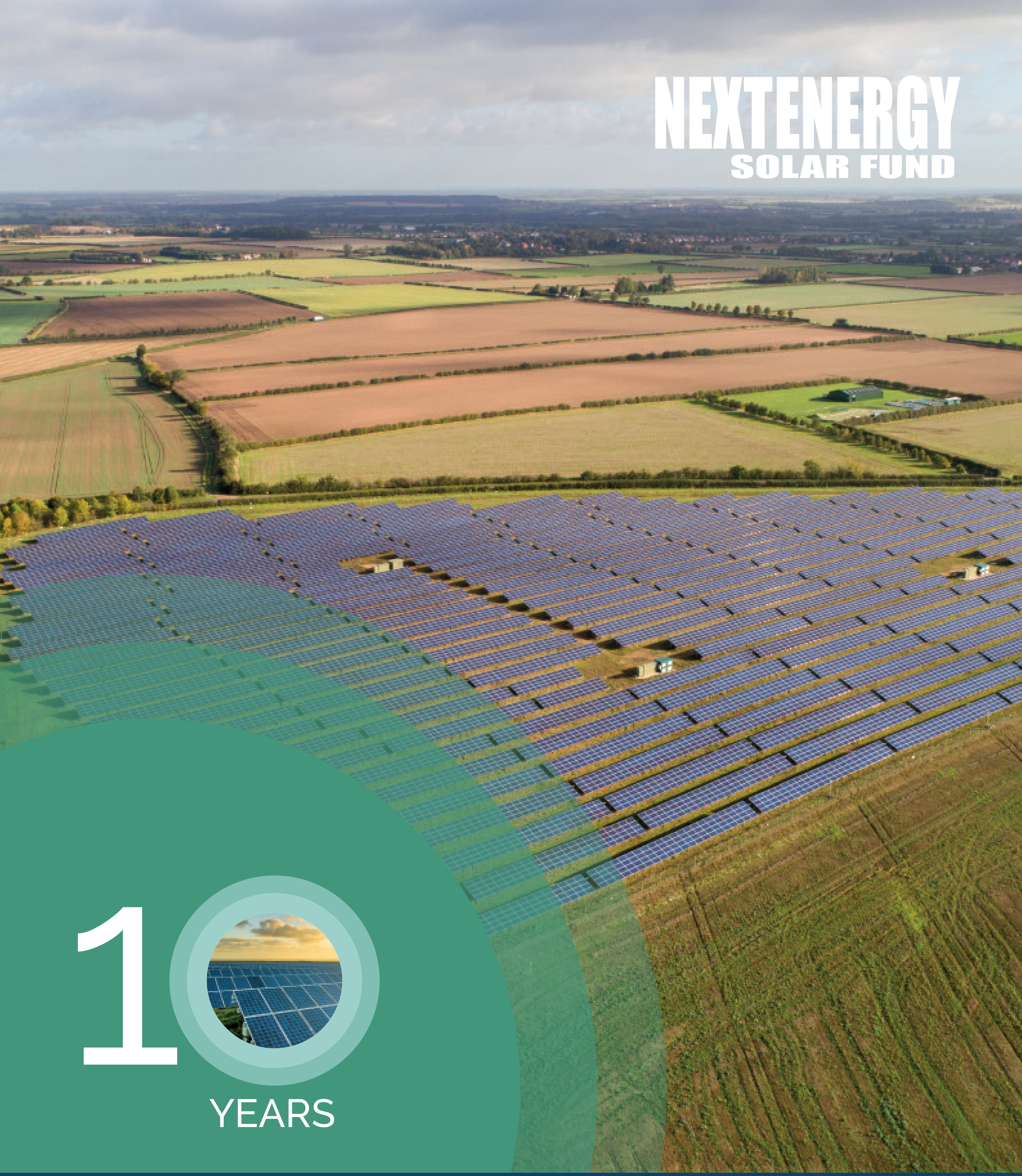


Generating a more sustainable future

Interim Report

for the six months ended 30 September 2024

NextEnergy Solar Fund's Purpose

Environment

- Contribute towards a net zero sustainable future and help mitigate climate change.
- Enhance local biodiversity for the surrounding areas where we operate.

Investment

- 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.
- Expand and strengthen the portfolio in line with the Company's Investment Policy and maintain a disciplined capital allocation approach.
- Enhance growth and diversification through the introduction of energy storage and international solar assets.

Social

- Contribute to energy security in the UK and other markets where we operate by increasing energy supplied to the domestic market.
- Continue to actively engage with and support the communities located close to our solar energy and energy storage 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.
- Remain fully compliant with the principles and recommendations of the AIC Code.

GUERNSEY GREEN FUND

GREEN ECONOMY MARK
LONDON STOCK EXCHANGE

PREMIUM MAIN MARKET
LONDON STOCK EXCHANGE

Performance Highlights

Financial Highlights[1]

NAV per ordinary share as at 30 September 2024[1]

97.8p

(31 March 2024: 104.7p)

Ordinary shareholders' NAV as at 30 September 2024

£572.2m

(31 March 2024: £618.6m)

Gross Asset Value as at 30 September 2024

£1,104m

(31 March 2024: £1,155m)

Financial Debt Gearing as at 30 September 2024[2]

30%

(31 March 2024: 29%)

Dividends per ordinary share for the period ended 30 September 2024

4.21p

(30 September 2023: 4.17p)

Cash dividend cover (pre-scrip dividends) for the period ended 30 September 2024[4]

1.5x

(30 September 2023: 1.8x)

Total gearing as at 30 September 2024[3]

48%

(31 March 2024: 46%)

NAV total return per ordinary share for the period ended 30 September 2024

-2.6%

(30 September 2023: -1.6%)

Ordinary shareholder total return for the period ended 30 September 2024

18.2%

(30 September 2023: -13.8%)

Annualised total NAV return since IPO

6.3%

(31 March 2024: 7.1%)

Operational Highlights

Total capacity installed as at 30 September 2024[5]

983MW

(31 March 2024: 1015MW)

Total electricity generation for the period ended 30 September 2024[5]

595GWh

(30 September 2023: 619GWh)

Operating assets as at 30 September 2024[6]

102

(31 March 2024: 103)

Generation against budget for the period ended 30 September 2024[8]

-4.5%

(30 September 2023: 5.5%)

ESG Highlights

Tonnes of CO_2e emissions avoided for the period[7]

193,900

(30 September 2023: 198,151)

Equivalent cars removed from the road for the period[7]

46,167

(30 September 2023: 47,179)

1 Refer to the Alternative Performance Measures for calculation basis.

2 Financial debt gearing excludes the £200m preference shares on a look through basis.

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 In October 2023, the Board decided to suspend the Company's Scrip Dividend Alternative until further notice in accordance with the terms and conditions in the Scrip Dividend Circular dated 19 July 2023 due to low take up and the costs associated with continuing to offer it.

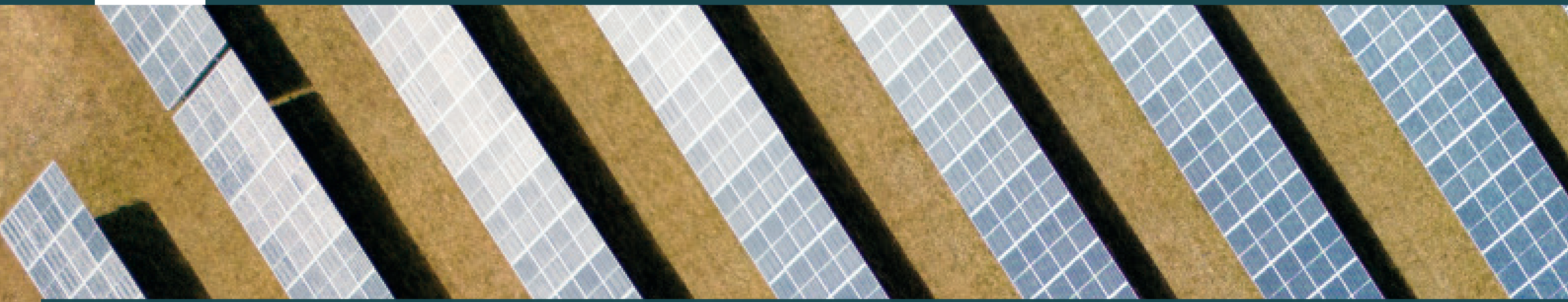
5 Including share in private equity vehicle (NextPower III LP ("NPIII")) and co-investments (Agenor and Santarem). Inclusion of NESF's 6.21% share of NPIII on a look through equivalent basis increases total capacity by 43MW (31 March 2024: 40MW) and increases generation by 27GWh (30 September 2023: 20GWh). Inclusion of NESF's 24.5% share of Agenor increases total capacity by 12MW (31 March 2024: 12MW) and increases generation by 7GWh (30 September 2023: nil GWh). Inclusion of NESF's 13.6% share of Santarem on a look through equivalent basis increases total capacity by 29MW (31 March 2024: 29MW).

6 Excluding the $50m commitment into private equity vehicle NPIII.

7 For more information, please see pages 63-69.

8 Excludes performance of private equity vehicle (NPIII) and co-investments. Figures have been adjusted, where relevant, for events outside of the Company's control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

Contents



How does NextEnergy Solar Fund deliver value to shareholders?

