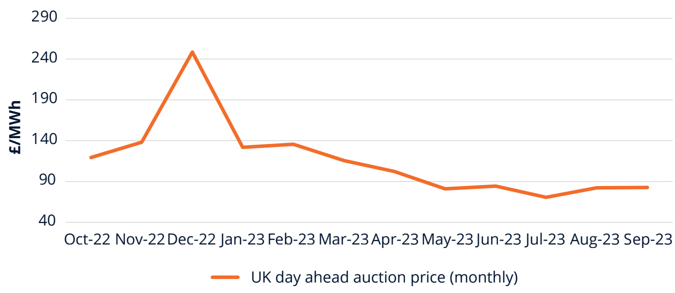
The power price forecasts used also include a 'solar capture' discount which reflects the difference between the prices available in the market in the daylight hours of operation of a solar asset versus the baseload prices included in the power price estimates. This solar capture discount is provided by the Consultants on the basis of a typical load profile of a solar asset and is reviewed as frequently as the baseload power price forecasts. The application of such a discount results in a lower long-term price being assumed for the energy generated by NESF's portfolio.

Larinho (NPIII)
Portugal
12.0MW
Long-term PPA

Historic - UK power prices

UK electricity day ahead prices decreased from £115.4/MWh in March 2023 to £82.6/MWh in September 2023. (Source: N2EX - UK baseload – day ahead).

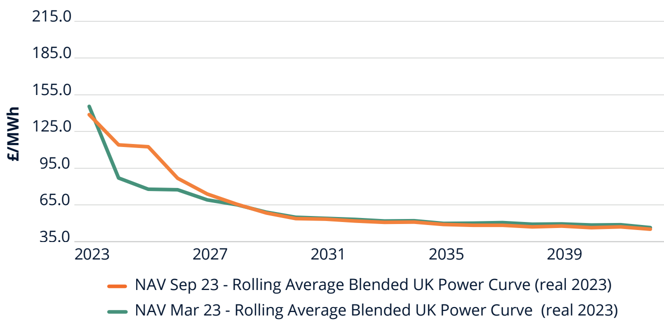
UK Historical Power Curve



Forecast UK power prices (real 2023)

The Company's current UK 20 year average power price forecast represents a decrease of 3.8% compared to that used at the end of the previous financial period (and 41.8% below the average price used at IPO).

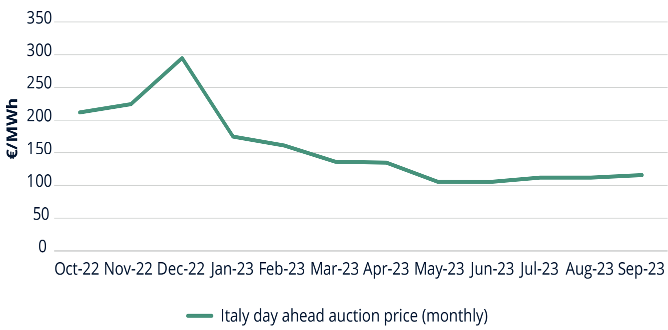
UK Power Curve



Historic - Italian power prices

Italian electricity day ahead prices decreased from €136.4/MWh in March 2023 to €115.7/MWh in September 2023. (Source: Gestore Marcati Energetici – purchasing price).

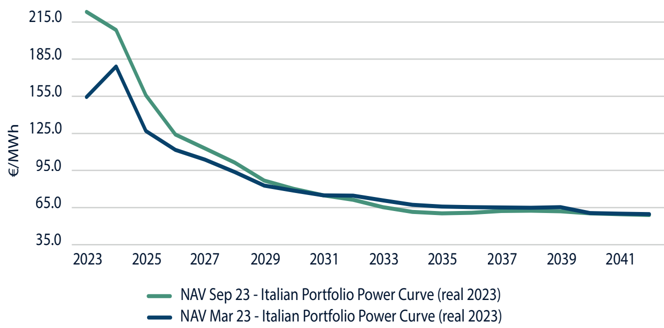
Italian Historical Power Curve



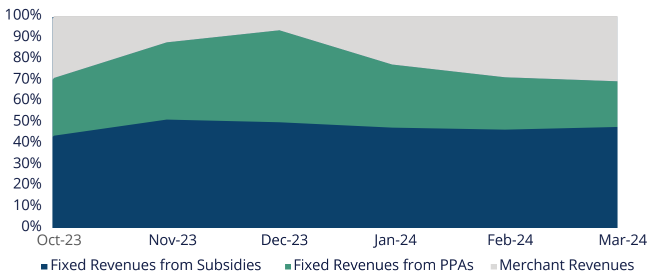
Forecast Italian power price (real 2023)

On average, the Company's current Italian long-term power price represents a decrease of 6.9% compared to that used at the end of the previous period.

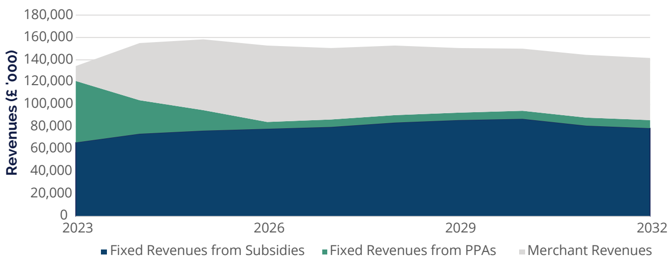
Italian Power Curve



NESF fixed revenues until 31 March 2024



NESF 10 year forecast revenue breakdown



Discount rate

During the period, the UK rate of inflation increased significantly. In the context of higher interest rates in response to changes to the Bank of England ("BoE") base rate, the yield on UK long-term gilts has also increased, putting upward pressure on discount rates. Over the reporting period, the BoE Monetary Policy Committee increased the base rate by 100bps and on 21 September 2023 maintained the base rate at 5.25%. Therefore, during the period, the Company increased the discount rate for unlevered operating UK solar assets by 0.75% to 7.50%. (31 March 2023: 6.75%). This change is in line with the increases in discount rates observed by the Investment Adviser in the sector in which the Company operates and continues its rigorous approach to valuing the portfolio.

Discount rate assumptions	Premium	As at 30 Sep 2023	As at 31 Mar 2023
UK unlevered	-	7.5%	6.75%
UK levered	0.7-1.0%	8.2-8.5%	7.45-7.75%
Italy unlevered[1]	1.5%	9.0%	8.25%
Subsidy-free (uncontracted)[2]	1.0%	8.5%	7.75%
Life extensions[3]	1.0%	8.5%	7.75%

1 Unlevered discount rate for Italian operating assets implying 1.50% country risk premium.
2 Unlevered discount rate for subsidy-free uncontracted operating assets implying 1.0% risk premium.
3 1.0% risk premium for cash flows after 30 years where leases have been extended.

The resulting weighted average discount rate for the Company's portfolio was 8.0% (31 March 2023: 7.3%). The Company's pre-tax weighted average cost of capital ("WACC") as at 30 September 2023 was 6.3% (31 March 2023: 5.7%).

As it is an independent fund, NPIII has not been included in the calculation for the weighted average discount rate and the WACC.

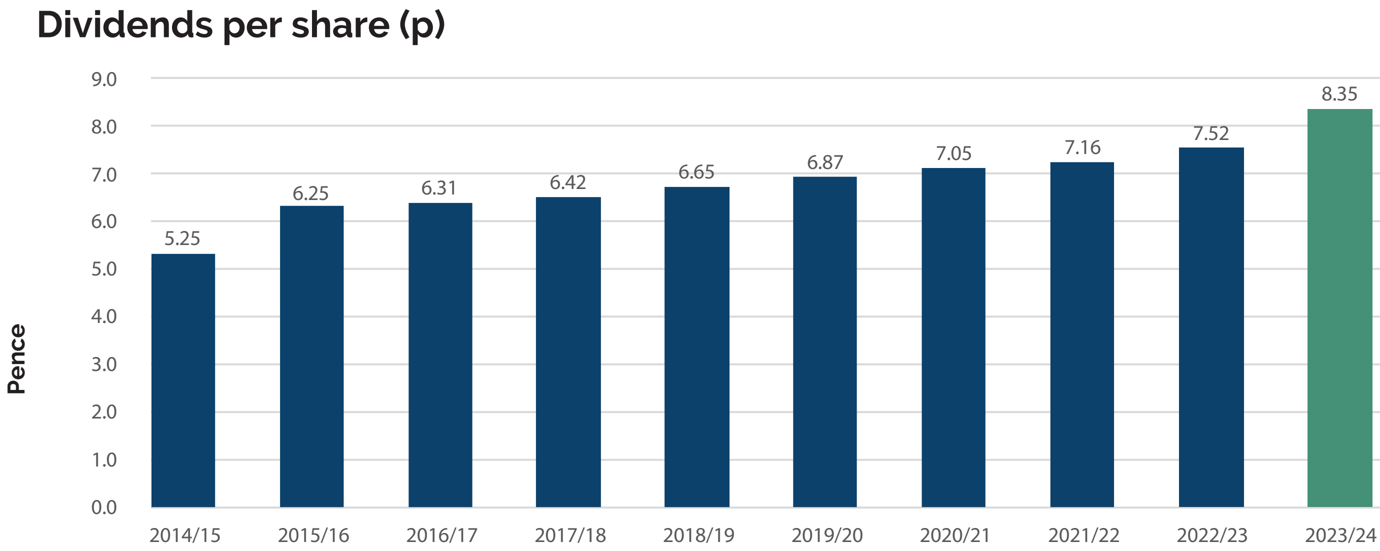
Asset life and technologies

The discounted cash flow methodology implemented in the portfolio valuation assumes a valuation time horizon capped to the current terms of the lease and planning permission on the properties where each individual solar asset is located. These leases have been typically entered into for a 25-year period from commissioning of the relevant solar plants (specific terms may vary). The discounted cash flow valuation assumes a zero-terminal value at the end of the current lease term for each asset or the end of the planning permission, whichever is the earlier.

However, the useful operating life of the Company's portfolio of solar assets is expected to be longer than 25 years. This is due to many factors, including:

- The Company owns rights to supply electricity into the grid through connection agreements that do not expire;
- Some solar plants benefit from planning consents that do not expire and/or the Company has been successful in securing permissions to extend the planning permission beyond the period initially consented;
- The Company has been successful in securing extensions of lease terms for some solar plants;
- Effective management of generating equipment across the portfolio minimises degradation compared with manufacturer forecasts, maximising economic operating life; and
- Evolution of generating technology over recent years is expected to create value-accretive opportunities to repower assets as the portfolio matures.

Dividend per share track record



Operating performance

The Company values each solar asset on the basis of the minimum performance ratio ("PR") guaranteed by the vendor, or that estimated by the appointed technical adviser during the acquisition due diligence. These estimates have been generally lower than the actual PR that the Company has been experiencing during subsequent operations. We therefore deem it appropriate to adopt the actual PR after two years of operating history when, typically, the plants have satisfied tests and received Final Acceptance Certification ("FAC").

During this period only one site achieved FAC. As at 30 September 2023, 72 solar assets (totalling 638.9MW) had achieved FAC and their actual PR was used in the discounted cash flow model.

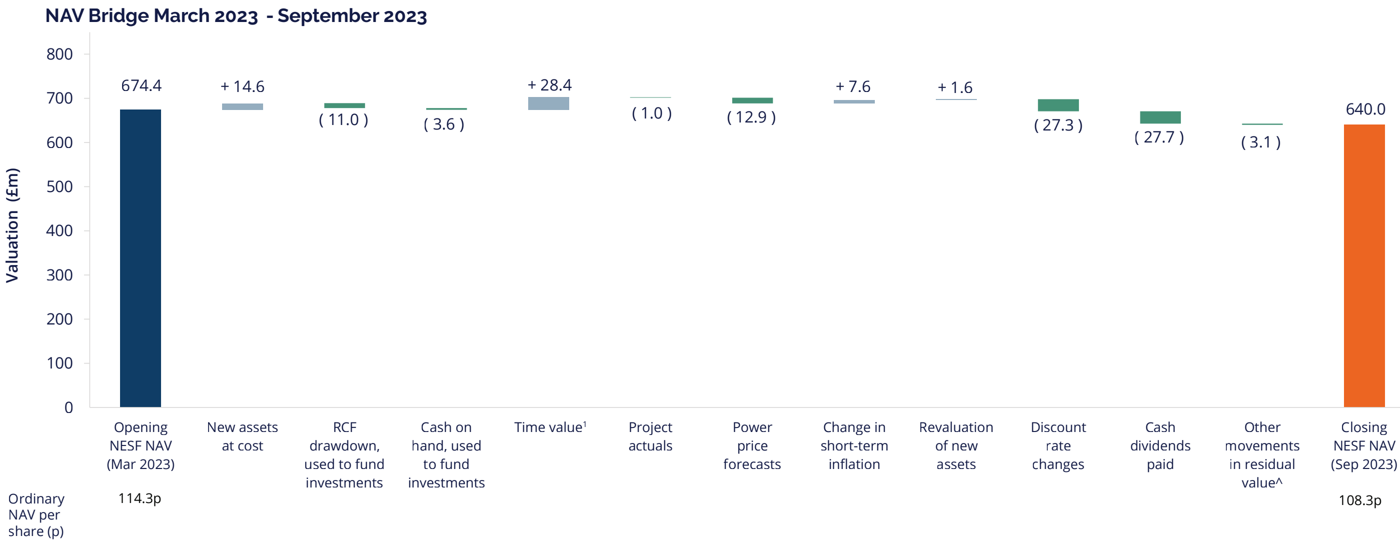
FAC timeline for remaining assets	Capacity (MW)
Financial quarter ending December 2023	5.4
Financial quarter ending March 2024	50.2
2024 onwards	50.2
Total	**106.3**

NAV

The Company's NAV is calculated quarterly and based on the valuation of the investment portfolio provided by the Investment Adviser and the other assets and liabilities of the Company calculated by the Administrator. The NAV is reviewed and approved by the Investment Manager and the Board. All variables relating to the performance of the underlying assets are reviewed and incorporated in the process of identifying relevant drivers of the discounted cash flow valuation.

In accordance with IFRS 10, the Company reports its financial results as an Investment entity and on a non-consolidated basis (see note 2c to the Financial Statements). The change in fair value of its assets during the period is taken through the Statement of Comprehensive Income.

NAV bridge for the period ended 30 September 2023

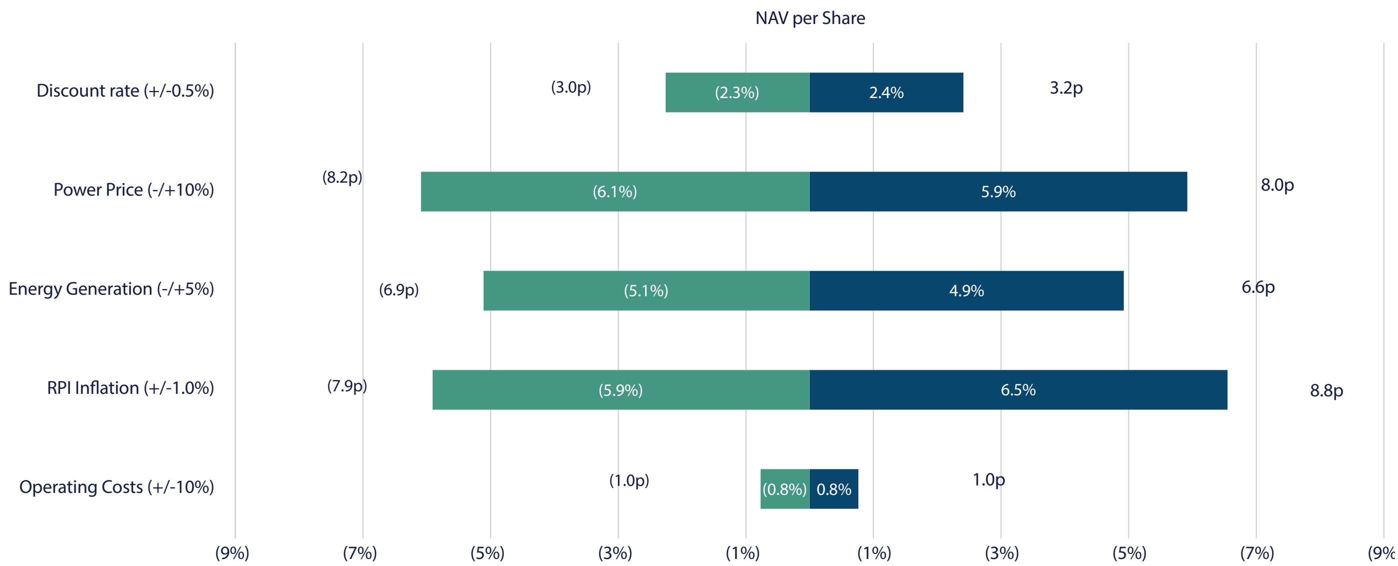


The movement in the NAV was driven primarily by the following factors:

- An decrease in short-term (2023-2027) UK power price forecasts provided by Consultants, being on average 13.2% lower than assumptions at 31 March 2023;
- The Company increased the discount rate for unlevered operating UK solar assets by 0.75% to 7.50%. The resulting weighted average discount rate for the Company's portfolio was 8.0% (31 March 2023: 7.3%);
- The upward revision in short-term inflation forecasts;
- Revaluation of new assets in the Company's portfolio;
- The operating results achieved by the Company's solar assets; and
- The dividends declared and operating costs incurred during the year.