RELIABLE INVESTMENT WITH ATTRACTIVE GROWTH PROSPECTS

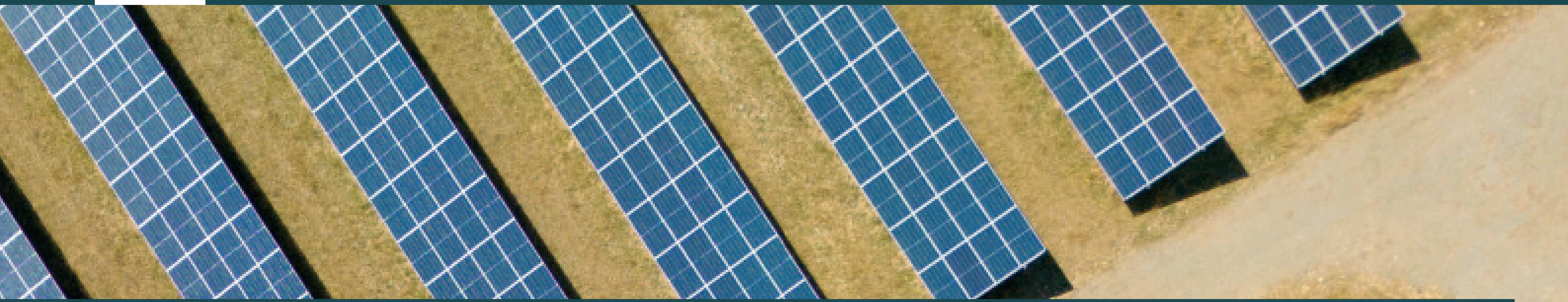
- Provides a regular attractive dividend for income seeking investors.
- Current share price discount to NAV provides an opportunity for future capital appreciation and offers investors a high dividend yield of 10.5% as at 30 September 2024, presenting an attractive entry point for new and existing investors.
- Offers a natural hedge against inflation with a high proportion of regulated revenues linked to RPI.
- Cashflows derived from a diverse portfolio of c.1GW operational capacity with incremental growth prospects through the introduction of complementary technologies, such as energy storage.

PROVEN AND STABLE TECHNOLOGY

- Solar PV provides a reliable and predictable source of electricity due to high consistency in average yearly irradiation and minimal sensitivity of irradiation levels to climate change.
- Long useful life (25-40 years) with high proportion of contracted cash flows from operating solar assets.
- Low OPEX cost relative to other renewable energy technologies due to Solar PV's limited moving parts.

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 compared to fossil fuel energy sources.



COST-EFFECTIVE ELECTRICITY GENERATION

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

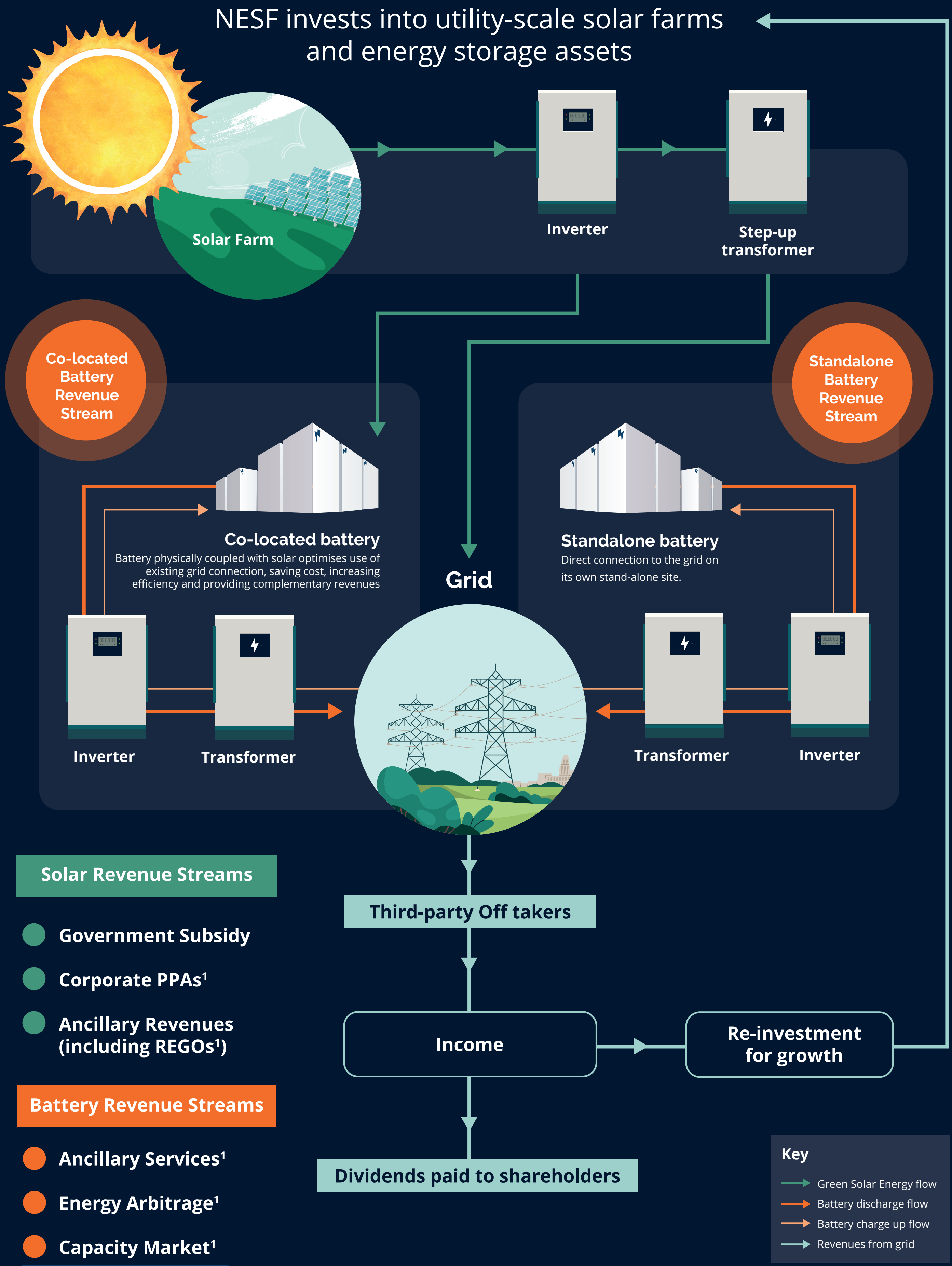
CLIMATE CHANGE SOLUTION

- Fundamental to achieving a more sustainable future by contributing to the UK Government's target of 50GW solar capacity by 2030 and the UK's commitment to net zero by 2050.
- Meaningful contribution to reducing CO_2e emissions through carbon avoidance by generating and storing clean electricity, reducing reliance on fossil fuels across the grid.
- Investment in solar provides significant biodiversity benefits for the environment that surround our assets.
- Through NextEnergy Solar Fund's portfolio, international co-investments and direct investment in NPIII, the Company is supporting de-carbonisation globally.

SPECIALIST MANAGEMENT

- NextEnergy Solar Fund benefits from the expertise of its Investment Manager, NextEnergy Capital IM Limited, its Investment Adviser, NextEnergy Capital Limited, and its Asset Manager, WiseEnergy Limited.
- NextEnergy Capital Limited is one of the world's largest specialist solar investors, managing over $4bn worldwide.

How does NEXTENERGY SOLAR FUND make its revenue?



1 Definitions can be found in the glossary on page 109

NextEnergy Solar Fund Overview

A specialist solar energy and energy storage fund listed on the London Stock Exchange

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 assets with the addition of complementary technologies such as energy storage

Managed by solar energy and energy storage specialists:

- NextEnergy Capital, Investment Adviser
- NextEnergy Capital IM, Investment Manager
- WiseEnergy, Asset Manager

Diversified portfolio:

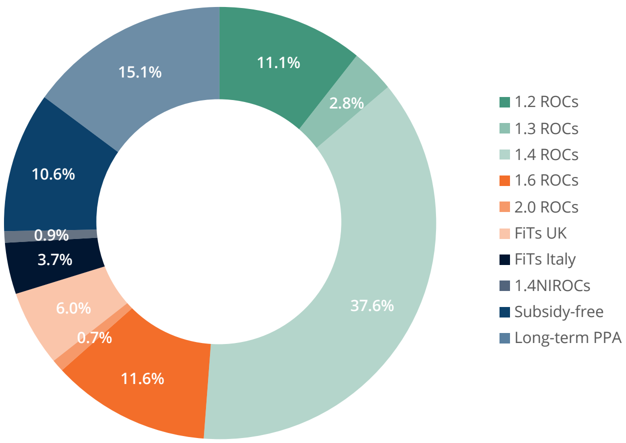
- 99 operating UK and Italian solar assets
- $50m international private equity solar fund investment
- 2 European solar co-investments
- 1 operating UK standalone energy storage asset