NAV sensitivity analysis as at 30 September 2023

The chart below shows the impact of the key sensitivities on the NAV per ordinary share. Additional sensitivity analyses can be found in note 19b to the Financial Statements.



1 This movement reflects the change in valuation as a result of changing the valuation date, prior to adjusting for any outflows of the Fund (captured separately). The increase in value is attributable to the unwinding of the discount applied to cash flows for the period when calculating the DCF.

Operating results

Loss before tax was £11.6m (30 September 2022: profit of £77.1m) with loss per ordinary share of -2.0p (30 September 2022: earnings per ordinary share of 13.1p), driven by the net change in fair value of investments. For more details, please see pages 30 and 48.

Operating expenses and ongoing charges

The operating expenses, excluding preference share dividends paid by the Company, for the period amounted to £3.7m (30 September 2022: £3.8m). The Company's ongoing charges ratio ("OCR") was 1.1% (30 September 2022: 1.1%). The budgeted OCR for the financial year ending 31 March 2024 is 1.1%. The OCR, which has been calculated in accordance with the Association of Investment Companies recommended methodology, is an Alternative Performance Measure (for more detail, please see pages 76-79).

Cash flow analysis

As at 30 September 2023, the Company held cash of £4.8m at an A/+ credit rated financial institution.

Cash received from assets in the period covered the operating expenses, the preference share dividends, dividends declared to ordinary shareholders in respect of the period ended 30 September 2023 and part of the investment into HoldCos.

Cash flows of the Company	Period ended 30 Sep 2023 (unaudited) £'000	Period ended 30 Sep 2022 (unaudited) £'000
Company cash balance at 1 April	**14,354**	**19,608**
Investment in HoldCos	(3,575)	(36,085)
Received from HoldCos	25,095	57,288
Directors' fees	(108)	(138)
Investment Manager fees	(2,586)	(2,992)
Administrative expenses	(934)	(389)
Dividends paid in cash to ordinary shareholders	(22,748)	(20,896)
Preference share dividends	(4,711)	(4,710)
Company cash balance at 30 September	**4,786**	**11,686**

NESF Group operating SPV's

The below table represents the unaudited consolidated financial results of the Company's operating SPVs

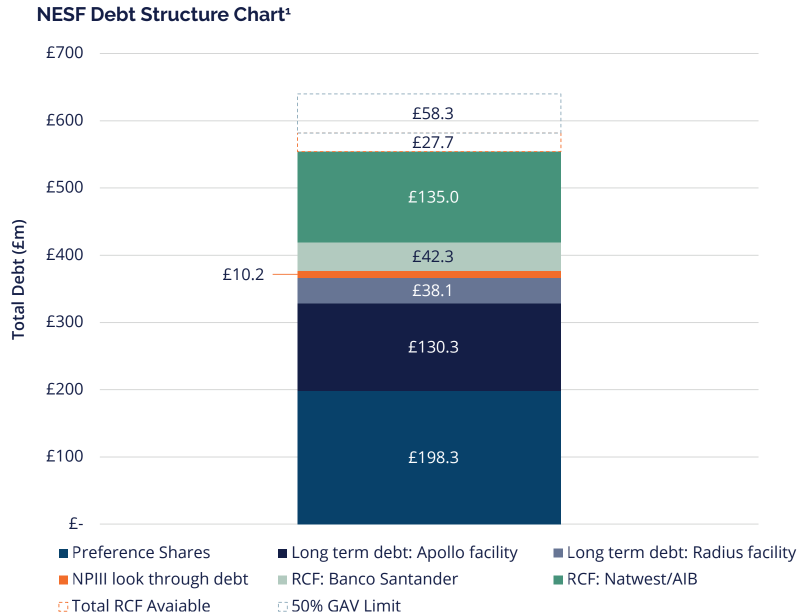
	Period ended September 2023 (unaudited) £'000	Period ended September 2022 (unaudited) £'000
Total SPVs revenue	91,709	95,686
EBITDA	74,757	80,821
EBIT	45,831	52,034

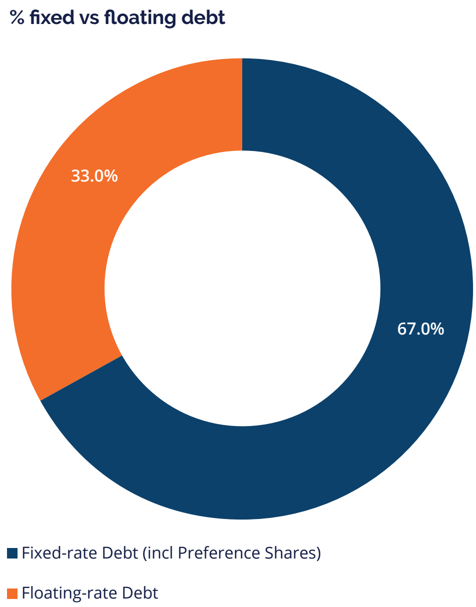
Cash Dividend Cover

Six months ended 30 September 2023	£'000	Pre-scrip dividends £'000
Cash income for period[1]	50,433	
Net operating expenses for period	(3,693)	
Preference share dividend	(4,763)	
Net cash income available for distribution	41,977	
Ordinary shares dividend paid during period		23,379
Cash dividend cover[2]		1.8x

1 Cash income differs from the Income in the Statement of Comprehensive Income as the latter is prepared on an accruals basis.
2 Alternative Performance Measures.

NESF Debt Structure Chart





Financing

Financial debt

In June 2022, the NESF Group signed a two-year extension to its £70m RCF with Santander UK, now available until June 2024. The Company holds the right to extend this facility for one year. In September 2022, the NESF Group secured £60m additional commitments under an existing RCF from £75m to £135m, available until June 2024. The extension of this facility is currently under negotiation with the Investment Adviser.

At 30 September 2023, the Company's subsidiaries (including NPIII) had financial debt outstanding of £356m (31 March 2023: £345m), on a look-through basis, as shown in the table below. No covenant breaches have occurred during the period.

Preference shares

On 8 November 2018, Shareholders approved the issuance of £200m of Preference Shares, part of the Company's innovative approach to enhance and protect its capital structure. In the current high interest rate environment the Preference Shares offer considerable value and benefits to the Company and its Shareholders.

At 30 September 2023, the Company had £200m of preference shares outstanding (31 March 2023: £200m). The preference shares are non-redeemable (except in limited exceptional circumstances), non-voting and convertible into ordinary shares from 1 April 2036 at their issue price (£200m in aggregate) plus any unpaid preference share dividends at the date of conversion. For financial accounting purposes, and in line with IFRS the preference shares are classified as long-term liabilities. The preference shares are equivalent to non-amortising debt with repayment in shares, and the Company is not required to use cashflow, or raise funds, to repay them at the end of their life. The absence of amortisation enhances the ability to pay the ordinary share dividend, and repayment in shares removes refinancing risk.

From 1 April 2030, the Company may elect to redeem all or some of the preference shares. Redemption of the preference shares by the Company would provide an attractive uplift if the share price is trading at a healthy premium. Benefits of the preference shares for NESF include:

- A reduction in the exposure to secured debt financing;
- The fixed preferred dividend of 4.75p per preference share being a significantly lower all-in annual cash cost to the Company compared to issuing ordinary shares; and
- The further optimisation of the Company's capital structure and, over the long term, increase in cash flows available to fund ordinary share dividends or for reinvestment compared to refinancing with conventional long-term amortising financial debt, thereby increasing the cash dividend cover

The investment management fee is calculated based on the ordinary share NAV and, accordingly, no management fee

The preference shares are held at amortised cost using the effective interest method and are measured at gross proceeds net of transaction costs incurred. As at 30 September 2023 they are held at £198.3m (30 September 2022: £198.1m; 31 March 2023: £198.2m).

is payable in respect of the preference shares. The terms of the preference shares can be found in note 23 to the financial statements.

Total gearing

The financial debt, together with the preference shares, represented a total gearing level of 46% (31 March 2023: 45%), which is below the maximum limit of 50% in the Company's Investment Policy.

Provider/ arranger	Type	Borrower	No. of power plants secured[1]	Loan to Value[2] (%)	Tranches	Facility Amount (£m)	Amount Out-standing (£m)	Termination (inc. options to extend)	Applicable rate
MIDIS/CBA/NAB	Fully-amortising long-term debt[3]	NESH	21 (241MW)	45.9%	Medium-term	48.4	34.4	Dec-26	2.91%[4]
					Floating long-term	24.2	24.2	Jun-35	3.68%[4]
					Index-linked long-term	38.7	33.0[5]	Jun-35	RPI + 0.36%
					Fixed long-term	38.7	38.7	Jun-35	3.82%
					Debt service reserve facility	7.5	—	Jun-26	1.50%
MIDIS	Fully-amortising long-term debt[3]	NESH IV	5 (84MW)	41.2%	Inflation-linked	27.5	17.3[5]	Sep-34	RPI + 1.44%
					Fixed long-term	27.5	20.8	Sep-34	4.11%
Total long-term debt						**212.5**	**168.3**		
Banco Santander	Revolving credit facility	NESH VI	13 (100MW)	N/a	N/a	70.0	42.3	Jun-24	SONIA + 1.60%
Natwest/AIB	Revolving credit facility	NESH III	19 (226MW)	N/a	N/a	135.0	135.0	Jun-24	SONIA + 1.20%
Total short-term debt						**205.0**	**177.3**		
NPIII look through debt	N/a	N/a	N/a	N/a		N/a	10.2[6]		
Total debt							355.8		

1 NESF has 326MW under long-term debt financing, 326MW under short-term debt financing and 250MW without debt financing (excludes NPIII look through debt).
2 Loan to Value defined as 'Debt outstanding / GAV'.
3 Long-term debt is fully amortised over the period secured assets receive subsidies (ROCs and others).
4 Applicable rate represents the swap rate.
5 Represents the "real" outstanding debt balance. The "nominal" outstanding debt balances are included in the debt balances provided in Note 23b to the financial statements.
6 The total combined short and long-term debt in relation to NESF's commitment into NPIII (on a look through equivalent basis).

Events After the Balance Sheet Date

On 21 November 2023, the Company successfully completed the first phase of the capital recycling programme with the divestment of Hatherden, a 60MW ready to build UK subsidy-free solar asset, to NextPower UK HoldCo Limited, a 10-year closed-ended private fund managed by NextEnergy Capital, for sale proceeds of £15.2m. NextPower UK HoldCo Limited is a company under common control of the wider NextEnergy Group.

NextEnergy Capital Limited
21 November 2023

Operating Portfolio

	Power plant	Location	Acquisition date	Subsidy/PPA[1]	Installed capacity (MW)	Cost (£m)	Remaining useful life of asset (years)
1	Higher Hatherleigh[3]	Somerset	Apr-14	1.6	6.1	7.3[3]	14.5
2	Shacks Barn[3]	Northamptonshire	May-14	2.0	6.3	8.2[3]	13.8
3	Gover Farm[3]	Cornwall	Jan-15	1.4	9.4	11.1[3]	16.2
4	Bilsham[3]	West Sussex	Jan-15	1.4	15.2	18.9[3]	20.7
5	Brickyard[3]	Warwickshire	Jan-15	1.4	3.8	4.1[3]	16.1
6	Ellough	Suffolk	Jul-14	1.6	14.9	20.0[3]	25.4
7	Poulshot[3]	Wiltshire	Apr-15	1.4	14.5	15.7[3]	15.4
8	Condover[3]	Shropshire	May-15	1.4	10.2	11.7[3]	16.1
9	Llywndu	Ceredigion	Jul-15	1.4	8.0	9.4	26.2
10	Cock Hill Farm	Wiltshire	Jul-15	1.4	20.0	23.6[3]	15.9
11	Boxted Airfield[3]	Essex	Apr-15	1.4	18.8	20.6[3]	16.5
12	Langenhoe[3]	Essex	Apr-15	1.4	21.2	22.9[3]	31.5
13	Park View[3]	Devon	Jul-15	1.4	6.5	7.7[3]	31.3
14	Croydon[3]	Cambridgeshire	Apr-15	1.4	16.5	17.8[3]	16.2
15	Hawkers Farm[3]	Somerset	Jun-15	1.4	11.9	14.5[3]	16.5
16	Glebe Farm[3]	Bedfordshire	Apr-15	1.4	33.7	40.5[3]	26.2
17	Bowerhouse[3]	Somerset	May-15	1.4	9.3	11.1[3]	31.5
18	Wellingborough[3]	Northamptonshire	Jun-15	1.4	8.5	10.8[3]	15.7
19	Birch Farm[3]	Essex	Sep-15	FiTs UK	5.0	5.3[3]	16.7
20	Thurlestone Leicester	Leicestershire	Oct-15	FiTs UK	1.8	2.3	9.6
21	North Farm[3]	Dorset	Oct-15	1.4	11.5	14.5[3]	31.2
22	Ellough Phase 2[3]	Suffolk	Aug-16	1.3	8.0	8.0[3]	32.1
23	Hall Farm[3]	Leicestershire	Nov-15	FiTs UK	5.0	5.0[3]	36.9
24	Decoy Farm[3]	Lincolnshire	Mar-16	FiTs UK	5.0	5.2[3]	32.5
25	Green Farm	Essex	Dec-16	FiTs UK	5.0	5.8	17.5
26	Fenland[2,4]	Cambridgeshire	Jan-16	1.4	20.4	23.9[2,4]	16.8
27	Green End[2,4]	Cambridgeshire	Jan-16	1.4	24.8	29.0[2,4]	16.9
28	Tower Hill[2,4]	Gloucestershire	Jan-16	1.4	8.1	8.8[2,4]	16.5
29	Branston[2,5]	Lincolnshire	Mar-16	1.4	18.9		31.4
30	Great Wilbraham[2,5]	Cambridgeshire	Mar-16	1.4	38.1		31.4
31	Berwick[2,5]	East Sussex	Mar-16	1.4	8.2	97.9[2,5]	18.0
32	Bottom Plain[2,5]	Dorset	Mar-16	1.4	10.1		31.7
33	Emberton[2,5]	Buckinghamshire	Mar-16	1.4	9.0		36.6
34	Kentishes	Essex	Jul-17	1.2	5.0	4.5	36.5
35	Mill Farm	Hertfordshire	Jul-17	1.2	5.0	4.2	33.3
36	Bowden	Somerset	Sep-17	1.2	5.0	5.6	33.4
37	Stalbridge	Dorset	Jan-17	1.2	5.0	5.4	33.3
38	Aller Court	Somerset	Sep-17	1.2	5.0	5.5	18.5
39	Rampisham	Dorset	Sep-17	1.2	5.0	5.8	19.0
40	Wasing	Berkshire	Aug-17	1.2	5.0	5.3	23.2
41	Flixborough	South Humberside	Aug-17	1.2	5.0	5.1	24.3
42	Hill Farm	Oxfordshire	Mar-17	1.2	5.0	5.5	28.4
43	Forest Farm	Hampshire	Mar-17	FiTs UK	3.0	3.3	28.5
44	Birch CIC	Essex	May-17	FiTs UK	1.7	1.7	16.7
45	Barnby	Nottinghamshire	Aug-17	1.2	5.0	5.4	18.8
46	Bilsthorpe	Nottinghamshire	Aug-17	1.2	5.0	5.4	19.2
47	Wickfield	Wiltshire	Mar-17	1.2	4.9	5.6	19.6
48	Bay Farm	Suffolk	Sep-17	1.6	8.1	10.5	31.4
49	Honnington	Suffolk	Sep-17	1.6	13.6	16.0	31.3
50	Macchia Rotonda[2,6]	Apulia	Dec-17	FiTs Italy	6.6		12.3
51	Lacovangelo[2,6]	Apulia	Dec-17	FiTs Italy	3.5		12.6
52	Armiento[2,6]	Apulia	Dec-17	FiTs Italy	1.9		12.6
53	Inicorbaf[2,6]	Apulia	Dec-17	FiTs Italy	3.0		12.4

54	Gioia del Colle[2,6]	Campania	Dec-17	FiTs Italy	6.5		13.1
55	Carinola[2,6]	Apulia	Dec-17	FiTs Italy	3.0		13.1
56	Marcianise[2,6]	Campania	Dec-17	FiTs Italy	5.0	116.2[2,6]	13.0
57	Riardo[2,6]	Campania	Dec-17	FiTs Italy	5.0		13.0
58	Gilley's Dam	Cornwall	Nov-17	1.3	5.0	6.4	31.2
59	Pickhill Bridge	Clwyd	Dec-17	1.2	3.6	3.7	34.0
60	North Norfolk	Norfolk	Dec-17	1.6	11.0	14.6	21.1
61	Axe View	Devon	Dec-17	1.2	5.0	5.6	23.9
62	Low Bentham	Lancashire	Dec-17	1.2	5.0	5.4	22.4
63	Henley	Shropshire	Jan-18	1.2	5.0	5.2	22.7
64	Pierces Farm	Berkshire	May-18	FiTs UK	1.7	1.2	15.6
65	Salcey Farm	Buckinghamshire	May-18	1.4	5.5	6.5	15.6
66	Thornborough	Buckinghamshire	Jul-18	1.2	5.0	5.7	18.2
67	Temple Normaton	Derbyshire	Jul-18	1.2	4.9	5.6	17.8
68	Fiskerton Phase 1	Lincolnshire	Jul-18	1.3	13.0	16.6	26.5
69	Huddlesford HF	Staffordshire	Jul-18	1.2	0.9	0.9	17.3
70	Little Irchester	Northamptonshire	Jul-18	1.2	4.7	5.9	18.3
71	Balhearty	Clackmannanshire	Jul-18	FiTs UK	4.8	2.6	32.5
72	Brafield	Northamptonshire	Jul-18	1.2	4.9	5.8	32.7
73	Huddlesford PL	Staffordshire	Jul-18	1.2	0.9	0.9	17.5
74	Sywell	Northamptonshire	Jul-18	1.2	5.0	5.9	17.6
75	Coton Park	Derbyshire	Jul-18	FiTs UK	2.5	1.1	17.6
76	Hook[2,4]	Somerset	Aug-18	1.6	15.3	21.8[2]	30.5
77	Blenches[2,4]	Wiltshire	Aug-18	1.6	6.1	7.8[2]	15.2
78	Whitley[2,4]	Somerset	Aug-18	1.6	7.6	10.4[2]	30.3
79	Burrowton[2,4]	Devon	Aug-18	1.6	5.4	7.3[2]	30.0
80	Saundercroft[2,4]	Devon	Aug-18	1.6	7.2	9.6[2]	30.4
81	Raglington[2,4]	Hampshire	Aug-18	1.6	5.7	8.1[2]	30.3
82	Knockworthy[2,4]	Cornwall	Aug-18	FiTs UK	4.6	6.6[2]	14.5
83	Chilton Canetello[2,4]	Somerset	Aug-18	FiTs UK	5.0	9.0[2]	28.8
84	Crossways[2,4]	Dorset	Aug-18	FiTs UK	5.0	10.0[2]	28.8
85	Wyld Meadow[2,4]	Dorset	Aug-18	FiTs UK	4.8	7.1[2]	29.3
86	Ermis	Rooftop Portfolio	Jul-18	FiTs UK	1.0	3.0	13.1
87	Angelia	Rooftop Portfolio	Jul-18	FiTs UK	0.2	0.6	13.0
88	Ballygarvey	County Antrim	Jul-19	1.4 NIROCs	8.2	8.5	24.3
89	Hall Farm 2[2]	Leicestershire	Aug-19	Subsidy-free	5.4	2.5	35.8
90	Staughton	Bedfordshire	Dec-19	Subsidy-free	50.0	27.4	35.4
91	High Garret	Essex	Oct-20	Subsidy-free	8.4	4.1	36.6
92	Marham	Norfolk	Jan 21	Long-term PPA	1.0	0.7	22.3
93	Sutterton	Lincolnshire	Mar 21	Long-term PPA	0.4	0.3	22.4
94	The Grange	Nottinghamshire	Feb 21	Long-term PPA	50.0	32.1	37.7
95	South Lowfield	Yorkshire	Jun-21	Long-term PPA	50.0	29.6	37.7
96	JSC (NZ)	Worcestershire	Mar-19	FiTs UK	0.04	0.04	15.9
97	Karcher (NZ)	Oxfordshire	Nov-19	Subsidy-free	0.3	0.2	21.5
98	Dolphin (NZ)	East Sussex	Jul-21	Subsidy-free	0.2	0.2	23.1
99	Holiday Inn (NZ)	Northamptonshire	Apr-22	Long-term PPA	0.18	0.2	23.1
100	Whitecross	Lincolnshire	Jul-23	Subsidy-free	35.2	21.9	39.6
Subtotal					**900.2**	**1021.3**	**26.4[7]**
101	NextPower III[8]	OECD Markets	Jun-21	Multiple long-term PPAs	32.7[8]	37.4	n/a
Total					**932.9**	**1058.7**	

1 ROCs, unless otherwise stated. An explanation of the ROC subsidy is available at www.ofgem.gov.uk/environmental-programmes/renewables-obligation-ro.
2 With project level debt.
3 Part of the Apollo portfolio.
4 Part of the Thirteen Kings portfolio.
5 Part of the Radius portfolio.
6 Part of the Solis portfolio.
7 Weighted average remaining useful life of asset.
8 32.7MW represents the proportion of NPIII operational assets owned by NESF on a look through equivalent basis as at 30 September 2023. NPIII is a portfolio of assets at different stages of their project life cycle.

Portfolio Generation Performance

	Power plant	Operational date	Period ended 30 September 2023			Since acquisition	
			Generation (GWh)	Solar irradiation delta (%)	Generation delta (%)	Solar irradiation delta (%)	Generation delta (%)
1	Higher Hatherleigh	Apr-13	3.8	3.3	-7.5	1.8	3.0
2	Shacks Barn	Mar-13	4.4	2.8	7.1	3.0	8.2
3	Gover Farm	Oct-14	6.3	3.1	-2.9	3.8	0.2
4	Bilsham	Nov-14	10.9	8.2	0.0	5.7	5.9
5	Brickyard	Nov-14	2.7	4.4	6.8	3.6	5.8
6	Ellough	Mar-14	10.6	2.1	2.7	1.5	4.9
7	Poulshot	Mar-15	10.0	2.9	4.8	1.2	4.9
8	Condover	Mar-15	7.0	2.6	5.0	0.8	1.3
9	Llywndu	Feb-15	6.0	1.9	10.5	-2.3	4.9
10	Cock Hill Farm	Mar-15	14.4	3.1	5.9	3.2	5.4
11	Boxted Airfield	Mar-15	14.3	5.9	9.8	3.9	6.2
12	Langenhoe	Mar-15	16.4	8.6	11.0	6.9	9.7
13	Park View	Mar-15	4.7	0.9	1.3	-0.7	1.5
14	Croydon	Mar-15	12.3	9.5	16.3	7.0	8.2
15	Hawkers Farm	Mar-15	8.4	1.7	0.6	1.1	3.8
16	Glebe Farm	Mar-15	24.8	10.1	13.6	7.6	12.7
17	Bowerhouse	Mar-15	5.7	5.5	-10.7	3.7	-1.6
18	Wellingborough	Mar-14	5.8	6.2	4.6	3.5	6.0
19	Birch Farm	Jun-15	3.8	7.7	7.9	5.2	6.8
20	Thurlestone Leicester[1]	Apr-13	1.0	-3.6	-6.8	-3.6	-6.9
21	North Farm	Mar-15	7.7	0.7	-11.5	-2.0	-5.0
22	Ellough Phase 2	Jan-16	6.0	7.9	8.3	8.7	12.7
23	Hall Farm	Aug-16	3.3	5.4	1.3	4.4	0.9
24	Decoy Farm	Nov-15	3.8	8.7	12.8	5.9	10.5
25	Green Farm	Mar-16	3.3	4.7	-5.0	4.0	2.9
26	Fenland	Feb-15	15.2	5.5	9.9	5.6	9.1
27	Green End	Mar-15	17.2	7.7	2.6	5.4	3.2
28	Tower Hill	Mar-15	5.9	1.8	7.1	3.2	7.1
29	Branston	Mar-15	13.9	9.6	11.9	7.0	8.1
30	Great Wilbraham	Mar-15	27.4	8.6	6.6	6.0	5.5
31	Berwick	Mar-15	6.4	6.7	4.4	4.9	8.6
32	Bottom Plain	Dec-14	7.1	4.6	-1.9	3.9	2.7
33	Emberton	Mar-15	6.6	6.8	8.5	5.0	3.1
34	Kentishes	Dec-16	3.8	5.3	4.3	6.0	6.2
35	Mill Farm	Dec-16	3.8	9.5	10.5	9.0	11.1
36	Bowden	Mar-17	3.7	1.3	-1.6	0.6	0.6
37	Stalbridge	Mar-17	3.8	1.9	3.4	0.9	5.6
38	Aller Court	Mar-17	3.2	3.9	-12.5	3.5	2.7
39	Rampisham	Mar-17	3.6	-3.1	-8.5	-1.9	-1.9
40	Wasing	Mar-17	3.8	6.5	8.4	5.8	8.8
41	Flixborough	Mar-17	3.6	5.5	7.5	5.8	8.2
42	Hill Farm	Mar-17	3.7	6.1	11.0	6.2	9.3
43	Forest Farm	Mar-17	2.3	6.6	9.7	5.0	9.0
44	Birch CIC	Jun-15	1.3	7.6	3.9	6.0	4.8
45	Barnby	Mar-17	3.5	4.6	7.4	5.0	5.7
46	Bilsthorpe	Mar-17	3.5	5.4	5.6	4.8	6.3
47	Wickfield	Mar-17	3.4	5.2	1.6	5.2	3.9
48	Bay Farm	Mar-14	5.8	8.8	11.1	7.2	9.0
49	Honnington	Mar-14	10.0	7.9	8.6	4.8	5.5
50	Macchia Rotonda	Feb-11	5.5	2.1	-6.6	6.0	0.9
51	Iacovangelo	Apr-11	2.9	0.4	-6.3	4.3	4.3

52	Armiento	Apr-11	1.7	0.2	-0.4	5.0	6.6
53	Inicorbaf	Mar-11	2.7	-0.2	-0.4	5.5	5.9
54	Gioia del Colle	Oct-11	5.4	-2.9	-7.8	1.0	2.3
55	Carinola	Oct-11	2.5	-6.0	-2.8	1.8	3.6
56	Marcianise	Sep-11	4.2	-0.5	-2.2	2.6	3.7
57	Riardo	Sep-11	4.3	-1.2	-3.4	2.1	0.1
58	Gilley's Dam	Mar-16	3.2	-5.5	-14.0	-4.5	-4.9
59	Pickhill Bridge	Mar-17	2.7	8.9	12.3	5.2	8.6
60	North Norfolk	Jan-14	6.5	6.3	-14.7	7.1	1.7
61	Axe View	Mar-17	3.7	7.2	8.0	5.9	7.3
62	Low Bentham	Mar-17	3.4	8.1	2.1	2.6	2.2
63	Henley	Mar-17	3.5	4.1	7.0	3.3	5.9
64	Pierces Farm	Mar-15	1.2	6.8	3.0	3.8	6.4
65	Salcey Farm	Sep-14	3.7	6.3	0.2	7.8	4.2
66	Thornborough	Mar-16	3.4	-3.6	-4.3	3.3	-7.5
67	Temple Normaton	Mar-16	3.3	0.8	-1.7	4.0	-5.6
68	Fiskerton Phase 1	Mar-15	9.0	3.5	0.4	7.4	-0.1
69	Huddlesford HF	Mar-16	0.6	3.9	0.3	5.6	4.7
70	Little Irchester	Mar-16	3.3	2.5	-1.4	4.0	-6.6
71	Balhearty[4]	Mar-16	-	-	-	-	-
72	Brafield	Mar-16	3.5	6.5	0.4	7.6	1.1
73	Huddlesford PL	Mar-16	0.6	3.2	0.5	5.1	2.2
74	Sywell	Dec-15	3.7	4.4	5.4	6.1	3.8
75	Coton Park	Dec-15	1.6	-0.2	1.6	2.2	4.3
76	Hook	Mar-14	9.9	3.9	-9.4	3.5	-2.2
77	Blenches	Mar-14	3.7	1.1	-8.1	4.1	2.8
78	Whitley	Mar-14	5.0	10.4	-6.6	7.4	-2.5
79 80	Burrowton Saundercroft	Mar-14	7.8	5.7	-14.2	4.4	-2.5
81	Raglington	Mar-13	0.0	0.0	0.0	0.0	0.0
82	Knockworthy	Mar-13	4.1	5.1	-3.3	3.8	-11.3
83	Chilton Canetello	Jul-12	2.4	-0.3	-30.1	2.1	-15.6
84	Crossways	Jul-12	3.1	9.7	-13.9	6.5	0.7
85	Wyld Meadow	Jul-12	2.8	5.4	-26.8	4.1	-3.3
86	Ermis[1]	Oct-11	2.5	-0.1	-29.4	-0.5	-10.5
87	Angelia[1]	Oct-11	0.6	0.2	4.3	0.2	4.3
88	Ballygarvey	Mar-18	0.1	6.5	-0.1	6.5	-0.1
89	Hall Farm 2	Aug-19	4.8	2.9	2.3	1.5	-1.9
90	Staughton	Dec-19	3.9	9.5	13.2	11.0	4.5
91	High Garrett	Oct-20	33.9	14.5	3.2	13.2	8.5
92	Marham	Jan-21	6.3	8.6	7.4	9.3	5.8
93	Sutterton	Mar-21	0.7	2.3	5.6	2.3	5.6
94	The Grange	Jan-21	0.3	3.0	8.1	3.0	8.1
95	South Lowfield	Jun-21	38.4	12.6	7.3	8.9	-0.1
96	JSC (NZ)[1]	Mar-19	22.6	8.1	-33.6	2.8	-14.1
97	Karcher (NZ)[1]	Nov-19	0.0	-0.2	-3.2	2.0	-2.0
98	Dolphin (NZ)[1]	Jul-21	0.2	2.3	-9.4	4.5	-9.1
99	Holiday Inn (NZ)[1]	Apr-22	0.1	7.0	-11.7	8.7	-13.6
100	Whitecross	Jul-23	-	-	-	-	-
Subtotal			**599**	**6.1**	**0.0**	**3.7**	**3.9**
101	NextPower III[3]	Multiple	-	-	-	-	-
Total			**599**	**6.1**	**0.0**	**3.7**	**3.9**

1 Rooftop asset which is not monitored for irradiation.
2 An asset which is yet to pass provisional acceptance clearance (PAC) are not reported by the Asset Manager.
3 NPIII performance not included.
4 Due to damage caused by Storm Arwen in November 2021 and Storm Eunice in February 2022, Balhearty was taken offline and is in the process of being repaired by a chosen EPC contractor.

Hill Farm

Oxfordshire
5MW
1.2 ROC

Sustainability and ESG

Kilotonnes of CO_2e emissions avoided for the period ended 30 September 2023 avoided p.a.[1]
252.5
(30 September 2022: 266.5)

Equivalent UK homes powered for the period ended 30 September 2023[1]
334,200
(30 September 2022: 354,300)

Total clean electricity generated for the period ended 30 September 2023
599 GWh
(30 September 2022: 639 GWh)

1 Greeninvestmentgroup.com/green-impact/green-investment-handbook

The NESF Sustainability and ESG Framework

NESF's Sustainability and ESG Framework is built on three pillars: climate change, biodiversity, and human rights. The investment process is aligned with this Framework, and is supported by a Sustainable Investment Policy, a Position Statement on each of the three pillars, and a Code of Conduct for Suppliers. These policies are publicly available, approved by senior managers of the Investment Adviser, and reviewed regularly. There has been no change during the period to how the Company manages ESG risk.

The NESF approach is informed by the work of its Investment Adviser, which is currently undertaking a strategic review of its Sustainability and ESG Framework. This will provide insight into how NESF can ensure its policies and procedures continue to deliver best-in-class ESG performance for the Company, and that they have regard to current and emerging ESG issues. The review will also ensure that the NESF approach to sustainability and ESG remains progressive and appropriate to manage material risks.

Highlights during the period

- Sustainability Report: NESF published its second standalone Sustainability and ESG Report in July 2023. This includes comprehensive information on NESF Sustainability and ESG, including the ESG risk management processes NESF uses.
- Supply chain management: the Solar Stewardship Initiative ("SSI") ESG standard launched in October 2023. This marks a significant development for solar industry sustainability. The Investment Adviser is a sponsor and supporter of the SSI.
- Taskforce on Nature-related Financial Disclosures ("TNFD"): The NESF Investment Adviser is a forum member of the TNFD. It published its final recommendations for nature-related financial disclosures in September 2023. These are intended to act as a global approach to reporting on nature. During the period, NESF assets have been mapped against nature-related risk exposure as part of a TNFD materiality assessment.

$ktCO_2$e avoided since 2014	Units
1,985	$ktCO_2$e

Metric	Units	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Six months to Sep 23
GHG avoided	$ktCO_2$e	211.2	299.4	307.7	317.6	328.7	363.0	252.5
NOx avoided	tonnes	193.1	276.5	274.4	283.4	296.3	331.1	227.8
SOx avoided	tonnes	365.9	499.2	511.9	527.5	549.7	612.4	419.2
PM2.5[1]	tonnes	15.9	22.6	23.2	24.0	25.2	28.3	19.6
PM10[1]	tonnes	4.0	5.6	5.8	5.9	6.2	6.9	4.8
Fossil Fuels avoided	kilotonnes of oil equivalent	90.0	127.7	131.2	135.9	142.8	160.3	111.1
	million barrels	0.66	0.94	0.96	1.00	1.05	1.20	0.8

1. Definitions can be found in the glossary on page 83

Focus area updates

Climate

Climate change impacts escalated during the period. Climate records continued to be broken, with the global daily average hottest temperature exceeding 17C three times in July, and there were record-breaking heatwaves in the UK, Europe, and other parts of the world. Direct risks to NESF assets in the short term (<5 years) remain limited. However, climate-related risks are expected to evolve over the medium to long term (>5 years). During the period, NESF reported on potential exposure to climate-related risks, including its strategy, governance, risk management, and metrics relating to climate-related risks and opportunities, including its carbon footprint, in its Task Force on Climate-Related Financial Disclosures report.