Removing the equivalent of 46,167 cars off the road during the period

Cumulative asset outperformance since IPO

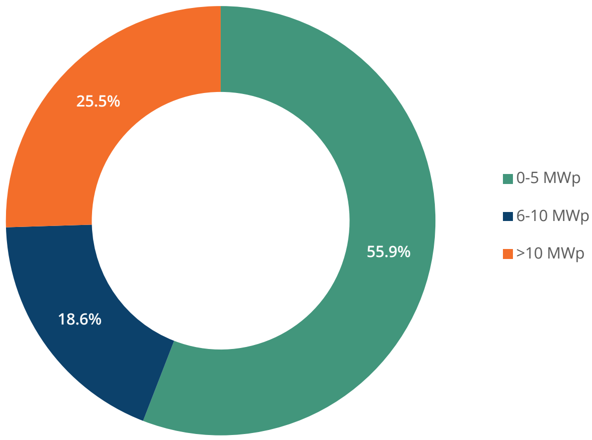
Snapshot of Our Diversified Portfolio
as at 30 September 2024[1,3]

By Subsidy/Regulatory Regime



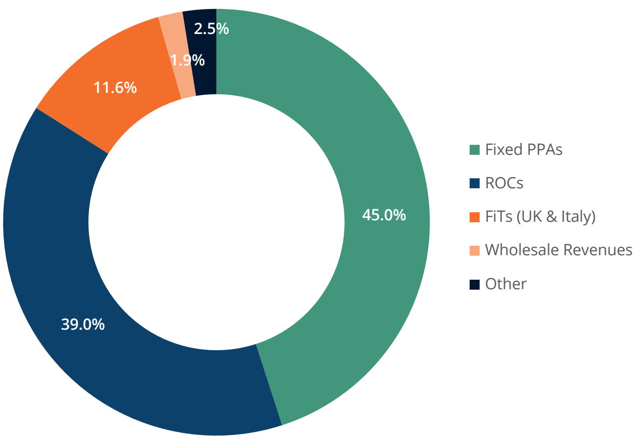
% of assets by MW capacity

By Installed Capacity



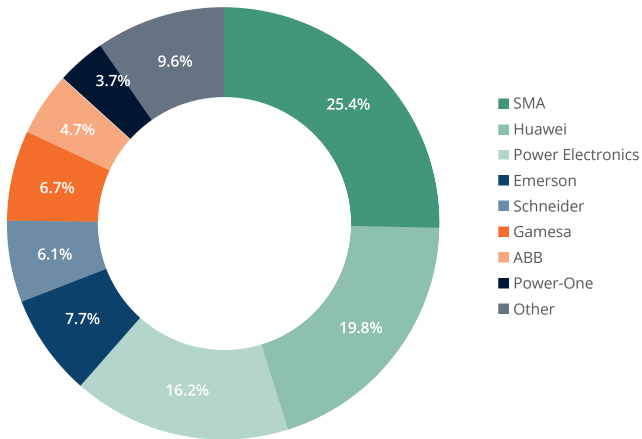
% of assets

By Revenue Type



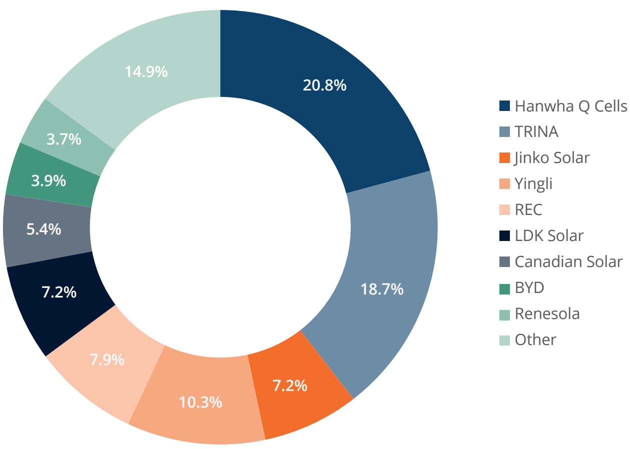
% of total revenue for the period ended 30 September 2024

By Invertor Manufacturer[2]



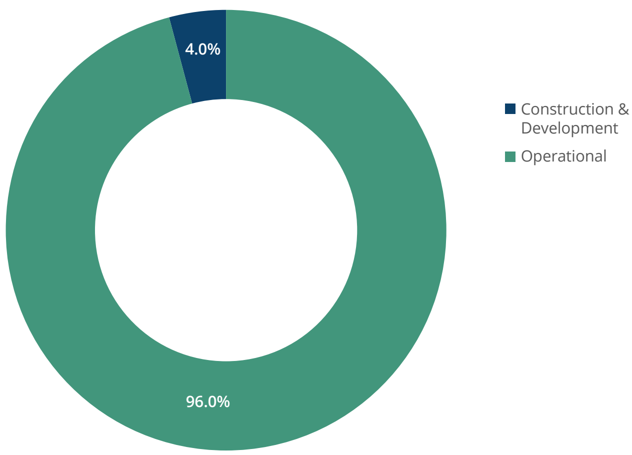
% of assets by MW capacity

By Solar Module Manufacturer[2]



% of assets by MW capacity

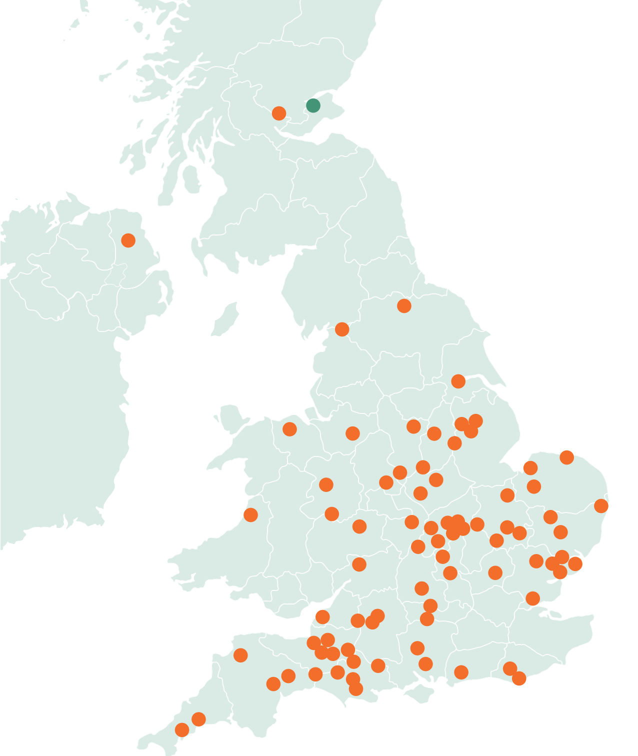
By Project Status



% of invested capital

1 Figures are stated to the nearest 0.1% which may lead to rounding differences.
2 Excluding energy storage assets.
3 Excluding the $50m investment into private equity vehicle (NPIII).

UK - c. 881MW of solar PV & energy storage assets operational (866MW owned by NESF)

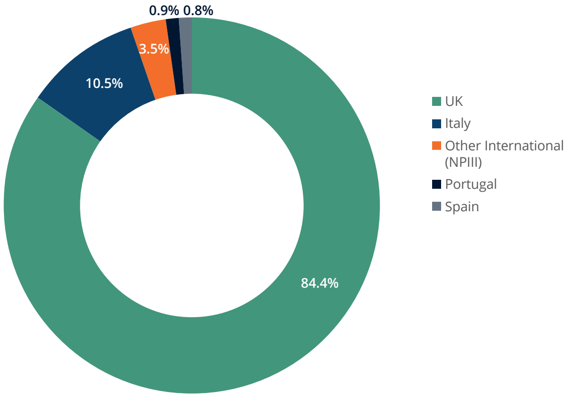


Assets locations

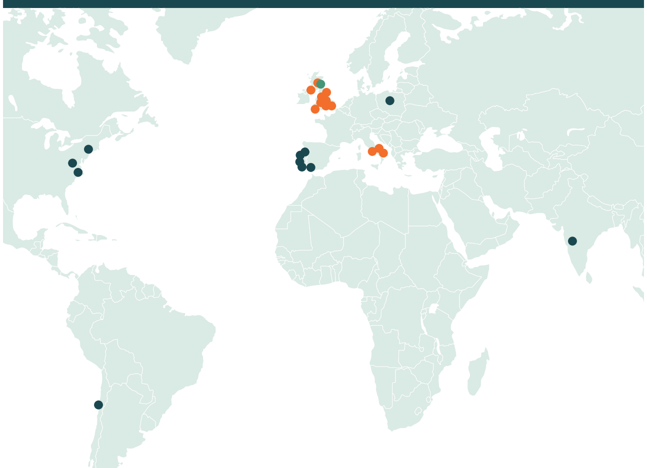
- **Operating Solar Assets (for more information see pages 58 and 59)**
- **Operating Energy Storage Assets**
- **Private Solar Infrastructure Fund**

Breakdown of NESF portfolio by location[1]

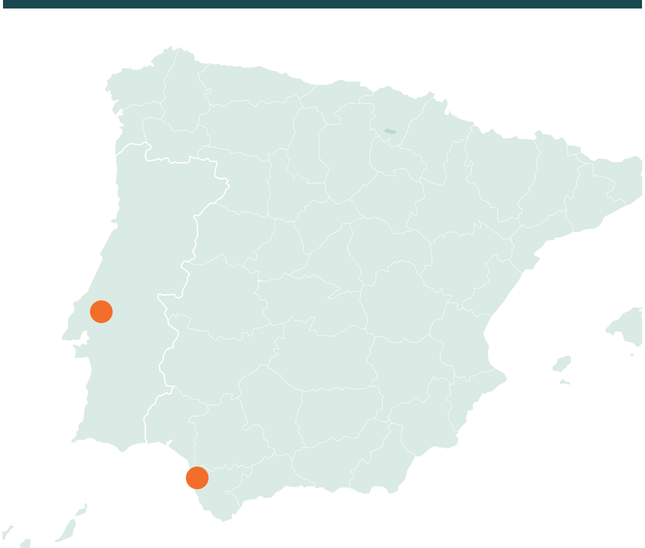
% of invested capital



The World - $50m investment into NPIII LP, which holds 165 solar PV and 5 energy storage assets globally (43MW owned by NESF)



Spain and Portugal - c. 260 MW of Solar PV assets operational (41MW owned by NESF)



Italy - c. 35 MW of Solar PV assets operational

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

Helen Mahy CBE
Chairwoman
November 2024

Chairwoman's Statement

"This is the eleventh Interim Report for NextEnergy Solar Fund (the "Company" or "NESF") and my second as Chairwoman. Since I last wrote to shareholders in the 2024 Annual Report, NESF has continued to face a tough market environment outside of its control and our share price remains at a large discount to Net Asset Value ("NAV"). Despite this, NESF has remained proactive and committed to narrowing the discount through its capital recycling and buyback programmes.

Shareholders signalled their confidence in NESF at the AGM in August with 94.01% of votes cast 'Against' discontinuing the Company in its current form, the strongest result in the renewable investment company sector this year, demonstrating that shareholders continue to stand behind the Company's Board and Investment Adviser whilst supporting the Company's ongoing strategy.

As at 20 November 2024, NESF offered a dividend yield of c.11%, one of the largest in the UK equities market. The Company continues to present an attractive entry point for both new and existing investors due to its share price discount to NAV.

NESF has made steady progress with its Capital Recycling Programme, delivering the second phase in the period through the sale of Whitecross, a 35MW operational subsidy-free solar asset (at a 14% premium) to a third-party buyer.

Since the period end, NESF successfully delivered the third phase of the Capital Recycling Programme through the sale of Staughton, a 50MW operational subsidy-free solar asset located in Bedfordshire. This sale represents the largest transaction in the Programme to date raising £30.3m in proceeds which provides an attractive return for shareholders, and represents a 21.5% premium to Staughton's holding value as at 30 September 2024. The Company has now sold c.145MW of solar assets raising £72.5m worth of proceeds. The Company continues to run a competitive sales process for the remaining two assets in the Capital Recycling Programme where the Board and Investment Adviser will continue to deliver long-term stable returns and value to NESF shareholders.

The Board initiated a meaningful Share Buyback Programme of up to £20m in the period, where the ordinary shares presented an attractive investment opportunity given the size of the discount. The Company continues to steadily buy back shares and has purchased 8.6m ordinary shares as of 20 November 2024 for a total consideration of £6.8m. The Board will continue to review the Company's share price discount to NAV alongside the Company's level of gearing and maintain full discretion and flexibility over any future increases to the size of the Share Buyback Programme.

The Company continues to contribute to the UK's net zero efforts with its 102 operational solar energy and energy storage assets that are predominantly UK-based and are well-positioned to benefit from multiple future tailwinds, as specified in the Investment Adviser's report on page 23. I am encouraged by how the Company has continued to show resilience throughout this financial period and remain prudently optimistic given a favourable political landscape.

Both the Board and the Investment Adviser remain committed to ensuring that the Company continues to narrow the ordinary share discount and remains focused on delivering shareholder value now and long into the future. I continue to welcome active engagement with NESF shareholders, listening to comments, and understanding their perception of the Company."

Introduction

As at 30 September 2024, the Company's reported NAV was £572.2m, equivalent to 97.8p per ordinary share (31 March 2024: £618.6m, 104.7p per ordinary share). NESF's portfolio delivered consistent performance throughout the period where the Company delivered a 1.5x cash-covered dividend despite difficult macroeconomic conditions and a lower-than-anticipated solar generation environment due to the wet weather. The Company forecasts that it will deliver an annual dividend cover of 1.1x-1.3x for the year ending 31 March 2025.

The Board continues to closely monitor the Company's ordinary share price which, alongside peers in the investment company space, is trading at a discount to its NAV, driven by macroeconomic conditions. This is frustrating and largely out of our control. The Board and I believe the level of ordinary share price discount to NAV is unjustified and we remain committed to taking necessary strategic actions to control the discount insofar as possible to generate total shareholder return, as demonstrated by the £20m Share Buyback Programme and the ongoing Capital Recycling Programme.

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 its Asset Manager, the Company has been a longstanding pioneer in the solar energy sector and has ambitious plans to continue delivering the clean energy transition. The UK Government's recent industrial policy announcement has clean technology at the heart of its policy and aims to triple the UK's solar capacity by 2030, providing strong validation for the Company's growth. Given the high dividend and uniquely diversified portfolio of assets, NESF is an attractive investment to those seeking a reliable source of income amidst the current market.

The Board hosted a 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 on ESG and biodiversity matters.

Hook Valley
Somerset
15.3MW
1.6 ROC

Barnby Moor
Nottinghamshire
5.0MW
1.2ROC

Dividends

Since the formation of the Company in 2014, NESF has declared total dividends of £370m and has continually increased and achieved its annual ordinary share target dividend whilst maintaining a strong dividend cover. The Company continues to target a covered dividend both in the coming financial year and beyond.

In May 2024, the Board approved a target dividend of 8.43 pence per ordinary share for the year ending 31 March 2025, an increase of 1% from the previous year's dividend of 8.35 pence per ordinary share. The Company maintains a progressive annual dividend policy where the Board considers the percentage increase each year.

Sustainability, ESG and Biodiversity

NESF's commitment to sustainability and ESG remains at the forefront of its strategy and purpose. NESF has undertaken an extensive materiality assessment across its operations to align with the Taskforce for Nature-related Financial Disclosures (TNFD), enhancing its understanding of how its activities interact with nature. This has informed the development of an Approach to Nature that builds upon NESF's strategic initiatives to balance financial growth with positive ecological outcomes, ensuring a nature-positive impact across its solar and energy storage assets.

The Board's ESG committee, chaired by Josephine Bush, oversees the progression of the Company's Sustainability and ESG strategy. NESF prides itself on its transparent approach to sustainability disclosures, including meeting the requirements of Article 9 of the European Union Sustainable Finance Disclosure Regulation and being fully aligned with the EU Taxonomy. NESF continues to lead the market in its sustainability, ESG and biodiversity reporting with the release of its Annual Sustainability and ESG Report which is aligned with the standards issued by the International Sustainability Standards Board ("ISSB"), of which NESF is an early and voluntary adopter. The NESF Annual Sustainability and ESG Report for 31 March 2024, can be found on the Company's website (nextenergysolarfund.com).

The Board is proud that NESF continues to support the NextEnergy Foundation, an international charity founded in 2016 with the 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

The Board continues to ensure the highest standards of corporate governance are practised to provide shareholders and other key stakeholders with confidence in the Company's trustworthiness, fairness and transparency. 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.

As part of the Board's succession plan, I am very pleased that Caroline Chan joined the Board in April 2024 as a Non-Executive Director. I would like to thank Patrick Firth for his services as Chair of the Audit Committee, having stepped down in August 2024 after serving his full nine-year tenure. Jo Peacegood, who joined the NESF Board of Directors in February 2020, is now the appointed Chair of the Audit Committee, and Caroline Chan has replaced Jo Peacegood as the appointed Chair of the Management Engagement Committee.

Principal Risks and 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 set out the key components of its risk appetite. NESF's principal risks remain unchanged from those stated in the 31 March 2024 Annual Report and can be found on page 69 of this Report.