Biodiversity and natural capital

Identifying and assessing potential biodiversity risks, and improving the local environment around assets through biodiversity initiatives, are key NESF ESG objectives: solar farms can provide an excellent opportunity to design and implement measures to connect local wildlife, habitats and ecosystems, in line with the mitigation hierarchy of avoiding, minimising, restoring and compensating for impacts on the environment. The NESF Universal Biodiversity Management Plan and Exemplar programmes are structured initiatives to monitor and generate biodiversity net gain across NESF assets, and the Company has made progress on these programmes during the reporting period, sowing wildflower meadows at two assets as part of its Exemplar programme.

Supply Chain Management

Strategic developments in the solar supply chain during the period include the launch of the Solar Stewardship Initiative (SSI) ESG standard in October 2023. The launch marks a major milestone for the SSI, which is a joint initiative of Solar Energy UK and SolarPower Europe to enable continuous improvement of ESG performance in the solar industry. This includes establishing mechanisms to create supply chain transparency. The Investment Adviser has been a sponsor and supporter of the SSI since inception, and its Head of ESG, Giulia Guidi, is a member of the coordination group. One of the Investment Adviser's ESG Associates was also elected as the Chairman of the SEUK Responsible Sourcing Steering Group during the period, in August 2023, and this reflects the growing strength of its ESG team.

NESF continues to develop its work on the supply chain, including looking at energy storage, and ensuring the highest standards is a key priority for the Company. NESF's Investment Adviser has developed a comprehensive approach to supply chain management, and during the period, the Investment Adviser continued to assess the performance of potential future module suppliers for the Company, helping to ensure appropriate management of supply chain risk. The Investment Adviser also monitors the policy and regulatory environment, to inform NESF's work in emerging areas of scrutiny, such as energy storage supply chains. The Investment Adviser discloses its approach to responsible sourcing publicly.

Human Rights and Modern Slavery

As a responsible corporate citizen, NESF takes its responsibility to respect human rights very seriously. This includes potential human rights impacts on host communities and others who interact with NESF assets, as well as people working in the NESF supply chain. NESF respects fundamental human rights principles, and operates in line with the UN Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. NESF's investment activities are also aligned with the Ten Principles of the United Nations' Global Compact. The Company opposes any form of slavery or forced labour and publishes an annual Modern Slavery Statement. During the period, NESF has briefed investors on its human rights policies, and as with all ESG issues, it is constantly seeking to strengthen its work in the area. In line with the UK Modern Slavery Act, the fund publishes a Modern Slavery Act Statement yearly.

NESF: an Article 9 Fund

The EU SFDR came into force on 10 March 2021, requiring financial market participants to disclose their ESG policies and practices. NESF qualifies as an Article 9 fund under the EU SFDR, and has sustainable investment as its objective. In addition, its investments are fully aligned with the EU Taxonomy. As an SFDR Article 9 fund, NESF has made the appropriate disclosures under Annexes I, III and V of the Regulation. These are available on the NESF website.

Risk summary

ESG risks for NESF and its portfolio include physical and transition risk linked to climate change, biodiversity impacts, land use and management, water and other resource stress, health and safety, social and human rights, and good governance issues including business integrity, anti-corruption, and anti-bribery. While these risks continue to evolve, and NESF's risk management processes evolve in turn, no new material sustainability or climate-related risks were noted for the reporting period. Further information on the Company's risks is included in the Principal and Emerging Risks and Uncertainties section which follows.

Principal Risks and Uncertainties

For the remaining six months of the year ending 31 March 2024.

Principal and Emerging Risks

The Company's approach to risk governance, the risk review process and risk appetite are set out in the Annual Report for the year ended 31 March 2023 within the following sections; Risk and Risk Management section in the Strategic Report (pages 70 to 72) and the Risk, Internal Controls and Internal Audit section in the Corporate Governance Statement (pages 89 and 90), this can be found on our website (nextenergysolarfund.com). The Company's approach to risk management has remained unchanged during the period.

The Principal risks and uncertainties to the achievement of the Company's objectives are described on pages 70 to 72 of the Annual Report and are categorised as follows:

- Portfolio management and performance risks:
  - electricity generation falling below expectations; and
  - portfolio valuations.
- External and market risks:
  - adverse changes in government policy and political uncertainty;
  - adverse changes to the regulatory framework for solar PV;
  - changes to tax legislation and tax rates; and
  - health and safety.
- Operational and strategic risks:
  - a decline in the price of electricity;
  - counterparty risk; and
  - plant operational risks.

The Board believes that the aforementioned risks are unchanged with respect to the remaining six months of the year to 31 March 2024. The Board has identified the following emerging risks which are being monitored on an ongoing basis:

- The risk to the Company of a pandemic reoccurring; and
- The risk associated with the ongoing OFGEM reviews of subsidy accreditations.

During the period, the Board has monitored the following new emerging risks which are being monitored on an ongoing basis:

- The risk of goals by ministers to redefine “best and most versatile” land (BMV) to include grade 3b land, which would restrict the development of solar assets on such land;
- The risk of disruption to the global supply chain for components required in the construction of solar and battery storage assets; and
- The risks of financial market volatility leading to the Company's share price trading at a significant discount to the NAV.

The inherent risks associated with investment in the solar energy sector could result in a material adverse effect on the Company's performance and the value of the ordinary shares. Risks, including emerging risks, are mitigated and managed by the Board through continual review, policy setting and regular reviews of the Company's risk matrix by the Audit Committee to ensure that procedures are in place with the intention of minimising the impact of the principal risks to the achievement of the Company's objectives. The Audit Committee undertook its most recent review of the review of the Company's risk matrix at its meeting held on 15 June 2023. The Board and the Audit Committee rely on periodic reports provided by the Investment Manager and the Administrator regarding risks that the Company faces. When required, experts, including tax advisers, legal advisers and environmental advisers, are engaged.

Helen Mahy
Chairman

Vic Holmes
Senior Independent Director

Patrick Firth
Non-executive Director

Josephine Bush
Non-executive Director

Jo Peacegood
Non-executive Director

Paul Le Page
Non-executive director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Report in accordance with applicable law and regulations.

In accordance with the FCA's Disclosure Guidance and Transparency Rule 4.2.10R, the Directors confirm that, to the best of their knowledge:

- The Unaudited Condensed Interim Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting;
- The Interim Report, comprising the Chairman's Statement and the Investment Adviser's Report, meet the requirements of an interim management report and include a fair review of the information required by:
  - DTR4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Unaudited Condensed Interim Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last Annual Report that could do so.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (nextenergysolarfund.com), and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

A Market Disclosure Committee has been formally established in the period working in consultation with NextEnergy Capital Limited ("NEC") as Investment Adviser. The Committee, which will be made up of at least 2 board members, will be responsible for the continued best practice oversight of the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules, and Disclosure Guidance and Transparency Rules.

On behalf of the Board of Directors of NESF

Helen Mahy
Chairman
21 November 2023

Independent Review Report to NextEnergy Solar Fund Limited

Conclusion

We have been engaged by NextEnergy Solar Fund Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 of the Company, which comprises the Statements of Comprehensive Income, Financial Position, Changes in Equity, Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Dermot Dempsey.

Dermot Dempsey

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

21 November 2023

Hook Valley

Somerset
15.3MW
1.6 ROC

Statement of Comprehensive Income (Unaudited Condensed)

For the six months ended 30 September 2023

	Notes	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Income				
Income comprises:				
Interest income		6,183	6,191	12,346
Investment income		40,412	36,878	56,287
Administrative services income		5,285	5,203	10,390
Net changes in fair value of investments	17	(55,054)	37,125	(13,199)
Unrealised foreign exchange (loss)/gain		(2)	204	201
Total net (loss)/income		(3,176)	85,601	66,025
Expenditure				
Preference share dividends		4,763	4,763	9,500
Management fees	5	2,587	2,875	5,828
Legal and professional fees		423	336	766
Directors' fees	7	167	128	277
Administration fees	6	146	142	346
Other expenses	9	187	158	311
Audit fees	8	97	90	144
Charitable donation	10	-	-	400
Regulatory fees		74	11	114
Insurance		12	11	23
Total expenses		8,456	8,514	17,709
(Loss)/profit and total comprehensive Income for the period/year		(11,632)	77,087	48,316
(Loss)/Earnings per ordinary share – basic	**14**	(1.97p)	13.08p	8.20p
(Loss)/Earnings per ordinary share – diluted	**14**	(1.97p)	10.69p	7.55p

All activities are derived from ongoing operations.

There is no other comprehensive income or expense apart from those disclosed above and consequently a Statement of Other Comprehensive Income has not been prepared.

The accompanying notes on pages 52 to 74 are an integral part of these condensed interim financial statements.

Statement of Financial Position (Unaudited Condensed)

As at 30 September 2023

	Notes	30 September 2023 (unaudited) £'000	30 September 2022 (unaudited) £'000	31 March 2023 (audited) £'000
Non-current assets				
Investments	17	802,873	889,078	854,352
Total non-current assets		802,873	889,078	854,352
Current assets				
Cash and cash equivalents		4,786	11,686	14,354
Trade and other receivables	11	33,274	24,654	6,524
Total current assets		38,060	36,340	20,878
Total assets		840,933	925,418	875,230
Current liabilities				
Trade and other payables	12	(2,627)	(2,600)	(2,613)
Total current liabilities		(2,627)	(2,600)	(2,613)
Non-current liabilities				
Preference shares	23	(198,266)	(198,127)	(198,197)
Total non-current liabilities		(198,266)	(198,127)	(198,197)
Net assets		640,040	724,691	674,420
Equity				
Share capital and premium	13	610,079	608,771	609,448
Retained earnings		29,961	115,920	64,972
Equity attributable to ordinary shareholders		640,040	724,691	674,420
Total equity		640,040	724,691	674,420
Net assets per ordinary share	16	108.3p	122.9p	114.3p

The accompanying notes on pages 52 to 74 are an integral part of these condensed interim financial statements.

The unaudited condensed financial statements on pages 48 to 74 were approved and authorised for issue by the Board of Directors on 21 November 2023 and signed on its behalf by:

Helen Mahy
Chairman

Patrick Firth
Director

Statement of Changes in Equity (Unaudited Condensed)

For the six months ended 30 September 2023

	Share capital and premium £'000	Retained earnings £'000	Total equity £'000
Ordinary shareholders' equity at 1 April 2023	609,448	64,972	674,420
Loss and comprehensive loss for the period	-	(11,632)	(11,632)
Scrip shares issued in lieu of dividends	631	-	631
Ordinary dividends declared	-	(23,379)	(23,379)
Ordinary shareholders' equity at 30 September 2023	610,079	29,961	640,040
Ordinary shareholders' equity at 1 April 2022	608,037	60,463	668,500
Profit and comprehensive income for the period	-	77,087	77,087
Scrip shares issued in lieu of dividends	734	-	734
Ordinary dividends declared	-	(21,630)	(21,630)
Ordinary shareholders' equity at 30 September 2022	608,771	115,920	724,691
Ordinary shareholders' equity at 1 April 2022	608,037	60,463	668,500
Profit and comprehensive income for the year	-	48,316	48,316
Scrip shares issued in lieu of dividends	1,411	-	1,411
Ordinary dividends declared	-	(43,807)	(43,807)
Ordinary shareholders' equity at 31 March 2023 (audited)	609,448	64,972	674,420

The accompanying notes on pages 52 to 74 are an integral part of these condensed interim financial statements.

Statement of Cash Flows (Unaudited Condensed)

For the six months ended 30 September 2023

	Notes	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Cash flows from operating activities				
(Loss)/profit and total comprehensive income for the period/year		(11,632)	77,087	48,316
Adjustments for:				
Interest income receivable		(6,183)	(6,191)	(12,346)
Interest income received		6,223	6,191	12,326
Investment income receivable		(40,412)	(36,878)	(56,287)
Investment income received		15,033	20,290	58,429
Change in fair value of investments	17	55,054	(37,125)	13,199
Proceeds from HoldCos	17	11,000	22,785	71,584
Payments to HoldCos	17	(8,143)	(26,726)	(84,977)
Financing proceeds from HoldCos		-	5,000	5,000
Financing proceeds returned to HoldCos		-	(5,000)	(5,000)
Payments to NPIII		(6,432)	(6,562)	(12,708)
Net changes in unrealised foreign exchange		2	(204)	(201)
Financial debt amortisation		69	69	139
Dividends paid on preference shares as finance costs	24	4,763	4,763	9,500
Operating cash flows before movements in working capital		19,342	17,499	46,974
Changes in working capital				
Movement in trade and other receivables		(1,411)	49	(531)
Movement in trade and other payables		(39)	(68)	(2)
Net cash generated from operating activities		17,892	17,480	46,441
Cash flows from financing activities				
Dividends paid on preference shares	24	(4,710)	(4,710)	(9,500)
Dividends paid on ordinary shares		(22,748)	(20,896)	(42,396)
Net cash used in financing activities		(27,458)	(25,606)	(51,896)
Net movement in cash and cash equivalents during period/year		(9,566)	(8,126)	(5,455)
Cash and cash equivalents at the beginning of the period/year		14,354	19,608	19,608
Effect of foreign exchange rate changes		(2)	204	201
Cash and cash equivalents at the end of the period/year		4,786	11,686	14,354

The accompanying notes are on pages 52 to 74 an integral part of these condensed interim financial statements.

Notes to the Financial Statements (Unaudited Condensed)

For the six months ended 30 September 2023

1. General Information

The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008 on 20 December 2013 with registered number 57739, and is regulated by the Guernsey Financial Services Commission as a registered closed-ended investment company. The registered office of the Company is Floor 2 Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands GY1 4LY.

The Company's ordinary shares are publicly traded on the London Stock Exchange under a premium listing. The Company seeks to provide ordinary shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, by investing in a diversified portfolio of primarily UK and OECD based solar energy infrastructure assets. The Company currently makes its investments through HoldCos and SPVs which are directly or indirectly wholly owned by the Company.

The Company has appointed NextEnergy Capital IM Limited as its Investment Manager pursuant to the Management Agreement dated 18 March 2014. The Investment Manager is a Guernsey registered company, incorporated under the Companies (Guernsey) Law, 2008 with registered number 57740 and is licensed and regulated by the Guernsey Financial Services Commission and is a member of the NEC Group. The Investment Manager acts as the Alternative Investment Fund Manager of the Company.

The Investment Manager has appointed NextEnergy Capital Limited as its Investment Adviser pursuant to the Investment Advisory Agreement dated 18 March 2014. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the FCA.

2. Summary of Significant Accounting Policies

a) Basis of Preparation

The unaudited condensed interim financial statements for the six months ended 30 September 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and the FCA's Disclosure Guidance and Transparency Rules. They have been prepared under the historical cost convention with the exception of financial assets held at fair value through profit and loss. The principal accounting policies adopted are set out below. These accounting policies and critical accounting estimates and judgments used in preparing the unaudited condensed interim financial statements are consistent with those used in the Company's latest audited financial statements for the year ended 31 March 2023.

The condensed interim financial statements are unaudited but have been reviewed by the Company's Auditor, KPMG Channel Islands Limited, in accordance with International Standard on Review Engagements (UK) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 21 November 2023.

The unaudited condensed interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended 31 March 2023, which were prepared in accordance with IFRS and the FCA's Disclosure Guidance and Transparency Rules.

b) Going Concern

The Company owns a portfolio of solar energy infrastructure assets in the UK, Italy, Spain and Portugal that are predominantly fully constructed, operational and generating renewable electricity. A significant proportion of the income from the Company's investments is fixed for a long period of time in accordance with the terms of the relevant ROC or FiT subsidy. The balance of the income has exposure to wholesale electricity prices, although the Investment Manager seeks to reduce this exposure through entering into short- or long-term power purchase agreements with fixed price mechanisms.

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future performance. The key areas reviewed were:

- maturity of debt facilities;
- future investment transactions; and
- expenditure and capital commitment.

The Company's cash balance as at 30 September 2023 was £4.8m, all of which was readily available. The NESF Group also had immediately available but undrawn amounts under its debt facilities of a further £27.7m. The NESF Group had capital commitments totalling £24m at the period end. The majority of the NESF Group's revenues are derived from government subsidies. A significant part of the NESF Group's borrowings are on a non-recourse basis. The Company's portfolio is diversified by geography, components, plant size, subsidy schemes and revenue streams.

The Board is satisfied that the Company has sufficient financial resources available to be able to manage the Company's business effectively and pursue the Company's principal activities and investment objective. The Board continues to closely monitor the Company's share price and confirms its commitment to consider implementing a share buyback programme if the share price continues to trade at a material discount. If the average discount over a financial year is more than 10%, the Company is required to propose a discontinuation vote at the subsequent AGM. The Board is not currently aware of any material uncertainties in relation to the Company's ability to continue for a period of at least 12 months from the date of approval of this Interim Report. The Board is of the opinion, therefore, that the going concern basis adopted in the preparation of the interim financial statements is appropriate.

c) Basis of Non-Consolidation

The Company has set up/acquired SPVs through its investment in the holding companies. The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10 investment entities are required to hold subsidiaries at fair value through profit or loss rather than consolidate them.
There are four holding companies (NextEnergy Solar Holdings Limited, NextEnergy Solar Holdings III Limited, NextEnergy Solar Holdings IV Limited and NextEnergy Solar Holdings V Limited, collectively the "HoldCos"). The HoldCos are also investment entities and, as required under IFRS 10, value their investments at fair value.