Outlook and Conclusion

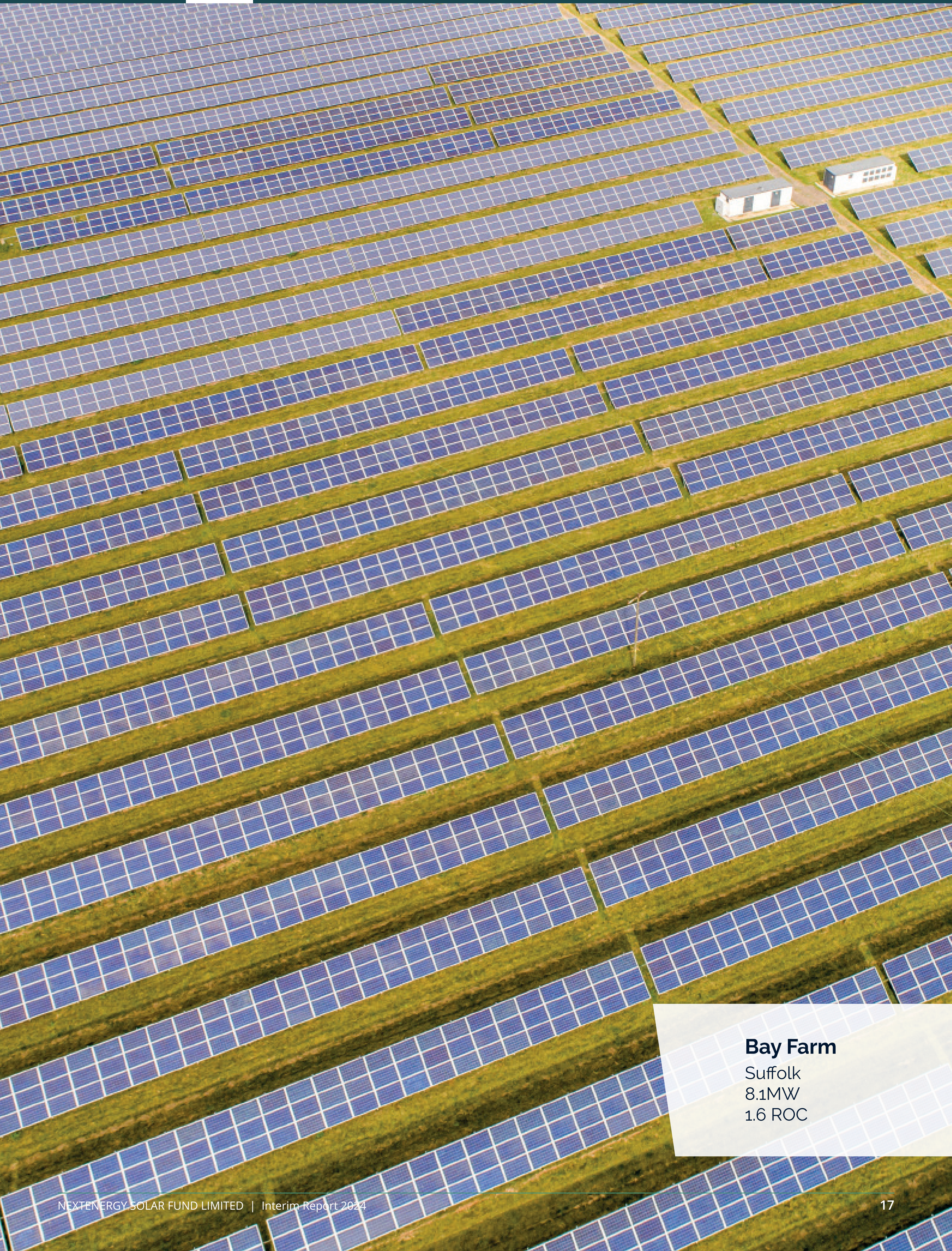
The six-month period to 30 September 2024 has continued to present familiar challenges to the sector, yet the Board and I maintain an optimistic outlook. The Company has an excellent operational portfolio which continues to generate predictable cash flows to support the Company's attractive dividend. We are confident that our planned strategic initiatives and the Investment Adviser's active portfolio management will continue to provide shareholder value.

Over the course of the year, I have appreciated the chance to engage with shareholders, actively listen to their feedback, and gain insights into their perspectives on the Company. Moving forward, I intend to maintain an open dialogue with investors, as I believe it is key to the future of the Company.

I am committed to working with the Board to ensure that shareholder interests are paramount in the coming period in this challenging environment, whilst continuing to make a significant beneficial impact to the UK's economy, its energy security and independence, playing our role in helping the UK achieve its net zero target and driving global impact through the NextEnergy Foundation.

Helen Mahy

Helen Mahy CBE,
Chairwoman
20 November 2024



Bay Farm
Suffolk
8.1MW
1.6 ROC

Evolution since IPO

IPO

£85.6m raised at IPO in April 2014 and 100% deployed within five months

Focused on subsidised UK solar

2014

£99.6m raised November/December 2014, 100% deployed six weeks later

127MW total installed capacity

2015

£100.2m raised, 100% deployed six weeks later

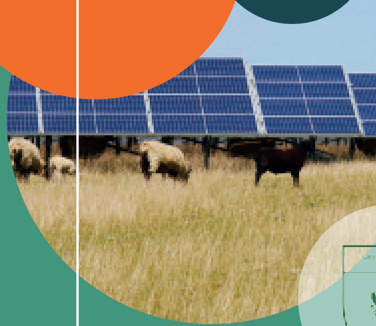
276MW total installed capacity

COP21 where the Paris Agreement was signed, committing 196 countries to limit global warming to below 2°C above pre-industrial levels

2016

£180m raised (£64.7m used to repay debt facility and £115.3m 100% deployed within ten months)

424MW total installed capacity



2017

£126.5m raised,100% deployed within 14 months

569MW total installed capacity

Government stops solar subsidies

First international subsidised solar assets added in Italy **(34.5MW)**

2018

£100m raised, used to partially repay debt facility, remaining funds deployed in two months

£100m preference shares issued

691MW total installed capacity

First subsidy-free asset energised

2019

755MW total installed capacity

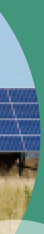
Awarded LSE's Green Economy Mark

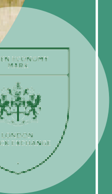
Largest UK subsidy-free solar asset energised in UK

First co-located battery assets

£100m preference shares issued

UK passed a law requiring it to be Net Zero by 2050





2020

763MW total installed capacity

Promoted to FTSE 250

Investment policy change: unlocking
- **10% energy storage**
- **15% solar PE funds**
- **30% international solar**

Jo Peacegood joins Board of Directors

Sells first developed subsidy-free assets (115MW)

COVID-19 Pandemic leads to a temporary reduction in global energy demand and emissions

2021

865MW total installed capacity

New corporate broker

£100m JV with EelPower

First **50MW** standalone battery

First **$50m** commitment to NPIII ESG

150MW subsidy-free target reached

COP26 in Glasgow

2022

£200m JV with EelPower

250MW standalone battery

First standalone sustainability report

Article 9 status

Josephine Bush joins Board of Directors

First co-located battery

First solar co-investments (Spain & Portugal)

40% of the UK's electricity generated from solar and other renewable energy sources

2023

Capital Recycling Programme ("CRP") introduced

Helen Mahy appointed Chairwoman

Phase I of CRP complete

Paul Le Page joins Board of Directors

Energy storage strategy details released

UK produced 1 trillion kWh of electricity from renewables

2024

1015MW total installed capacity

Camilla (BESS) energised

Phase II & III of CRP completed

Caroline Chan joins Board of Directors

NESF co-investments into NextPower III LP energised

>94% support for continuation

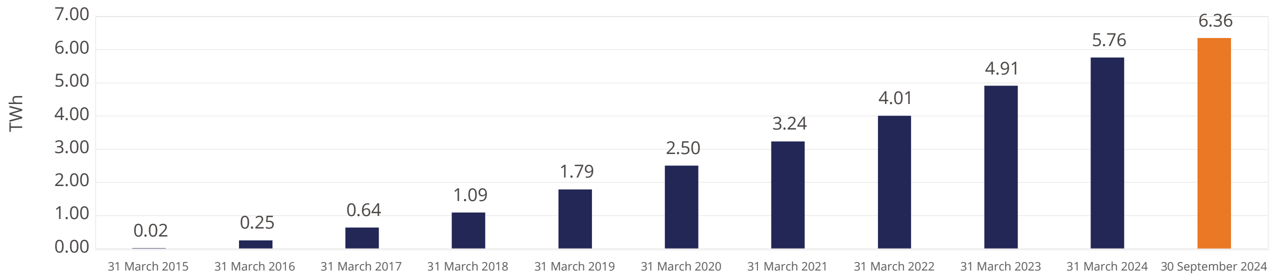
Commencement of a **£20m Share Buyback Programme**

Labour won the UK General Election and declared a goal for the UK to be a clean energy superpower by 2030

Technical Performance since IPO

Since its inception in 2014, NESF has generated c.6.4TWh of clean electricity which is equivalent to 2.6 megatonnes of CO_2e emissions avoided since IPO. NESF has successfully grown its portfolio to 102[2] operational assets with an installed net capacity of 983MW.

Total Cumulative Generation since IPO[1]

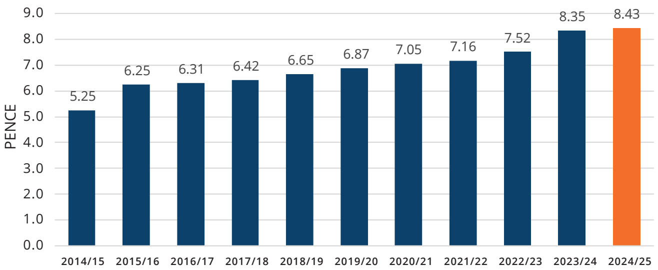


1 Including share in private equity vehicle (NPIII) and co-investment (Agenor). Inclusion of NESF's 6.21% share of NPIII on a look through equivalent basis increases generation by 27GWh (30 September 2023: 20GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 7GWh (30 September 2023: nil GWh).
2 Excluding the $50m commitment into private equity vehicle NPIII.

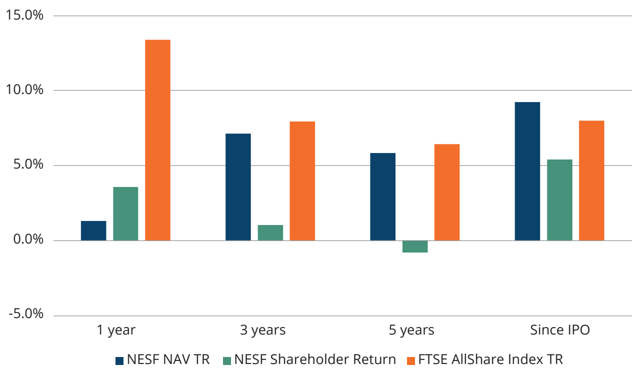
Financial Performance since IPO

NESF's investment objective is to provide ordinary shareholders with attractive risk-adjusted returns, principally in the form of regular dividends, through a diversified portfolio of solar energy and energy storage infrastructure assets. Since its inception, NESF has declared £370m of dividends to ordinary shareholders whilst the Company's total return has followed a similar trajectory to the FTSE All-Share Index, highlighting the return benefit of holding NESF shares over a long time period.

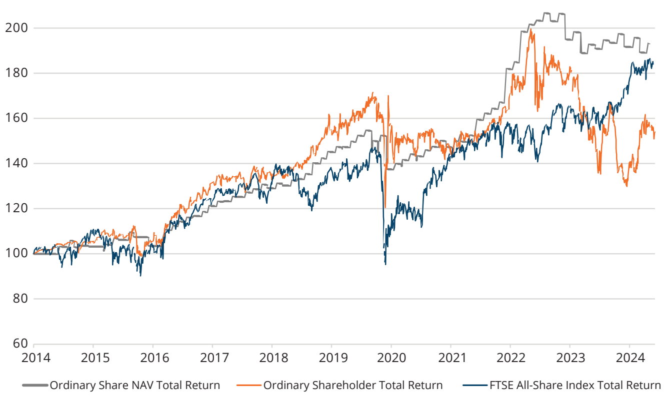
Dividends per share



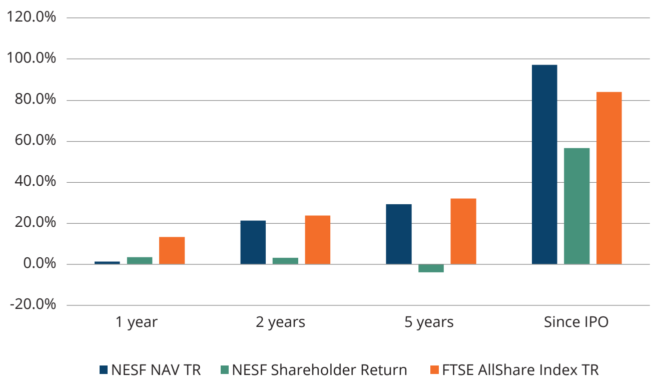
Compound annual return (NESF NAV TR, NESF Shareholder return, FTSE TR)[1]



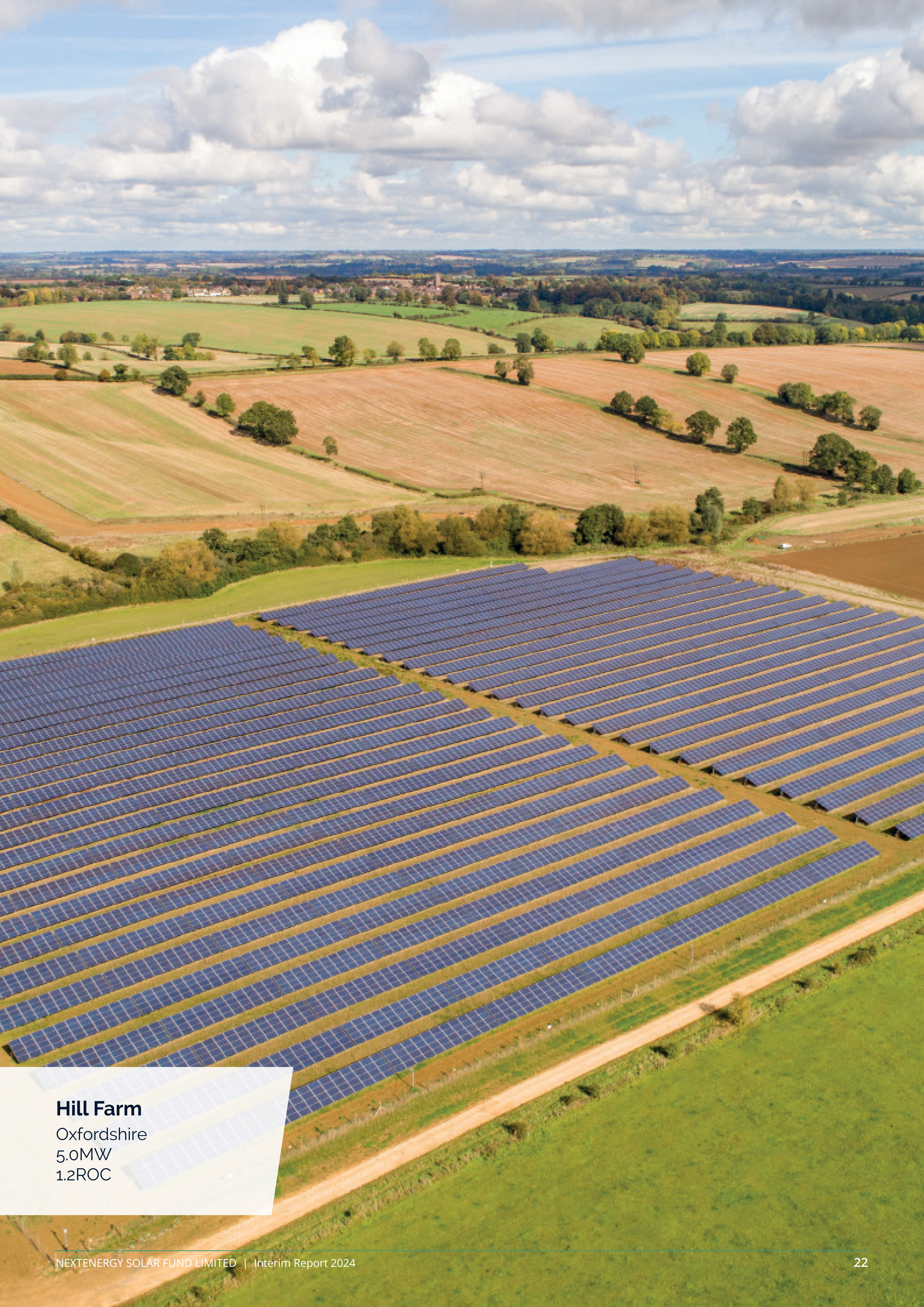
NESF total return vs FTSE all-share index total return[1]



Cumulative performance (NESF NAV TR, NESF Shareholder return, FTSE TR)[1]



1 To ensure like-for-like comparisons, all the total returns in the charts assume dividends have been reinvested | Source: Morningstar



Hill Farm

Oxfordshire
5.0MW
1.2ROC

Investment Adviser's Report

Introduction from Ross Grier, Chief Operating Officer & Head of UK Investments at NextEnergy Capital, and Member of the NextEnergy Solar Fund Investment Committee

"Ongoing macroeconomic pressures and recent capital outflows from UK equity markets have driven unprecedented discounts across all listed renewable investment companies. NextEnergy Solar Fund has not been immune to those pressures but remains well placed to capitalise on the renewed momentum towards a low carbon energy system which has been steadily accelerating since the general election in the UK. NESF's carefully curated portfolio of 102[1] operational assets provides a strong foundation for growth, both from within the existing portfolio and from without.

Disciplined capital allocation remains essential at this time and the NextEnergy Solar Fund team constantly evaluates the Company's capital allocation priorities to maximise value for shareholders; including recycling capital from certain existing investments to fund share buybacks, pay-down short-term revolving credit facilities, invest in the health of existing assets and progress value accretive opportunities to grow the platform into the future. I am proud of the depth and quality of the NESF portfolio and the team supporting it, not only showing resilience through short-term turbulence, but also showcasing the strength and benefits that are added from having an active manager that is driven to provide value, stability, and the foundation for growth.

The Company continues to deliver reliable returns to shareholders through well-covered quarterly dividends derived from cash flows. There is a lot to be positive about looking forward, with multiple political and macroeconomic tailwinds ahead that we expect to benefit NESF, its shareholders, and the sector as a whole. We will continue to work hard alongside the Board of NESF to ensure the Company is in the best position possible to capitalise on the opportunities ahead."