Under the definition of an investment entity, the entity should satisfy all three of the following tests:

- obtains funds from one or more investors for the purpose of providing these investors with investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10, the Directors note that:

- the Company is an investment company that invests funds obtained from multiple investors in a diversified portfolio of solar energy infrastructure assets and related infrastructure assets and has appointed the Investment Manager to manage the Company's investments;
- the Company's purpose is to invest funds for investment income and potential capital appreciation and will exit its

investments at the end of their economic lives or when their planning permissions or leasehold land interests expire (unless it has repowered their sites) and may also exit investments earlier for reasons of portfolio balance or profit; and

- the Board evaluates the performance of the Company's investments on a fair value basis as part of the quarterly management accounts review and the Company values its investments on a fair value basis twice a year for inclusion in its annual and interim financial statements with the movement in the valuations taken to the Statement of Comprehensive Income.

Taking these factors into account, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition set out in IFRS 10.

The Directors believe the treatment outlined above provides the most relevant information to investors.

d) Segmental Reporting

IFRS 8 Operating Segments requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes.

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in solar energy infrastructure assets via its HoldCos and SPVs. Therefore, the financial information used by the Chief Operating Decision Maker to allocate resources and manage the Company presents the business as a single segment.

e) Seasonal Reporting

The Company's results may vary during reporting periods as a result of a fluctuation in the levels of sunlight during the period and, together with other factors, will impact the NAV. Other factors include changes in inflation and power prices.

f) Functional and Presentational Currency

The financial statements are presented in pounds sterling which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. The Company's shares were issued in pounds sterling and the listing of the shares on the Main Market is in pounds sterling. The performance of the Company is measured and reported to investors in pounds sterling and dividends received from the primarily UK-based assets are in pounds sterling. The Board considers the pound sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

3. New and Revised Standards

a) New and Revised IFRSs Adopted by the Company

The Directors have assessed all new standards and amendments to standards and interpretations which are effective for annual periods commencing on or after 1 April 2023 and noted no material impact on the Company.

b) New and Revised IFRSs in Issue but not yet Effective

The Directors have considered new standards and amendments to standards and interpretations in issue and effective for annual periods commencing after 1 April 2024 and do not expect that their adoption will result in a material impact on the financial statements of the Company in future periods.

4. Critical Accounting Estimates and Judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

a) Critical Accounting Estimate: Investments at Fair Value Through Profit or Loss

The Company's investments are measured at fair value for financial reporting purposes. The Board has appointed the Investment Manager, who in turn has appointed the Investment Adviser, to produce investment valuations based on projected future cash flows for all investments except NPIII and solar projects not yet operational which are valued at estimated attributable NAV and cost as an approximation of fair value respectively. The fair value of financial assets that are not traded on an active market is determined using valuation techniques and takes into account the IPEV valuation guidelines. These valuations are reviewed and approved by both the Investment Manager and the Board. The investments are held through SPVs and NP III LP is held directly.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board bases the fair value of the investments on the information received from the Investment Adviser, which is reviewed by the Investment Manager.

The Company classified its investments at fair value through profit or loss as level 3 within the fair value hierarchy. As at 30 September 2023 level 3 investments amount to £802.9m (30 September 2022: £889.1m; 31 March 2023: £854.4m) and consist of 1 private equity solar fund investment (NPIII) which has been valued using estimated attributable NAV and 100 investments in solar PV plants (30 September 2022: 99, 31 March 2023: 99) all of which have been valued on a look through basis based on the discounted cash flows of the solar assets (except for those solar assets not yet operational) and the residual value of net assets at the HoldCos level.

The discount rate is a significant Level 3 input and a change in the discount applied could have a material effect on the value of the investments. Despite falls in the market during 2023, power prices remain high compared to historic levels, principally due to the loss of Russian gas supplies. Long-term power price projections are also a significant Level 3 input. Investments in solar assets that are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value. Level 3 valuations are reviewed regularly by the Investment Adviser who reports to the Investment Manager and the Board on a periodic basis. The Board considers the appropriateness of the valuation model and inputs, as well as the valuation result.

Information about the unobservable inputs used at 30 September 2023 in measuring financial instruments categorised as Level 3 in the fair value hierarchy and their sensitivities are disclosed in note 19. Unlisted investments reconcile to the "Total investments at fair value" in the table in note 19.

b) Significant Judgement: Consolidation of Entities

The Company, under the investment entity exemption rule, holds its investments at fair value.
The Company meets the definition of an investment entity per IFRS 10 as detailed in note 2c).

The Company does not have any other subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10. The fair value of controlled subsidiary investments is determined as described in note 17.

The Company and the HoldCos operate as an integrated structure whereby the Company invests both in the HoldCos and a singular direct investment. Under IFRS 10, there is a requirement for the Board to assess whether the HoldCos are themselves investment entities. The Board has performed this assessment and concluded that each of the HoldCos is an investment entity for the following reasons:

- The HoldCos have obtained funds for the purpose of investing in equity or other similar interests in multiple investments and providing the Company (and its investors) with investment income; and
- The performance of investments made through the HoldCos are measured and evaluated on a fair value basis.

Furthermore, the HoldCos themselves are not deemed to be operating entities providing services to the Company and, therefore, are able to apply the exemption from consolidation.

The Company's HoldCos directly hold investments in joint venture partnerships (classified as subsidiaries) and co-investments (classified as investments or associates).

5. Management Fees

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as follows below:

- 1% of NAV up to £200m;
- 0.9% of NAV above £200m and up to and including £300m; and
- 0.8% of NAV above £300m.

The NAV for the purpose of calculation, is reduced by an amount equivalent to US$50m for NESF's investment in NPIII. For the six months ended 30 September 2023 the Company incurred £2.6m in management fees (six months ended 30 September 2022: £2.9m; year ended 31 March 2023: £5.8m), of which £15k was outstanding at 30 September 2023 (30 September 2022: £15k; 31 March 2023: £14k).

6. Administration Fees

With effect from 30 March 2022 Ocorian Administration (Guernsey) Limited was appointed administrator to the Company. The administration fee changed to a fixed fee of £275k per annum with effect from 30 March 2022. On 1 January 2023, the fixed fee increased in line with the annual increase in Guernsey RPI.

For the six months ended 30 September 2023 the Administrator was entitled to administration fees of £146k (six months ended 30 September 2022: £142k; year ended 31 March 2023: £287k), of which £nil was outstanding at 30 September 2023 (30 September 2022: £69k; 31 March 2023: £nil).

The fee payable to the Administrator is payable quarterly in advance.

Under the Administration Agreement with the previous administrator the administration fee was a fixed fee of £220k per annum and the fixed fee was to increase annually in line with the annual increase in Guernsey RPI from 1 January 2022. For the period ended 30 September 2023 the previous administrator was entitled to administration fees of £nil (six months ended 30 September 2022: £nil; year ended 31 March 2023: £59k), of which £nil was outstanding at 30 September 2023 (30 September 2022: £nil; 31 March 2023: £nil). The fee payable to the previous administrator was payable quarterly in arrears.

7. Directors' Fees

The Directors are all non-executive and their remuneration is solely in the form of fees. The Directors' total fees for the period were £167k (six months ended 30 September 2022: £128k; year ended 31 March 2023: £277k), of which £59k was outstanding at 30 September 2023 (30 September 2022: £nil; 31 March 2023: £nil).

8. Audit Fees

The analysis of the auditor's remuneration is as follows:

	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Fees payable to the auditor for the audit of the Company	46	45	92
Fees payable to the auditor for the interim review of the Company	48	45	52
Additional audit fee and disbursements for the prior period/year	3	-	-
Total	97	90	144

9. Other Expenses

	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Amortisation expense	69	69	139
Sundry expenses	112	87	167
Director's expenses	6	2	5
Total	187	158	311

10. Charitable Donation

During the period ended 30 September 2023, the Company made a charitable donation of £nil (six months ended 30 September 2022: £nil; year ended 31 March 2023: £400k). Information on the NextEnergy Foundation and how it used the donation can be found on our website (nextenergysolarfund.com).

11. Trade and Other Receivables

	30 September 2023 (unaudited) £'000	30 September 2022 (unaudited) £'000	31 March 2023 (audited) £'000
Administrative service fee income receivable	1,951	-	504
Accrued income	-	-	40
Prepayments	65	45	101
Due from HoldCos	31,258	24,609	5,879
Total trade and other receivables	33,274	24,654	6,524

Amounts due from HoldCos are interest free and payable on demand.

12. Trade and Other Payables

	30 September 2023 (unaudited) £'000	30 September 2022 (unaudited) £'000	31 March 2023 (audited) £'000
Other payables	232	171	271
Preference dividends payable	2,395	2,395	2,342
Trade creditors	-	34	-
Total trade and other payables	2,627	2,600	2,613

13. Share Capital and Reserves

a) Ordinary Shares

The share capital of the Company comprises solely of ordinary shares of no par value and preference shares of no par value.

Ordinary shares issuance	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Opening balance	590,254,181	589,077,244	589,077,244
Scrip shares issued during the period/year	567,004	621,399	1,176,937
Total issued	590,821,185	589,698,643	590,254,181

Issued ordinary shares – share capital and premium	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2022 (unaudited) £'000	Year ended 31 March 2023 (audited) £'000
Opening balance	609,448	608,037	608,037
Value of scrip shares issued during the period/year	631	734	1,411
Total issued	610,079	608,771	609,448

All the holders of the ordinary shares are entitled to receive dividends as declared from time to time. At any general meeting of the Company, each ordinary shareholder will have, on a show of hands, one vote and, on a poll, one vote in respect of each ordinary share held.

b) Preference Shares

In accordance with International Accounting Standard 32, the preference shares are classified as liabilities. Details of the preference shares can be found in note 23(a).

c) Retained Reserves

Retained reserves comprise the retained earnings as detailed in the Statement of Changes in Equity.

Under Guernsey law, the Company can pay dividends in excess of its retained earnings provided it satisfies the solvency test prescribed by the Companies (Guernsey) Law, 2008. The solvency test considers whether the Company is able to pay its debts when they fall due, and whether the value of the Company's assets is greater than its liabilities. The Company satisfied the solvency test in respect of all dividends declared or paid in the period.

14. Earnings per Ordinary Share

a) Basic

	Six months ended 30 September 2023 (unaudited)	Six months ended 30 September 2022 (unaudited)	Year ended 31 March 2023 (audited)
(Loss)/profit and total comprehensive income for the period/year (£'000)	(11,632)	77,087	48,316
Basic weighted average number of issued ordinary shares	590,367,717	589,212,809	589,518,997
(Loss)/Earnings per share basic	(1.97p)	13.08p	8.20p

b) Diluted

From 1 April 2036 the preference shares have the right to convert, based on 100p per preference share and the NAV per ordinary share at the time of conversion, into new ordinary shares or a new class of unlisted B shares with dividend and capital rights ranking pari passu with the ordinary shares.

	Six months ended 30 September 2023 (unaudited)	Six months ended 30 September 2022 (unaudited)	Year ended 31 March 2023 (audited)
(Loss)/profit and total comprehensive income for the period/year (£'000)	(11,632)	77,087	48,316
Plus: preference share dividends paid during the period/year (£'000)	4,763	4,763	9,500
(Loss)/profit for the period/year attributable to ordinary shareholders (£'000)	(6,869)	81,850	57,816
Basic weighted average number of issued ordinary shares	590,367,717	589,212,809	589,518,997
Plus: weighted number of ordinary shares issuable on any conversion of preference shares, based on the NAV per ordinary share as at the start of period/year	174,978,128	176,211,454	176,211,454
Adjusted weighted average number of ordinary shares	765,345,845	765,424,263	765,730,451
(Loss)/Earnings per share diluted	(1.97p)[1]	10.69p	7.55p

1 The conversion to ordinary shares is only treated as dilutive when their conversion would decrease earnings per share or increase loss per share from continuing operations.

15. Ordinary Share Dividends

a) Paid During the period/year

	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2023 Pence per share	Six months ended 30 September 2022 (unaudited) £'000	Six months ended 30 September 2022 Pence per share	Year ended 31 March 2023 (audited) £'000	Year ended 31 March 2023 Pence per share
Quarter 1	11,097	1.8800	10,544	1.7900	10,550	1.7900
Quarter 2	12,282	2.0800	11,080	1.8800	11,080	1.8800
Quarter 3	N/a	N/a	N/a	N/a	11,086	1.8800
Quarter 4	N/a	N/a	N/a	N/a	11,091	1.8800
Total	23,379	3.9600	21,624	3.6700	43,807	7.4300

b) Declared in Respect of the period/year

	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2023 Pence per share	Six months ended 30 September 2022 (unaudited) £'000	Six months ended 30 September 2022 Pence per share	Year ended 31 March 2023 (audited) £'000	Year ended 31 March 2023 Pence per share
Quarter 1	12,282	2.0800	11,080	1.8800	11,080	1.8800
Quarter 2	12,333	2.0875	11,086	1.8800	11,086	1.8800
Quarter 3	N/a	N/a	N/a	N/a	11,091	1.8800
Quarter 4	N/a	N/a	N/a	N/a	11,097	1.8800
Total	24,615	4.1675	22,166	3.7600	44,354	7.5200

16. Net Assets per Ordinary Share

	30 September 2023 (unaudited)	30 September 2022 (unaudited)	31 March 2023 (audited)
Ordinary shareholders' equity (£'000)	640,040	724,691	674,420
Number of issued ordinary shares	590,821,185	589,698,643	590,254,181
Net assets per ordinary share	108.3p	122.9p	114.3p

17. Investments at Fair Value Through Profit or Loss

The Company owns its portfolio of solar assets through its investments in HoldCos and a direct investment in NPIII. The Company's investments comprise its portfolio of solar assets and the residual net assets of the HoldCos. As explained in note 4a), all of the Company's investments are held at fair value through profit or loss and classified as Level 3 in the fair value hierarchy. There were no movements between the hierarchy levels during the period ended 30 September 2023 (six months ended 30 September 2022: none; year ended 31 March 2023: none).

The Company's total investments at fair value are recorded under "Non-current assets" in the Statement of Financial Position.

	Six months ended 30 September 2023 (unaudited) £'000	**Six months ended 30 September 2022 (unaudited) £'000**	**Year ended 31 March 2023 (audited) £'000**
Brought forward cost of investments	834,736	809,531	809,531
Investment proceeds from HoldCos	(11,000)	(22,785)	(71,584)
Investment payments to HoldCos	8,143	26,726	84,977
Investment payments to NPIII	6,432	5,666	11,812
Carried forward cost of investments	838,311	819,138	834,736
Brought forward unrealised gains on valuation	19,616	32,815	32,815
Movement in unrealised gains on valuation	-	37,125	21,981
Movement in unrealised losses on valuation	(55,054)	-	(35,180)
Carried forward unrealised (losses)/gains on valuation	(35,438)	69,940	19,616
Total investments at fair value	802,873	889,078	854,352

To facilitate the acquisition of various investments at 30 September 2023, £nil (30 September 2022; £5.0m; 31 March 2023; £5.0m) was drawn down at subsidiary level, remitted to the Company before £nil was returned to a subsidiary (30 September 2022; £5.0m; 31 March 2023; £5.0m).

The total change in the value of the investments in the HoldCos is recorded through profit and loss in the Statement of Comprehensive Income. Information about the principal unobservable inputs used in valuing the Company's investments and their sensitivities is included in note 19.

18. Subsidiaries and Other Investments

The Company holds investments through subsidiary companies (the HoldCos) which have not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation. The Company holds its investment in NPIII directly. The HoldCos are all incorporated in the UK and 100% directly owned. There are no cross guarantees amongst Group entities. During the year to 31 March 2023, NextEnergy Solar Holdings II Limited and its subsidiaries were transferred to RRAM Energy Limited (a subsidiary of NextEnergy Solar Holdings III Limited). Below are the legal entity names for the SPVs, all owned directly or indirectly through the HoldCos listed below (in bold) as at 30 September 2023 (besides Agenor (24.5%) and NextPower III Co-Invest LP (18%) owned by Next Energy Solar Holdings V Limited). Camilla Battery Storage Limited and Lapwing Fen II Limited are owned by NextPower EelPower Limited and NextPower EelPower (2) Limited, both of which are owned by NextEnergy Solar Holdings III Limited (70% and 75% respectively). All other SPVs are owned 100%.

Name	Country of incorporation	Name	Country of incorporation
NextEnergy Solar Holdings Limited	**UK**		
BL Solar 2 Limited	UK	North Farm Solar Park Limited	UK
Bowerhouse Solar Limited	UK	Push Energy (Birch) Limited	UK
Ellough Solar 2 Limited	UK	Push Energy (Boxted Airfield) Limited	UK
Glebe Farm SPV Limited	UK	Push Energy (Croydon) Limited	UK
Glorious Energy Limited	UK	Push Energy (Decoy) Limited	UK
Greenfields (A) Limited	UK	Push Energy (Hall Farm) Limited	UK
NESF-Ellough Limited	UK	Push Energy (Langenhoe) Limited	UK
Nextpower Ellough LLP	UK	SSB Condover Limited (Condover)	UK
Nextpower Gover Farm Limited	UK	ST Solarinvest Devon 1 Limited	UK
Nextpower Higher Hatherleigh	UK	Sunglow Power Limited	UK
Nextpower Shacks Barn Limited	UK	Wellingborough Solar Limited	UK
NextEnergy Solar Holdings III Limited	**UK**		
Balhearty Solar Limited	UK	Lapwing Fen II Limited	UK
Ballygarvey Solar Limited	UK	Burcroft Solar Parks Limited UK	UK
Birch Solar Farm CIC	UK	Burrowton Farm Solar Park Limited	UK
Blenches Mill Farm Solar Park Limited	UK	Camilla Battery Storage Limited	UK
Brafield Solar Limited	UK	Chilton Cantello Solar Park Limited	UK
Greenfields (T) Limited	UK	Crossways Solar Park Limited	UK
Helios Solar 1 Limited	UK	Empyreal Energy Limited	UK
Helios Solar 2 Limited	UK	Fiskerton Limited	UK
Hook Valley Farm Solar Park Limited	UK	NextZest Limited	UK
Knockworthy Solar Park Limited	UK	Pierces Solar Limited	UK
Lark Energy Bilsthorpe Limited	UK	Raglington Farm Solar Park Limited	UK
Le Solar 51 Limited	UK	RRAM Energy Limited	UK
Little Irchester Solar Limited	UK	Saundercroft Farm Solar Park Limited	UK
Little Staughton Airfield Solar Limited	UK	SL Solar Services Limited	UK
Micro Renewables Domestic Limited	UK	Sywell Solar Limited	UK
Micro Renewables Limited	UK	Tau Solar Limited	UK
NESH 3 Portfolio A Limited	UK	Temple Normanton Solar Limited	UK
Nextpower Bosworth Limited	UK		

Nextpower Eelpower Limited	UK	NextPower Grange Limited	UK
NextPower High Garrett Limited	UK	Thornborough Solar Limited	UK
Nextpower Hops Energy	UK	NextPower South Lowfield Limited	UK
Nextpower SPV 4 Limited	UK	Thurlestone-Leicester Solar Limited	UK
Nextpower SPV 6 Limited	UK	UK Solar (Fiskerton) LLP	UK
Nextpower SPV 10 Limited	UK	Wheb European Solar (UK) 2 Limited	UK
Nextpower Water Projects Limited	UK	Wheb European Solar (UK) 3 Limited	UK
Nextpower Eelpower (2) Limited	UK	Whitley Solar Park (Ashcott Farm) Limited	UK
Wyld Meadow Farm	UK	Wickfield Solar Limited	UK
ESF Llwyndu Limited	UK	NextEnergy Solar Holdings II Limited	UK
NextEnergy Solar Holdings VI Limited	UK	Trowbridge PV Limited	UK
Green End Renewables Limited	UK	Bowden Lane Solar Park Limited	UK
Fenland Renewables Limited	UK	Green End Renewables Limited	UK
		Tower Hill Farm Renewables Limited	UK
NextEnergy Solar Holdings IV Limited	**UK**		
Berwick Solar Park Limited	UK	Emberton Solar Park Limited	UK
Bottom Plain Solar Park Limited	UK	Great Wilbraham Solar Park Limited	UK
Branston Solar Park Limited	UK	Nextpower Radius Limited	UK
NextEnergy Solar Holdings V Limited	**UK**		
Agrosei S.r.l	Italy	Starquattro S.r.l	Italy
Fotostar 6 S.r.l	Italy	SunEdison Med. 6 S.r.l	Italy
Macchia Rotonda Solar S.r.l	Italy	Agenor Hive S.L. *	Spain
NextPower III LP Co-Invest LP**	Portugal		

* Agenor is an associate of the Holdco, not a subsidiary.

**NextPower III Co-Invest LP is an investment of the Holdco, not a subsidiary or an associate.

19. Fair Value of Investment in Unconsolidated Subsidiaries

a) Valuation process

The valuation process is described in note 4(a).

The Directors and the Investment Manager consider that the discounted cash flow methodology used in deriving the fair value of investments in operating solar plants is in accordance with the fair value requirements of IFRS 13 and that the valuation methodology used, including the key estimates and assumptions applied, is appropriate. As at 30 September 2023, investments held at fair value using the discounted cash flow methodology totalled £666.1m (30 September 2022: £889.1m; 31 March 2023: £707.5m).

The Company has invested directly in a private equity fund NPIII. The fair value of the Company's investment in private equity funds is generally considered to be the Company's attributable portion of the NAV of the private equity fund, as determined by the General Partner/Manager of such funds, adjusted if considered necessary by the Board of Directors, including any adjustment necessary for carried interest. The Board of Directors and the Investment Manager consider the IPEV guidelines when valuing private equity fund investments. As at 30 September 2023, investments held at fair value using NAV totalled £38.8m (30 September 2022: £28.3m; 31 March 2023: £31.0m).

Investments in assets that are not yet operational (this includes the co-investment into Project Agenor and NextPower III Co-Invest LP) are also held at fair value, where the cost of the investment is used as an appropriate approximation of fair value. These investments are not included in the sensitivity analyses. As at 30 September 2023, investments held at fair value using the cost methodology totalled £90.1m (30 September 2022: £46.0m; 31 March 2023: £103.3m).

Another £7.9m (30 September 2022: £54.6m; 31 March 2023: £12.5m) of investments held at fair value relates to the residual net assets of the HoldCos. Therefore, the total operational fair value to which the sensitivity analysis has been applied in the below tables is £666.1m (30 September 2022: £760.2m; 31 March 2023: £707.5m).

b) Sensitivity Analyses of Changes in Significant Unobservable Inputs to the Discounted Cash Flow Calculation

Most of the Company's investments are valued using the discounted cash flow methodology. Information on this methodology is included in note 4(a). The Directors consider the following to be significant unobservable inputs to the discounted cash flows calculation on a look through basis.

Discount Rates

Discount rates used in the valuation of the Company's investments represent the Investment Adviser's and Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile.

	30 September 2023 (unaudited) £'000	30 September 2022 (unaudited) £'000	31 March 2023 (audited) £'000
Weighted average discount rate	8.0%	6.8%	7.3%
Range of discount rates (unlevered to levered)	7.5% to 9.0%	6.25% to 7.75%	6.75% to 8.25%
Premium applied to cash flows earned 30 years after grid connection date	1.0%	1.0%	1.0%

The table below shows the sensitivity of the portfolio valuation to a change to the weighted average discount rate by plus or minus 0.5%, with all other variables held constant.

Discount rate sensitivity	+0.5% change	Investments	-0.5% change
30 September 2023 (unaudited)			
Directors' valuation	(£18.0m)	£666.1m	£19.2m
Directors' valuation – percentage movement	(2.3%)		2.4%
Change in NAV per ordinary share	(3.0p)		3.2p
30 September 2022 (unaudited)			
Directors' valuation	(£20.0m)	£760.2m	£21.4m
Directors' valuation – percentage movement	(2.4%)		2.6%
Change in NAV per ordinary share	(3.4p)		3.6p
31 March 2023 (audited)			
Directors' valuation	(£18.8m)	£707.5m	£20.0m
Directors' valuation – percentage movement	(2.7%)		2.8%
Change in NAV per ordinary share	(3.2p)		3.4p

Power Price

As at 30 September 2023, estimates implied an average rate of growth of UK electricity prices (2023-2042) of approximately –5.6% (30 September 2022: -7.7%; 31 March 2023: -5.5%) in 2023 real terms and an average rate of growth of Italian electricity prices (2023-2042) of approximately –4.6% (30 September 2022: -7.3%; 31 March 2023: -6.4%) in 2023 real terms. As at 30 September 2023, estimates implied a long-term inflation rate of 2.3% (30 September 2022: 2.3%; 31 March 2023: 2.3%).

Despite falls in the market during 2023, power prices remain high compared to historic levels, principally due to the loss of Russian gas supplies. The blended average of the 'central case' scenarios have been applied to the valuation which includes the impact of the current high power price environment.

The table below shows the sensitivity of the portfolio valuation to a sustained decrease or increase in the power price by minus or plus 10% on the valuation, with all other variables held constant.

Power price sensitivity	-10% change	Investments	+10% change
30 September 2023 (unaudited)			
Directors' valuation	(£48.4m)	£666.1m	£47.1m
Directors' valuation – percentage movement	(6.1%)		5.9%
Change in NAV per ordinary share	(8.2p)		8.0p
30 September 2022 (unaudited)			
Directors' valuation	(£55.5m)	£760.2m	£53.4m
Directors' valuation – percentage movement	(6.6%)		6.4%
Change in NAV per ordinary share	(9.4p)		9.1p
31 March 2023 (audited)			
Directors' valuation	(£52.5m)	£707.5m	£50.9m
Directors' valuation – percentage movement	(7.4%)		7.2%
Change in NAV per ordinary share	(8.9p)		8.6p

Energy Generation

The portfolios aggregate energy generation yield depends on the combination of solar irradiation and technical performance of the solar assets. The table below shows the sensitivity of the portfolio valuation to a sustained decrease or increase of energy generation by minus or plus 5% on the valuation, with all other variables held constant.

Energy generation sensitivity	-5% underperformance	Investments	+5% outperformance
30 September 2023 (unaudited)			
Directors' valuation	(£40.6m)	£666.1m	£39.2m
Directors' valuation – percentage movement	(5.1%)		4.9%
Change in NAV per ordinary share	(6.9p)		6.6p
30 September 2022 (unaudited)			
Directors' valuation	(£47.1m)	£760.2m	£45.3m
Directors' valuation – percentage movement	(5.6%)		5.4%
Change in NAV per ordinary share	(8.0p)		7.7p
31 March 2023 (audited)			
Directors' valuation	(£43.9m)	£707.5m	£43.1m
Directors' valuation – percentage movement	(6.2%)		6.1%
Change in NAV per ordinary share	(7.4p)		7.3p

Inflation Rates

The portfolio valuation assumes long-term inflation of 2.3% (30 September 2022: 2.3%; 31 March 2023: 2.3%) p.a. for investments (based on UK RPI).

The table below shows the sensitivity of the portfolio valuation to a change to the inflation rate by minus or plus 1% for 30 September 2023 and 31 March 2023 and minus or plus 3.0% for 30 September 2022, with all other variables held constant.

Inflation rate sensitivity	-1.0% change	Investments	+1.0% change
30 September 2023 (unaudited)			
Directors' valuation	(£47.0m)	£666.1m	£52.1m
Directors' valuation – percentage movement	(5.9%)		6.5%
Change in NAV per ordinary share	(7.9p)		8.8p
30 September 2022 (unaudited)	**-3.0% change**		**+3.0% change**
Directors' valuation	(£140.9m)	£760.2m	£198.4m
Directors' valuation – percentage movement	(16.9%)		23.8%
Change in NAV per ordinary share	(23.9p)		33.6p
31 March 2023 (audited)	**-1.0% change**		**+1.0% change**
Directors' valuation	(£45.8m)	£707.5m	£51.3m
Directors' valuation – percentage movement	(6.5%)		7.3%
Change in NAV per ordinary share	(7.8p)		8.7p

Operating Costs

The table below shows the sensitivity of the portfolio to changes in operating costs by plus or minus 5% at the SPVs level, with all other variables held constant.

Operating costs sensitivity	+5.0% change	Investments	-5.0% change
30 September 2023 (unaudited)			
Directors' valuation	(£6.1m)	£666.1m	£6.1m
Directors' valuation – percentage movement	(0.8%)		0.8%
Change in NAV per ordinary share	(1.0p)		1.0p
30 September 2022 (unaudited)			
Directors' valuation	(£7.0m)	£760.2m	£6.9m
Directors' valuation – percentage movement	(0.8%)		0.8%
Change in NAV per ordinary share	(1.2p)		1.2p
31 March 2023 (audited)			
Directors' valuation	(£6.4m)	£707.5m	£6.5m
Directors' valuation – percentage movement	(0.9%)		0.9%
Change in NAV per ordinary share	(1.1p)		1.1p

Tax Rates

The UK corporation tax rate used in the portfolio valuation is 25% (30 September 2022: 19% until 2023 and 25% thereafter; 31 March 2023: 19% until 31 March 2023 and 25% thereafter), in accordance with the latest UK Budget announcements.

(ii) Sensitivity analysis of changes in significant unobservable inputs of Private Equity Investments

The NAV of NPIII, the direct private equity investment as at 30 September 2023 was £38.8m (30 September 2022: £28.3m; 31 March 2023: £31.0m). The valuation of private equity investments is subject to changes in the valuations of the underlying portfolio companies. These can be exposed to a number of risks, including liquidity risk, price risk, credit risk, currency risk and interest rate risk.

A movement of 10% in the value of the private equity investment would move the Company NAV at the period end by 0.6% (30 September 2022: 0.4%; 31 March 2023: 0.4%).

20. Non-investment Financial Assets and Liabilities

Cash and cash equivalents are Level 1 items in the fair value hierarchy.

Current assets and current liabilities are Level 2 items in the fair value hierarchy, with their carrying value being approximates for their fair values as these are short-term items.

The preference shares are held at amortised cost using the effective interest method and are measured at gross proceeds net of transaction costs incurred, as at September 2023 they are held at £198.3m (30 September 2022: £198.1m; 31 March 2023: £198.2m). The transaction costs are amortised over the expected life of the preference shares to 2036. Preference shares are a Level 3 item in the fair value hierarchy with their carrying value approximating their fair value of £198.3m as at 30 September 2023. The fair value of the preference shares was calculated based on projected future cash flows for the preference shares using a market related discount rate adjusted for risk factors.

21. Capital Management

a) Capital Structure

The NESF Group, which comprises the Company and its unconsolidated subsidiaries (being the HoldCos, SPVs and the direct investment in NPIII), manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to ordinary shareholders through the optimisation of the debt and equity balances. The NESF Group's principal use of cash has been to fund investments in accordance with the Company's Investment Policy as well as ongoing operational expenses.

The capital structure of the Company consists entirely of equity (comprising issued ordinary share capital and retained earnings) and preference share capital (which, for accounting purposes is treated as a liability). The capital structure of each of the Company's subsidiaries consists entirely of equity or a combination of equity and debt, which may be short- or long-term. The Board, with the assistance of the Investment Adviser, monitors and reviews the NESF Group's capital structure on an ongoing basis.

b) Debt

The Company's Investment Adviser reviews the debt structure of the Company and its subsidiaries on an ongoing basis. The Company and its subsidiaries use leverage for financing the acquisition of solar investments and working capital purposes. In accordance with the Company's Investment Policy, the NESF Group may employ leverage, provided that it does not exceed (at the time the relevant arrangement is entered into) 50% of GAV. For this purpose, leverage includes all short- and long-term debt raised by the Company or any of its subsidiaries, as well as the aggregate subscription monies paid in respect of all preference shares in issue and any unpaid dividends due in respect of the preference shares.

As at 30 September 2023, the Company had £200m of preference shares in issue (30 September 2022: £200m; 31 March 2022: £200m) and no financial debt outstanding. The subsidiaries had £355.8m in long-term debt, look through debt and revolving credit facilities outstanding (30 September 2022: £335.7m; 31 March 2023: £345.3m) (see note 22(b), representing a total gearing level of 46% (30 September 2022: 42%; 31 March 2023: 45%).

22. Financial Risk Management Objectives

The Board, with the assistance of the Investment Manager and Investment Adviser, monitors and manages the financial risks relating to the operations of the NESF Group through an internal risk map and the Investment Manager's reports. These risks include capital risk, market risk (including price risk, power price risk, currency risk and interest rate risk), credit risk and liquidity risk. The objective of the risk management programme is to minimise the potential adverse effects on the financial performance of the NESF Group.

For the Company and its subsidiaries, financial risks are managed by the Investment Manager and Investment Adviser, which operate within Board-approved policies. The various types of financial risk which affect the Company, its subsidiaries or both are managed as described below. Risks that affect the Company's unconsolidated subsidiaries may affect in turn the fair value of investments held by the Company.

a) Capital Risk (Company Only)

The Company has put in place a financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity (issued ordinary share capital and retained earnings) and preference share capital. As at 30 September 2023 the Company had no recourse financial debt, although the Company is a guarantor for two financing and hedging facilities of its subsidiaries (see note 25).

b) Market Price Risk (Company and Subsidiaries)

Market price risk is the risk that the fair value of future cash flows of a financial instrument held by the Company, through its subsidiaries, will fluctuate because of changes in market prices. Changes in market prices will affect the discount rate applied to the expected future cash flows from the Company's investments and, therefore, the fair value of those investments. The impact of changes in the discount rate is considered in note 19.

Power Price Risk (Company and Subsidiaries)

The wholesale market price of electricity is volatile and is affected by multiple factors, including demand for electricity, the generation across the entire grid and government subsidies, as well as fluctuations in the market prices of fuel commodities and foreign exchange. Whilst some of the Company's investments benefit from subsidies and short-term PPA hedges that fix prices, other revenue streams are not hedged and subject to wholesale electricity prices.

The Investment Adviser monitors these factors and hedges the price at which the subsidiaries sell electricity as necessary.

Currency Risk (Company, NESH V)

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Company has no direct exposure to currency risk as all its assets and liabilities are in pounds sterling, the Company's functional and presentational currency. A substantial majority of the cash flows from the Company's solar assets in Italy to NESH V are hedged and so the cash flows to the Company from that HoldCo are exposed to limited currency risk and therefore the currency risk on the value of the assets is not considered to be significant.