1 Excluding the $50m commitment into private equity vehicle NPIII.

Hook Valley
Somerset
15.3MW
1.6 ROC

NextEnergy Solar Fund is managed by NextEnergy Capital, part of the NextEnergy Group. NextEnergy Group was founded in 2007 to become a leading market participant in the international solar sector. Since its inception, it has been active in the development, construction, and ownership of solar assets across multiple jurisdictions. NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management), and Starlight (Asset Development).

NextEnergy Capital

has over 17 years of specialist solar expertise, having invested in over 460 individual solar plants across the world. NextEnergy Capital currently manages four institutional funds with a total capacity in excess of 3GW+. More information is available at www.nextenergycapital.com.

WiseEnergy®

is a leading specialist operating asset manager in the solar sector. Since its founding, WiseEnergy has provided solar asset management, monitoring and technical due diligence services to over 1,500 utility-scale solar power plants with an installed capacity in excess of 2.5GW. More information is available at www.wise-energy.com.

Starlight:

has developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.10GW of both green and brownfield project developments across global geographies. More information is available at www.starlight-energy.com.

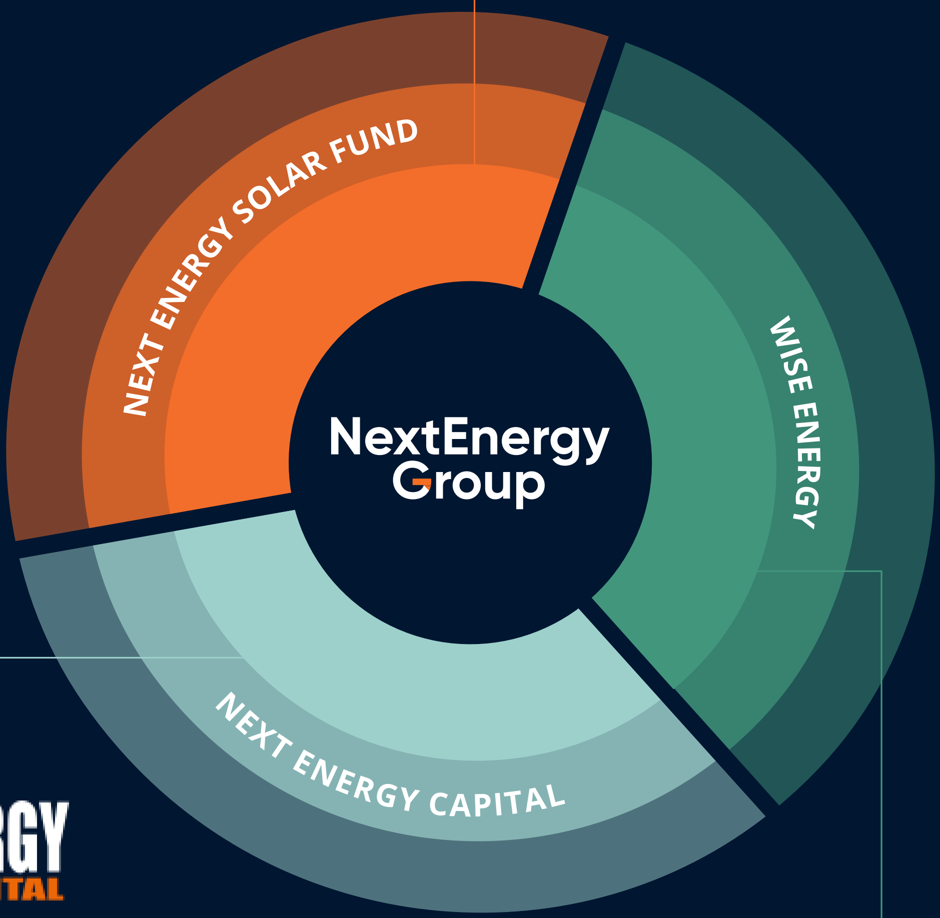
The NextEnergy Group employs over 360 individuals worldwide and is responsible for the acquisition and management of the Company's portfolio, including the sourcing and structuring of new investments and advising on the Company's financing strategy.

As at 30 September 2024, the NextEnergy Group has c.$4.3bn of funds under management, with its development and operational capacity across multiple strategies totalling over 10GW. In addition to NESF, it manages three private equity funds:

- **NextPower III LP (or NPIII):** Raised $896m (including $90m co-investment) at final close and has acquired 1.8GW of solar and energy storage capacity across 172 individual assets across the USA, Chile, Portugal, Spain, Greece, India and Poland. NESF has a fully drawn commitment of $50m in NPIII which it was able to access exclusively through NextEnergy Capital.
- **NextPower UK LP ("NPUK"):** A new build, subsidy-free solar plus strategy that has currently raised commitments of £683m. NPUK has exceeded its target of £500m and will continue to fundraise up to the hard cap of £1bn.
- **NextPower V LP ("NPV"):** An OECD solar plus strategy that has currently raised $745m, including $150m of co-investments. It is targeting capital commitments of $1.5bn with a $2bn ceiling.

NEXTENERGY SOLAR FUND

NextEnergy Solar Fund is a renewable energy investment company listed on the premium segment of the London Stock Exchange. NextEnergy Solar Fund is a Solar Plus 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 IM is the Investment Manager to NextEnergy Solar Fund. A Management Agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority and responsibility such as the discretion to make investments in accordance with the Company's Investment Policy, subject to investment recommendations by the Investment Adviser.

NextEnergy Capital is the Investment Adviser to NextEnergy Solar Fund. An Advisory Agreement exists between the Investment Manager and Investment Adviser whereby the Investment Adviser provides origination, evaluation, co-ordination and recommendation of investment opportunities for the Company and the related provision of investment advice to the Investment Manager.

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's 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 NESF Investment Committee

The Investment Adviser's NESF Investment Committee comprises Michael Bonte-Friedheim, Aldo Beolchini, Giulia Guidi and Ross Grier, who have in excess of 75 years' combined industry experience. The NESF Investment Committee is a crucial governance function within the NESF structure at NextEnergy Capital that is responsible for assessing all matters related to the NESF's investment activities. Once reviewed by the NESF Investment Committee, recommendations are made to the Investment Manager and NESF's independent Board of Directors for their consideration and approval.

Michael Bonte-Friedheim is Founding Partner and CEO of the NextEnergy Group

Giulia Guidi is Head of ESG at the NextEnergy Group

Aldo Beolchini is Managing Partner and Chief Investment Officer at the NextEnergy Group

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

Camilla
Fife
50MW

Introduction

The Company's portfolio continues to sustain an attractive covered dividend that is underpinned by inflation-linked revenue streams. Over the six month period to 30 September 2024, the Investment Adviser provided dedicated and agile support to the Company, progressing investments to enhance its portfolio resilience, advancing value-accretive opportunities and supporting its return of capital to investors via the Company's share buyback programme, whilst navigating the additional challenges presented by reduced generation due to high levels of humidity driven by the wet and warmer than average spring weather, softening power prices and NESF's discontinuation vote. NESF shareholders overwhelmingly voted 'Against' discontinuation of the Company with the special resolution passing with 94.01% of votes 'Against' discontinuation. This was the best discontinuation result in the sector this year and clearly demonstrates the high degree of support from NESF shareholders for the continuation of the Company.

During the six-month period ended 30 September 2024, the Company progressed its disciplined capital allocation via:

- The sale of Whitecross, a 35MW operational subsidy-free solar asset, with NAV accretion of +0.57p per ordinary share;
- Repaying gross £21.8m of the NESF Group's short-term revolving credit facilities; and
- Commencing a meaningful Share Buyback Programme of up to £20m. As of 30 September 2024, under the programme the Company had purchased 5,642,709 ordinary shares for a total consideration of £4.6m which are being held in treasury.

Based on the historical and projected financial and operational performance of the Company's portfolio and the recent data points from the Company's asset sales and third-party asset sales, the Company's NAV remains robust and the Investment Adviser believes the level of ordinary share price discount to NAV remains unjustified.

During the six-month period ended 30 September 2024, solar irradiance was above budget at 0.3%. The Met Office recorded above-average rainfall and temperatures for quarter ended 30 June 2024, leading to elevated humidity levels in the UK, which negatively impacted the portfolio's generation for the six-month period. Despite these challenges, the Company continues to optimise its assets and prioritise its active power price hedging strategy.

These strategies have allowed the Company to sustain robust cash flows, enabling it to deliver a 1.5x cash-covered dividend for the period. This ensures the Company is well-positioned to meet its target dividend of 8.43 pence per ordinary share.

As of 30 September 2024, the ordinary shareholders' NAV was £572.2m (31 March 2024: £618.6m), equivalent to 97.8p per ordinary share (31 March 2024: 104.7p). The change in NAV over the six-month period reflects a decrease in power price forecasts (3.0p per ordinary share) and lower generation performance. The NAV total return per ordinary share was -2.6% (30 September 2023: -1.6%) and the Ordinary Shareholder Total Return was 18.2% (30 September 2023: -13.8%).