Interest Rate Risk (Company and Subsidiaries)

The Company is indirectly exposed to interest rate risk from the credit facilities of the HoldCos, as at 30 September 2023. Of the £355.8m (30 September 2022; £335.7m; 31 March 2023: £345.3m) credit facilities outstanding (excluding NPIII look through debt of £10.2m (30 September 2022: £5.9m; 31 March 2023: £7.7m), £109.7m (30 September 2022; £113.6m; 31 March 2023: £112.0m) had fixed interest rates and the remaining £235.9m (30 September 2022; £216.1m; 31 March 2023: £225.6m) had floating interest rates. For the floating amount, interest rate swaps were implemented over the term of the loans to mitigate interest rate risks for £58.6m (30 September 2022: £66.0m; 31 March 2023: £59.3m). The counterparties to these swaps are all Investment grade financial institutions. The remaining £177.3m (30 September 2022: £150.2m; 31 March 2023: £166.3m) had floating rates which are not hedged and and a change in interest rates would not have a material impact to the Company.

c) Credit Risk (Company and Subsidiaries)

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company or the subsidiary that is a party to the contract. Credit risk arises from cash and cash equivalents and derivative financial instruments, as well as credit exposures to customers.

The Company and its subsidiaries mitigate their risk of cash and derivative transactions by only transacting with major international financial institutions with high credit ratings assigned by international credit rating agencies. At the investment level, the credit risk relating to significant counterparties is reviewed on a regular basis, in conjunction with monitoring the credit ratings issued by recognised credit rating agencies, and potential adjustments to the discount rate are considered to recognise changes to credit risk where applicable. The Directors believe that the NESF Group is not significantly exposed to the risk that the customers of its investments do not fulfil their payment obligations because of the NESF Group's policy to invest in jurisdictions and with customers with satisfactory credit ratings.

The Company's maximum exposure to credit risk is the carrying amounts of the respective financial assets set out below:

	30 September 2023 (unaudited) £'000	30 September 2022 (unaudited) £'000	31 March 2023 (audited) £'000
Cash and cash equivalents	4,786	11,686	14,354
Trade and other receivables	33,274	24,654	6,524
Debt investments	306,554	306,554	306,554
Total	344,614	342,894	327,432

Debt investments relate to Eurobonds which have been valued at fair value as part of the Company's investments as disclosed in note 17. No collateral is received from NESH III or NESH V in relation to the Eurobonds. The credit quality of these investments is based on the financial performance of NESH III and NESH V as well as the underlying investments they own. The risk of default is deemed low and the principal repayments and interest payments are expected to be made in accordance with the agreed terms and conditions.

The Company does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. In respect of the Company's subsidiaries, ongoing credit evaluation is performed on the financial condition of accounts receivable. As 30 September 2023, the probability of default of the Company's subsidiaries was considered low and so no allowance has been recognised based on 12-month expected credit loss as any impairment would be insignificant to the Company (30 September 2022: none; 31 March 2023: none). The Investment Adviser has sufficient oversight of the subsidiary's receivables to assess the probability of default.

Details of the Company's cash and cash equivalent balances at the period end are set out in the table below.

	Credit rating Standard & Poor's	Cash £'000
30 September 2023		
Barclays Bank PLC	Long – A+ Short – A-1	4,786
30 September 2022		
Barclays Bank PLC	Long – A/+ Short – A-1	11,686
31 March 2023		
Barclays Bank PLC	Long – A+ Short – A-1	14,354

d) Liquidity Risk (Company and Subsidiaries)

Liquidity risk is the risk that the NESF Group will not be able to meet its financial obligations as they fall due as a result of the maturity of assets and liabilities not matching. The Board has established an appropriate liquidity risk management framework for the management of the NESF Group's short-, medium- and long-term funding and liquidity management requirements. The Company and its subsidiaries manage liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities and maintaining sufficient cash balances to meet their operating needs.

The following table shows the maturity of the Company's non-derivative financial assets and liabilities. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments.

	Carrying amount £'000	Up to 3 months £'000	3 to 12 months £'000	Greater than 12 months £'000
30 September 2023				
Assets				
Cash and cash equivalents	4,786	4,786	-	-
Trade and other receivables	33,274	33,274	-	-
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,266)	(2,395)	(7,105)	(318,841)
Trade and other payables	(2,627)	(2,627)	-	-
30 September 2022				
Assets				
Cash and cash equivalents	11,686	11,686	-	-
Trade and other receivables	24,654	24,654	-	-
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,127)	(2,395)	(7,105)	(328,341)
Trade and other payables	(2,600)	(2,600)	-	-
31 March 2023				
Assets				
Cash and cash equivalents	14,354	14,354	-	-
Trade and other receivables	6,524	6,524	-	-
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,197)	(2,342)	(7,158)	(323,500)
Trade and other payables	(2,613)	(2,613)	-	-

1 Assumes no conversion of preference shares in 2036.

23. Preference Shares and Revolving Credit and Debt Facilities

a) Preference Shares

On each of 12 November 2018 and 12 August 2019, the Company issued 100,000,000 preference shares at a price of 100p per preference share. The preference shares pay a preferred dividend of 4.75% p.a. until March 2036, after which they have the right to convert, based on 100p per preference share and the NAV per ordinary share at the time of conversion, into new ordinary shares or a new class of unlisted B shares with dividend and capital rights ranking pari passu with the ordinary shares. The preference shares do not confer any voting rights, except in limited circumstances.

The preference shares are redeemable at the option of the Company at any time after 1 April 2030, in full or in part. The redemption price will be the subscription price plus any unpaid dividends. In addition, the preference shares may be redeemed in full at the option of the holders in the event of a delisting or change of control of the Company.

	Opening £'000	Amortisation £'000	Carry Amount £'000
30 September 2023			
Preference shares	198,197	69	198,266
30 September 2022			
Preference shares	198,058	69	198,127
31 March 2023			
Preference shares	198,058	139	198,197

b) Revolving credit and debt facilities

The Company's HoldCos have revolving credit and debt facilities which are factored into the calculation of the fair value of the underlying investments.

In January 2017, NESH closed a syndicated loan with MIDIS, NAB and CBA for £157.5m ("Project Apollo") to refinance its revolving credit facility. As part of the facility agreement, the lenders provide an additional Debt Service Reserve Facility of £7.5m and hold a charge over the assets of NESH. As at 30 September 2023, the nominal outstanding amount was £143.0m (30 September 2022: £146.0m; 31 March 2023: £141.9m).

In June 2021, NESH III closed a RCF with National Westminster Bank plc and AIB Group (UK) p.l.c. for £75.0m of which £75.0m was subsequently drawn down. In September 2022 the facility was increased to a total commitment of £135.0m. As at 30 September 2023, the outstanding amount was £135.0m (30 September 2022: £109.7m; 31 March 2023: £135.0m).

In March 2016, NESH IV agreed the purchase of Project Radius. The acquisition was part funded by a debt facility entered between NESH IV and Macquarie Bank Limited for £55.0m, which was fully drawn down in April 2016. As part of the debt facility agreement Macquarie Bank Limited holds a charge over the assets of NESH IV. As at 30 September 2023, the nominal outstanding amount was £45.7m (30 September 2022: £46.9m; 31 March 2023: £46.8m).

In July 2018, NESH IV closed a RCF with Santander for £40.0m which was subsequently fully drawn down. In January 2019, the facility was increased to a total commitment of £70.0m with a subsequent £30.0m drawdown. In August 2019, £56.0m was repaid. In February 2021 £35.2m was drawn down. As at 30 September 2023, the outstanding amount was £42.3m (30 September 2022: £40.5m; 31 March 2023: £31.3m).

24. Reconciliation of the Cash Flows arising from Financing Activities

	Opening £'000	Cash Flows £'000	Net Income Allocation £'000	Dividend Payables Movement £'000	Non-cash Flows £'000	Carry Amount £'000
Six months ended 30 September 2023						
Preference shares	198,197	(4,710)	4,763	(53)	69	198,266
Six months ended 30 September 2022						
Preference shares	198,058	(4,710)	4,763	(53)	69	198,127
31 March 2023						
Preference shares	198,058	(9,500)	9,500	-	139	198,197

25. Commitments and Guarantees

The Company had parental guarantees in place with two financial institutions for its subsidiaries, debt obligations and a currency hedge transaction executed through subsidiaries.

On 19 November 2018, the Company entered into a counter-indemnity deed with Banco Santander ("Santander") regarding borrowings by NextPower Radius Limited. Under the terms of the deed the Company may request Santander to issue a letter of credit for no more than €2,500,000. As at 30 September 2023, a letter of credit of £2.5m was in issue (30 September 2022: £2,374,426; 31 March 2023: £2,500,000).

On 1 December 2017, the Company provided a guarantee to Intesa Sanpaolo S.p.A. ("ISP") relating to derivative transactions made available to NESH V. The guarantee covers all present and future obligations of NESH V to ISP relating to the derivative transactions. As at 30 September 2023 the Company has no outstanding commitments related to this guarantee (30 September 2022: none; 31 March 2023: none).

The Company has a remaining commitment to NPIII of $3.7m as at 30 September 2023 (30 September 2022: $19.1m; 31 March 2023: $11.9m). The Company, through its subsidiary, has a remaining commitment of €nil in relation to the co-investment in Project Agenor as at 30 September 2023 (30 September 2022: €0.2m; 31 March 2023: €0.0m). The Company, through its subsidiary, has a remaining commitment of €nil in relation to the co-investment in Project Santarem as at 30 September 2023 (30 September 2022: €4.1m; 31 March 2023: €2.0m).

The Company, through its HoldCo's, had other project spending commitments totaling £24m as at 30 September 2023 (30 September 2022: £33m; 31 March 2023: £25.6m).

26. Related Parties

The Investment Manager, the Investment Adviser and the Asset Manager are considered to be related parties in light of their responsibilities in implementing the investment strategy set by the Board of Directors and directing the activities of Group entities. All management fee transactions with the Investment Manager are disclosed in note 5.

Fees of £79,770 (30 September 2022: £nil; 31 March 2023: £94,049) were charged by the Investment Adviser for ESG related services and this is included in legal and professional fees in the Statement of Comprehensive Income. £Nil was outstanding at period end (30 September 2022: £nil; 31 March 2023: £nil).

Under existing arrangements with the Asset Manager, each of the operating subsidiaries of the Company entered into an asset management agreement with the Asset Manager and each of the HoldCos entered into an accounting services agreement with the Asset Manager. The total value of recurring and one-off services paid to the Asset Manager by the subsidiaries during the period amounted to £3.8m (30 September 2022: £3.5m; 31 March 2023: £7.6m).

At 30 September 2023, £31.3m (30 September 2022: £24.6m; 31 March 2023: £5.9m) was owed from the subsidiaries being cash trapped within the structure at period end. £5.3m of administrative service fees were charged to the subsidiaries during the period (30 September 2022: £5.2m; 31 March 2023 £10.4m), £2.0m of which was outstanding at 30 September 2023 (30 September 2022: £nil; 31 March 2023: £504k). £6.1m of Eurobond interest was received from the subsidiaries during the period (30 September 2022: £6.1m; 31 March 2023: £12.3m), £nil of which was outstanding at 30 September 2023 (30 September 2022: £nil; 31 March 2023: £nil). During the period, dividends of £40.4m (30 September 2022: £36.9m; 31 March 2023: £56.3m) were received from the subsidiaries. Refer to note 11 and 12 for terms and conditions on amounts due from and to subsidiaries.

The Company has committed US$50m to NPIII, as a Limited Partner governed by a Limited Partnership Agreement, with US$46.3m drawn as at 30 September 2023 (30 September 2022: US$30.9m; 31 March 2023: US$38.1m). The Investment Manager, the Investment Adviser and the Asset Manager are all professionally engaged to provide services to this fund. Equalisation interest of £nil (30 September 2022: £0.8m; 31 March 2023: £nil) was received due to subsequent closes of NPIII. The principal activity of NPIII is to invest in solar photovoltaic plants globally (primarily in OECD countries). The Company has committed a fixed amount of capital which may be drawn (and returned) over the life of NPIII. The Company pays capital calls when due and receives distributions from NPIII over the life of the fund. The outstanding commitment to NPIII is disclosed in note 25.

The Directors' fees for the six months ended 30 September 2023 amounted to £167k (30 September 2022: £128k; 31 March 2023: £277k).

As at 6 November 2023, NextEnergy Group employees held 2,775,490 shares in NESF[1].

27. Controlling Parties

In the opinion of the Directors, on the basis of shareholdings disclosed to them, the Company has no immediate nor ultimate controlling party.

28. Events After the Balance Sheet Date

On 21 November 2023, the Company successfully completed the first phase of the capital recycling programme with the divestment of Hatherden, a 60MW ready to build UK subsidy-free solar asset, to NextPower UK HoldCo Limited, a 10-year closed-ended private fund managed by NextEnergy Capital, for sale proceeds of £15.2m. NextPower UK HoldCo Limited is a company under common control of the wider NextEnergy Group.

On 19 October 2023, the Directors approved a dividend of 2.09 pence per ordinary share for the quarter ended 30 September 2023 to be paid on 29 December 2023 to ordinary shareholders on the register as at the close of business on 17 November 2023.

1 Excludes shares held by employees under automatic reinvestment schemes or monthly purchase arrangements which may exist

Historical Financial and Portfolio Information

	Year ended 31 March					
	2019	2020	2021	2022	2023	Six months ended 30 September 2023
Financial						
Ordinary shares in issue	581.7m	584.2m	586.9m	589.1m	590.3m	590.8m
Ordinary share price	117.5p	101.5p	99.6p	103.4p	104.8p	86.2p
Market capitalisation of ordinary shares	£683m	£593m	£585m	£609m	£619m	£509m
NAV per ordinary share[1]	110.9p	99.0p	98.9p	113.5p	114.3p	108.3p
Total ordinary NAV[1]	£645m	£579m	£580m	£669m	£674m	£640m
Premium/(discount) to NAV[1]	6.0%	2.5%	0.7%	(8.9%)	(8.3%)	(20.4%)
Earnings per ordinary share	12.37p	(5.09p)	6.87p	21.69p	8.20p	(1.97p)
Dividends per ordinary share	6.65p	6.87p	7.05p	7.16p	7.52p	8.35p
Dividend yield[1]	5.7%	6.8%	7.1%	6.9%	7.2%	9.7%
Cash dividend cover – pre-scrip dividends[1]	1.3x	1.2x	1.1x	1.2x	1.4x	1.8x
Preference shares in issue	100m	200m	200m	200m	200m	200m
Financial debt outstanding at subsidiaries level	£269m	£214m	£246m	£283m	£345m	£356m
GAV	£1,014m	£991m	£802m	£1,150m	£1,218m	£1,194m
Financial debt (financial debt/GAV)[1]	27%	22%	24%	25%	28%	30%
Gearing (financial debt + preference shares/GAV)[1]	36%	42%	43%	42%	45%	46%
Ordinary shareholder total return – cumulative since IPO	46.7%	37.5%	42.6%	53.6%	62.4%	47.8%
Ordinary shareholder total return – annualised since IPO	9.5%	6.3%	6.1%	6.7%	7.0%	5.1%
Ordinary shareholder total return	11.8%	(7.8%)	5.1%	11.0%	8.6%	(13.8%)
Ordinary NAV total return[1]	11.8%	(4.6%)	7.0%	22.0%	7.3%	(1.6%)
Ordinary NAV total return – annualised since IPO[1]	8.1%	5.9%	6.0%	8.0%	8.0%	7.4%
Ongoing charges ratio[1]	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Weighted average discount rate	7.0%	6.8%	6.3%	6.3%	7.3%	8.0%
Operational						
Invested capital[1]	£896m	£950m	£998m	£1,039m	£1,134m	£1,148m
Number of operating assets	87	90	94	99	99	100
Total installed capacity	691MW	755MW	814MW	865MW	889 MW[2]	933MW[2]
Annual generation	693 GWh	712 GWh	738 GWh	773GWh	870 GWh	599GWh
Generation since IPO	1.8 TWh	2.5 TWh	3.2 TWh	4.0TWh	4.9 TWh	5.5TWh
Solar Irradiation (delta vs. budget)	+9.0%	+4.0%	+6.2%	+1.8%	7.5%	6.1%
Generation (delta vs. budget)	+9.1%	+4.7%	+5.5%	+3.4%	3.8%	(0.0%)
Asset Management Alpha[1]	+0.1%	+0.7%	+0.7%	(1.6%)	-3.7%	(6.2%)
Weighted average remaining useful life of asset	25.2 years	26.9 years	27.5 years	27.3 years	26.3 years	26.4 years

1 Alternative performance measure.
2 Includes share in private equity vehicle (NextPower III). NESF's 6.21% share of NextPower III on a look through equivalent basis has an operational capacity of 33MW (31 March 2023: 24MW).

Alternative Performance Measures ("APMS")

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. Our APMs, which are shown below, are used to present a clearer picture of how the Company has performed over the period/year and are all financial measures of historical performance.

Asset Management Alpha

Asset Management Alpha measures the operating performance of the portfolio. It is the performance of the portfolio relative to budget due to active management and excludes the effect of variation in solar irradiation.

	Six months ended 30 Sep 2023 %	Six months ended 30 Sep 2022 %	Year ended 31 Mar 2023 %
Delta of generation vs. budget (A)	(0.0)	6.1	3.8
Delta of irradiation vs. budget (B)	6.1	9.9	7.5
Asset Management Alpha (A – B)	(6.1)	(3.8)	(3.7)

*the values do not cast due to rounding differences.

Invested Capital

Invested capital measures the capital deployed into solar assets through the HoldCos and SPVs to generate investment returns for shareholders.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Invested capital	1,148,781	1,073,733	1,1,33,769

Total Gearing

Total gearing measures the aggregate of the NESF Group's financial debt and fair value of the preference shares relative to GAV.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
NESF Group's outstanding financial debt (A)	355,797	335,651	345,275
Preference shares as per Statement of Financial Position (B)	198,266	198,128	198,197
Net assets as per Statement of Financial Position (C)	640,040	724,691	674,420
Total gearing ((A + B) / (A + B + C)), expressed as a percentage)	46.4%	42.4%	44.6%

Financial Debt Gearing

Financial debt gearing measures the aggregate of the NESF Group's financial debt relative to GAV.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
NESF Group's outstanding financial debt (A)	355,797	335,651	345,275
Preference shares as per Statement of Financial Position (B)	198,266	198,128	198,197
Net assets as per Statement of Financial Position (C)	640,040	724,691	674,420
Financial debt gearing ((A) / (A + B + C)), expressed as a percentage)	29.8%	26.7%	28.4%

Cash Income

Cash income measures of the cash generated from the Company's operations.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Income as per Statement of Comprehensive Income (A)	51,880	48,273	79,023
Trade and other receivables – administrative service fee income accrual at beginning of period/year (B)	504	—	—
Trade and other receivables – administrative service fee income accrual at end of period/year (C)	(1,951)	—	(504)
Cash income (A + B – C)	50,433	48,273	78,519

Cash Dividend Cover (Pre-scrip Dividends)

Cash dividend cover (pre-scrip dividends) measures the cash available to pay ordinary share dividends, treating all scrip dividends as if they had been paid as cash dividends.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Cash Income as per the table above (A)	50,433	48,273	78,519
Total expenses as per Statement of Comprehensive Income (B)	8,456	8,514	17,709
Pre-scrip ordinary dividends paid as per Statement of Changes in Equity (C)	23,379	21,624	43,807
Cash dividend cover (pre-scrip dividends) ((A – B) / C)	1.8x	1.8x	1.4x

Dividend Yield

Dividend yield is a measure of the return to the ordinary shareholders.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Dividend per ordinary share (A)	8.35	7.52	7.52
Ordinary share price at end of period/year (B)	86.2	111.0	104.8
Dividend yield (A / B, expressed as a percentage)	9.69%	6.77%	7.18%

NAV per Ordinary Share

NAV per ordinary share is a measure of the value of one ordinary share.

	30 September 2023 pence	30 September 2022 pence	31 March 2023 pence
Net assets as per Statement of Financial Position (£,000) (A)	640,040	724,691	674,420
Number of ordinary shares in issue at period/year end (B)	590,821,185	589,698,643	590,254,181
NAV per ordinary share ((A / B) x 1,000)	108.3p	122.9p	114.3p

NAV Total Return per Ordinary Share

NAV total return per ordinary share is a measure of the overall financial performance of the Company and measures the combined effect of dividends paid together with the rise or fall in the NAV.

	Six months ended 30 Sep 2023 pence	Six months ended 30 Sep 2022 pence	Year ended 31 Mar 2023 pence
Basic NAV per ordinary share at period/year end as per Statement of Financial Position (A)	108.3	122.9	114.3
Dividend per ordinary share declared in respect of period/year (B)	4.17	3.76	7.52
Basic NAV per ordinary share at beginning of period/year as per Statement of Financial Position (C)	114.3	113.5	113.5
NAV total return per ordinary share ((A + B – C) / C, expressed as a percentage)	(1.58%)	11.59%	7.33%

Ordinary Shareholder Total Return

Ordinary shareholder total return is a measure of the overall performance of the ordinary shares and measures the combined effect of dividends paid together with the rise or fall in the share price.

	30 September 2023 pence	30 September 2022 pence	31 March 2023 pence
Ordinary share price at period/year end (A)	86.2	111.0	104.8
Dividend per ordinary share declared/paid in respect of period/year (B)	4.17	3.76	7.52
Ordinary share price at beginning of period/year (C)	104.8	103.4	103.4
Ordinary shareholder total return per share ((A + B – C) / C, expressed as a percentage)	(13.77%)	10.99%	8.63%

Discount to NAV per Ordinary Share

Discount to NAV per ordinary share is a measure of the performance of the ordinary share price relative to the NAV per ordinary share.

	30 September 2023 pence	30 September 2022 pence	31 March 2023 pence
Ordinary share price at period/year end (A)	86.2	111.0	104.8
NAV per ordinary share at year end as per Statement of Financial Position (B)	108.3	122.9	114.3
Discount to NAV per Ordinary Share ((A – B) / B, expressed as a percentage)	(20.4%)	(9.7%)	(8.3%)

Ongoing Charges Ratio

Ongoing charges ratio measures the Company's recurring operating costs (excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments) as a percentage of the average of the net assets at the end of each of the last four consecutive quarters ending at the period end.

	30 September 2023 £'000	30 September 2022 £'000	31 March 2023 £'000
Total expenses as per Statement of Comprehensive Income (A)	8,456	8,514	17,709
Preference share dividends as per Statement of Comprehensive Income (B)	4,763	4,763	9,500
Non-recurring expenses (C)	91	69	700
Average of quarterly net assets (D)	321,291	346,425	705,851
Ongoing charges ratio ((A – B – C) / D, expressed as a percentage)	1.1%	1.1%	1.06%

General Shareholder Information

Alternative Investment Fund Management Directive ("AIFMD")

The AIFMD aims to harmonise the regulation of Alternative Investment Fund Managers ("AIFMs") and imposes obligations on managers who manage or market Alternative Investment Funds ("AIFs") in the EU or who market shares in such funds to EU investors.

The Company is a non-EU AIF and has appointed NextEnergy Capital IM Limited as its non-EU AIFM. The Company's marketing activities in the UK and the EU are subject to regulation under the AIFMD and any applicable national private placement regimes ("NPPRs"). NPPRs provide a mechanism to market non- EU AIFs that are not allowed to be marketed under the AIFMD domestic marketing regimes. The Board uses NPPRs to market the Company, specifically in the UK, the Republic of Ireland, the Netherlands and Sweden.

In accordance with the AIFMD, information in relation to the Company's leverage and remuneration of the Investment Manager, as the Company's AIFM, are required to be made available to investors. These disclosures, including those on the AIFM's remuneration policy, are available on request from the Investment Manager.

Packaged Retail and Insurance-Based Investment Products ("PRIIPs") Regulation/Key Information Document ("KID")

The PRIIPs Regulation aims to ensure retail investors are provided with transparent and consistent information across different types of financial products.

The Company is a PRIIP. The PRIIPs Regulation requires the Investment Manager to publish a KID in respect of the Company that includes standardised illustrations of theoretical risk and returns. The KID is available on the Company's website under Investor Relations (nextenergysolarfund.com).

The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Foreign Account Tax Compliance Act ("FATCA")/ OECD Common Reporting Standard ("CRS")

FATCA is a United States federal law enacted in 2010, the intent of which is to enforce the requirement for United States persons (including those living outside the US) to file yearly reports on their non-US financial accounts. Developed and approved by the OECD in 2014, the CRS is a global standard for the automatic exchange of financial account information between governments around the world to help fight against tax evasion and protect the integrity of systems.

The Board, in conjunction with the Company's service providers and advisers, will ensure the Company's compliance with the FATCA and CRS requirements to the extent relevant to the Company.

Markets in Financial Instruments Directive II ("MiFID II") Status

MiFID II requires retail investors in complex products to be assessed for "knowledge and understanding" by distributing firms if they are buying them without advice.

The Company's ordinary shares are considered as "non-complex" in accordance with MiFID II.

Retail Distribution of the Company's Shares Via Financial Advisers and Other Third-Party Promoters

The FCA's rules restrict the promotion of investment products classified as "non-mainstream pooled investment products" to retail investors. The restrictions do not apply to ordinary shares in a UK investment trust or non-UK investment company which would qualify for approval as an investment trust under section 1158 of the Corporation Tax Act 2010 if resident and listed in the UK.

The Board has been advised that the Company would qualify as an investment trust if it was resident in the UK. Accordingly, the promotion and distribution of the Company's ordinary shares are not subject to the FCA's restrictions referred to above.

The Company currently conducts its affairs so that its ordinary shares can be recommended by financial advisers to retail investors and intends to continue to do so for the foreseeable future.

ISA Status

NESF's ordinary shares are eligible for stocks and shares ISAs.

The Company intends to continue to manage its affairs so that its ordinary shares qualify as an eligible investment for a stocks and shares ISA.

Net Asset Value per Ordinary Share

The NAV per ordinary share is calculated on a quarterly basis and published through a stock exchange announcement.

Additional Information

Copies of the Company's Annual and Interim Reports, quarterly fact sheets and stock exchange announcements, together with information on the Company's ordinary share price, NAV per ordinary share, historic ordinary share and NAV performance, together with further information, is available on the Company's website (nextenergysolarfund.com).

Financial Calendar for Year Ending 31 March 2024

Annual Results announced	June 2024
Annual General Meeting	August 2024

Interim dividends

In the absence of unforeseen circumstances, the Directors expect to declare and pay the following interim dividends per ordinary share in respect of the financial year ending 31 March 2024.

Dividend	Announcement date	Ex-dividend date	Payment date	Amount
2nd	16 Nov 23	23 Nov 23	31 Dec 23	2.09p
3rd	Feb 24	Feb 24	31 Mar 24	2.09p
4th	May 24	May 24	30 Jun 24	2.09p

Cautionary Statement

This Interim Report and the Company's website may contain certain "forward-looking statements" with respect to the Company's financial condition, results of its operations and business, and certain plans, strategies, objectives, goals and expectations with respect to these items and the markets in which the Company invests. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "aims", "anticipates", "believes", "estimates", "expects", "intends", "targets", "objective", "could", "may", "should", "will" or "would" or, in each case, their negative or other variations or comparable terminology.

Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely. There are a number of such factors that could cause the Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and financing strategy to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in the economies and markets in which the Company operates; changes in the legal, regulatory and competition frameworks in which the Company operates; changes in the markets from which the Company raises finance; the impact of legal or other proceedings against or which affect the Company; changes in accounting practices and interpretation of accounting standards under IFRS; and changes in power prices and interest and exchange rates.

Any forward-looking statements made in this Interim Report or the Company's website, or made subsequently, which are attributable to the Company, or persons acting on its behalf (including the Investment Manager and Investment Adviser), are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

Nothing in this Interim Report or the Company's website should be construed as a profit forecast or an invitation to deal in the securities of the Company.

Glossary and Definitions

Administrator	Ocorian Administration (Guernsey) Limited
AGM	Annual General Meeting
AIC	The Association of Investment Companies
AIC Code	The AIC Code of Corporate Governance (February 2019)
AIFM	Alternative Investment Fund Manager for the purpose of the EU's Alternative Investment Fund Management Directive (see above for further information)
Ancillary services	Battery storage revenue stream for maintaining operational grid requirements and provides secondary balancing through sub second to minutes long response. Contracted in advance on monthly-yearly basis (e.g. Dynamic containment (formerly fast frequency response)
Asset Management Alpha	The difference between (i) the delta of generation vs. budget and (ii) the delta of irradiation vs. budget
Apollo portfolio	21 UK solar plants held within NESH (see the Operating Portfolio – Overview above for further details)
Asset Manager or WiseEnergy	WiseEnergy (Great Britain) Limited and WiseEnergy Italia Srl
Brexit	The withdrawal of the United Kingdom from the European Union
Capacity Market Auction	The Capacity Market is a UK Government initiative that ensures security of electricity supply by providing a payment for reliable sources of capacity
Cash dividend cover	The ratio of the Company's cash income to dividends paid or payable in respect of the financial period/year
CBA	Commonwealth Bank of Australia
Company or NESF	NextEnergy Solar Fund Limited
Consultants	The three independent market forecasters used by the Company
CO2e or carbon dioxide equivalent	A term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO2e signifies the amount of CO2 which would have the equivalent global warming impact
DNO	Distribution Network Operators ("DNOs") are regionally based licensed companies responsible for completing rolling programmes of preventative maintenance and upgrade works to ensure stability of the energy supplied to consumers
DNOO	Distribution Network Operator Outages
EBITDA	Earnings before interest, tax, depreciation and amortisation
Embedded benefits	Supplier costs that are reduced or avoided via contracting with small-scale generation connected at the distribution network level instead of the national transmission system
Energy Arbitrage	Battery storage revenue stream involving buying and selling power to meet demand every half-hour. Contracted from years ahead to T-1 hour trading
EPC	Engineering, Procurement and Construction
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
FiT	Feed-in-Tariff schemes are financial mechanisms by which the UK Government incentivised the deployment of small-scale renewable energy generation and the Italian Government incentivised the deployment of large-scale renewable energy generation by requiring participating licensed electricity suppliers to make payments on both generation and export from eligible installations

GAV	Gross asset value, being the aggregate of the net asset value of the ordinary shares, the fair value of the preference shares and the amount of NESF Group debt outstanding
GW	Gigawatt, a unit of power equal to 1,000 MW
GWh	GW hour, a measure of electricity generated per hour
HoldCos	Intermediate holding companies used by the Company as pass-through vehicles to invest in underlying solar energy infrastructure assets, currently being NESH, NESH III, NESH IV, NESH V and NESH VI
IFRS	International Financial Reporting Standards
Investment Adviser or NEC	NextEnergy Capital Limited
Investment Manager	NextEnergy Capital IM Limited
IPO	Initial Public Offering
IRR	Internal Rate of Return
KPMG	KPMG Channel Islands Limited, independent auditor to the Company
KWh	Kilowatt hour, being a measure of electricity generated per hour
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MW	A Megawatt is unit of power equal to one million watts and is used as a measure of the output of a power plant
MWh	MW hour, being a measure of electricity generated per hour
NAB	National Australia Bank
Net assets or NAV	Net asset value
NAV total return	The actual rate of return from dividends paid and any increase or reduction in the NAV per ordinary share over a given period of time
NEC or NEC Group	The NextEnergy Capital group of companies, including the Investment Manager, Investment Adviser and Asset Manager
NESF Group	The Company, HoldCos and SPVs
NESH	NextEnergy Solar Holding Limited
NESH III	NextEnergy Solar Holding III Limited
NESH IV	NextEnergy Solar Holding IV Limited
NESH V	NextEnergy Solar Holding V Limited
NESH VI	NextEnergy Solar Holding VI Limited
NIROC	Like the ROCs in Great Britain, the Northern Ireland Renewable Obligation Certificate scheme obliges electricity suppliers to produce a certain number of NIROCs for each MWh of electricity which they supply to their customers in Northern Ireland or to pay a buy-out fee that is proportionate to any shortfall in the number of NIROCs being so presented
NPIII	NextPower III LP
NZ	NextZest
O&M	Operations and Maintenance
OECD	Organisation for Economic Co-operation and Development
OFGEM	Office of Gas and Electricity Markets
Ongoing charges ratio	The regular, recurring annual costs of running the Company (excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments), expressed as a percentage of average net assets, calculated in accordance with the AIC's methodology
Ordinary shareholder total return	The actual rate of return from dividends paid and any increase or reduction in the ordinary share price over a given period of time
Ordinary shares	The issued ordinary share capital of the Company

Performance ratio	Describes the relationship between the actual and theoretical energy outputs of a solar plant (expressed as a percentage)
PM 2.5 and PM10	Potentially harmful particulate matter, such as chemicals, in air
PPA	Power purchase agreement
Premium/discount to NAV	The amount, expressed as a percentage, by which the Company's ordinary shares trade above or below the NAV per ordinary share
Preference shares	The issued preference share capital of the Company
PV	Photovoltaic
Radius portfolio	Five UK solar plants held within NESH IV (see the Operating Portfolio – Overview above for further details)
RCF	Revolving Credit Facility
ROC	Renewable Obligation Certificates (the Renewable Obligation scheme is the financial mechanism by which the UK Government incentivised the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of the electricity they supply to customers from eligible renewable sources or pay a penalty)
ROC recycle	The payment received by generators from the redistribution of the buy-out fund (payments are made into the buy-out fund when suppliers do not have sufficient ROCs or NIROCs to cover their obligation)
RPI	Retail Price Index
RRAM portfolio	10 UK solar plants held in NESH III (see the Operating Portfolio – Overview above for further details)
Scrip shares	Ordinary shares issued pursuant to the Company's scrip dividend alternative
SDG	The Sustainable Development Goals are a set of ambitious global developmental targets adopted by the United Nations Member States in 2015 to be achieved by 2030 and seek to address the global challenges we face through the promotion of development as a balance of social, economic, and environmental sustainability
Solis portfolio	Eight Italian solar plants held within NESH V (see the Operating Portfolio – Overview above for further details)
SONIA	Sterling Overnight Index Average
SPVs	Special purpose vehicles that hold the Company's investment portfolio of underlying solar energy infrastructure assets
Thirteen Kings portfolio	13 plants held in NESH III (see the Operating Portfolio – Overview above for further details)
Treasury shares	Ordinary shares which are bought back by the Company, reducing the number of outstanding shares on the open market, and held by the Company for resale at a future date
Wholesale revenue	Revenue from energy sold in the wholesale power market which is not connected with subsidy schemes or PPAs

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Boxted Airfield
Essex
18.8MW
1.4 ROC

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