The recent reduction in interest rates, coupled with an improved macroeconomic outlook for the next six months, provides grounds for optimism. With interest rates steadily decreasing, and inflation stabilising, we expect a return of capital into the equity market, with the potential to reduce the ordinary share price to NAV discount for the Company. One of the UK Labour Government's industrial strategy goals is to triple the UK's solar capacity by 2030 to 50GW. As part of this it has established Great British Energy to invest in and accelerate the development of clean energy projects, sending a positive signal to investors and the renewables sector. The Investment Adviser continues to support the UK Government's clean energy plans through Ross Grier's position on the UK Solar Task Force, chaired by the Secretary of State for Energy Security and Net Zero, Ed Miliband. Although there are signs of optimism, the Company continues to monitor the geopolitical environment given the ongoing international conflicts and outcomes of recent international elections.

NESF continues to lead the market in its sustainability and ESG activity and is extremely proud to be classified as an Article 9 Fund under the EU's Sustainable Finance Disclosure Regulation ("SFDR"). Comprehensive and transparent disclosure on the Company's sustainability, ESG and biodiversity activities can be found in the Company's dedicated Sustainability and ESG Report which is published each year in line with the inaugural standards of the International Sustainability Standards Board, of which NESF is an early and voluntary adopter. The NESF Sustainability and ESG Report for the year to 31 March 2024, can be found on the Company's website (nextenergysolarfund.com).

NESF continues to contribute positively to net zero with its 102[1] operational assets, as at 30 September 2024, providing a fantastic opportunity to deliver biodiversity enhancements. The Company continues to expand its work in this area, through its Universal Biodiversity Management Plan and Exemplar programmes, which also contribute to growth and development where assets are located. As an early adopter of the Taskforce on Nature-Related Financial Disclosures (TNFD), the Company also intends to make its first TNFD-aligned disclosures for the year ending 31 March 2025. The Company remains dedicated to ensuring that the highest labour and other standards are applied by all its contractors, and has a zero-tolerance towards human rights abuses, as per the Company's Modern Slavery Act Statement and Human Rights Position Statement.

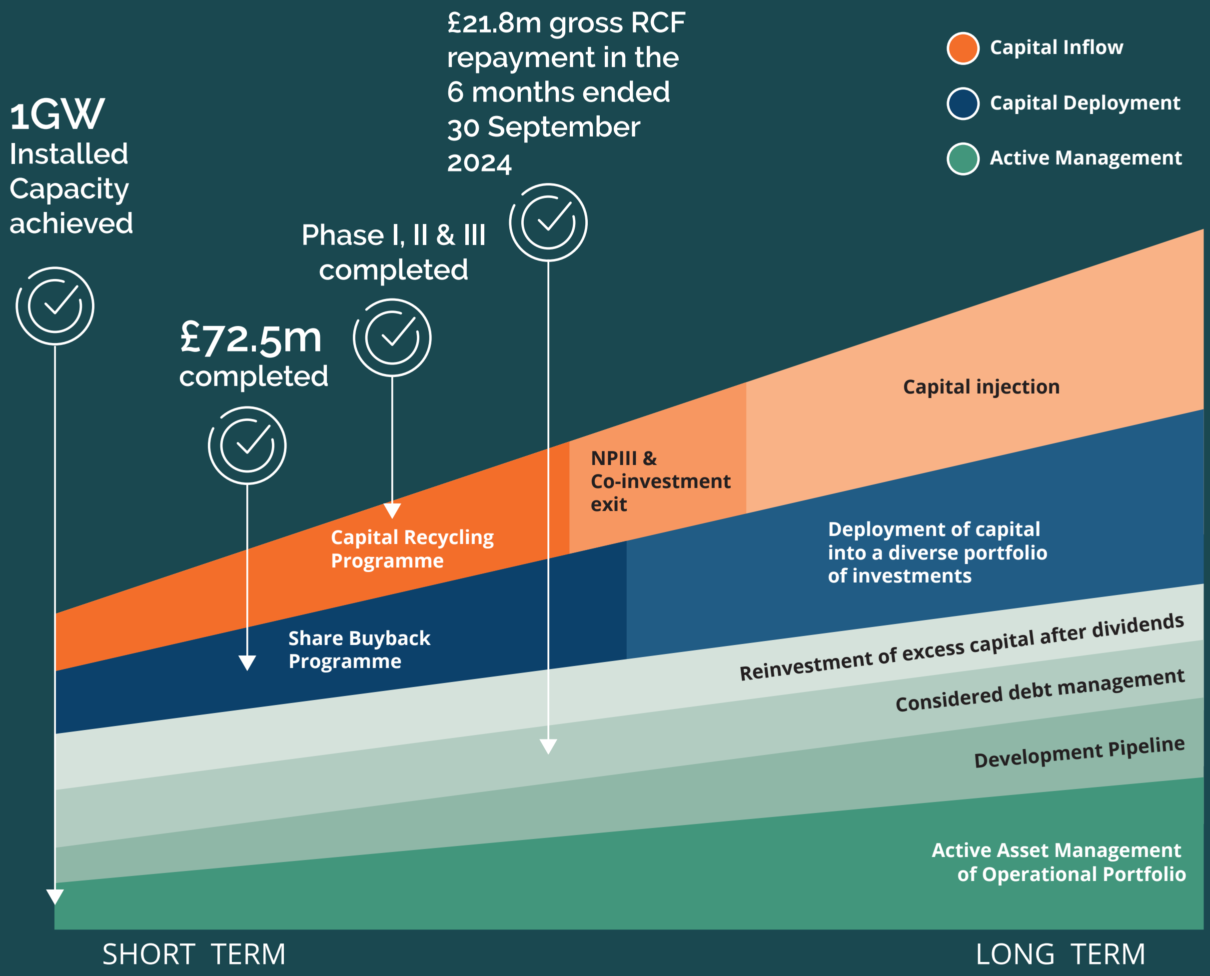
Since its inception, NESF has made a substantial impact on the UK energy landscape by delivering a portfolio of 1GW capacity of solar energy and energy storage assets since IPO, against a total of c.17GW of solar currently deployed across the whole of the country. These assets have generated a total of 6.4TWh of clean energy, supporting UK and global net zero goals whilst returning significant value to shareholders. As the UK approaches its half-way point to its goal of net zero by 2050, the Company remains well situated to continue contributing to this goal whilst delivering robust financial returns for its shareholders.

Post the period end, NESF completed Phase III of the Company's Capital Recycling Programme. The transaction is NAV accretive to shareholders and will generate an estimated uplift of 0.92p, which will be reflected in the Company's NAV per ordinary share as at 31 December 2024. The transaction represents a 21.5% premium to its holding value as at 30 September 2024 (1.38x Multiple on Invested Capital) and an attractive 7.4% IRR. To date, the Company has raised £72.5m worth of proceeds from the Capital Recycling Programme. The Company is also pleased to announce the successful rebuild of Balhearty, a 5MW solar asset, which suffered damage resulting from two storms in 2021 and 2022. Balhearty is now fully operational, generating value for the Company's shareholders.

1 Excluding the $50m commitment into private equity vehicle NPIII.

Boxted Airfield
Essex
18.8MW
1.4 ROC

Building Blocks of NESF's Growth



Positive Factors Supporting NESF's Growth

Increased Capital Flows to Investment Companies:

1. Interest rate reductions driving lower inflationary environment.
2. Recent reforms to cost disclosure requirements for investment companies.

UK Government Support for Renewables:

1. National wealth fund (formerly UKIB) to support deployment of renewables in the UK.
2. GB Energy is likely to engage in co-investments with the private sector to scale investment in solar.

Commitment to Net Zero by 2050:

1. The UK needs rapid expansion in solar and energy storage to meet its net zero targets. The UK has c.17GW of solar currently deployed and a recent target of 50GW solar capacity by 2030.

Michael Bonte-Friedheim
Founding Partner and CEO

Aldo Beolchini
Managing Partner and Chief Investment Officer

Ross Grier
Chief Operating Officer & Head of UK Investment

Stephen Rosser
Investment Director & UK Legal Counsel

Ben Adams
Head of Fund Management

Paul Barwell
Head of Energy Sales

Giulia Guidi
Head of ESG

Kevin Mclelland
Global Construction & Procurement Director

Christopher McKaig
Head of Grid Connections

Dario Hernandez
Head of Energy Storage

Hing Kin Lee
Global Lead on Nature

Tracy Diamond
Chief Compliance & Legal Officer

Peter Hamid
Senior Vice President of Investor Relations

Trang Tran
Vice President of UK Investments

Dimitri Van Wellen
Vice President of UK Investments

David Hawkins
Global Lead on Climate

Kevin McCann
Senior Associate of ESG

Charles Hadley
Investment Associate of UK Investments

Nicolo Paschetto
Senior Portfolio Manager of UK Investments

Peter Walsh
Junior Analyst of Investor Relations

Health & Safety

Health and safety ("H&S") continues to be a key focus, along with the monitoring and tracking of data across all assets. Over the six months to 30 September 2024, there were refinements to incident classification and reporting which are providing improved insights into incidents and their causation. This has led to the implementation of further refinements which should allow the H&S team to understand the impact of our approach to the proactive reporting of near miss and unsafe situation events. The Asset Manager's H&S team conducts thorough reviews of contractor investigations, to ensure that these are accurate, that they ensure the safety of those working on the Company's assets, and that they reflect any commercial impacts attributable to the actions of contractors.

Key H&S focus continues to be on:

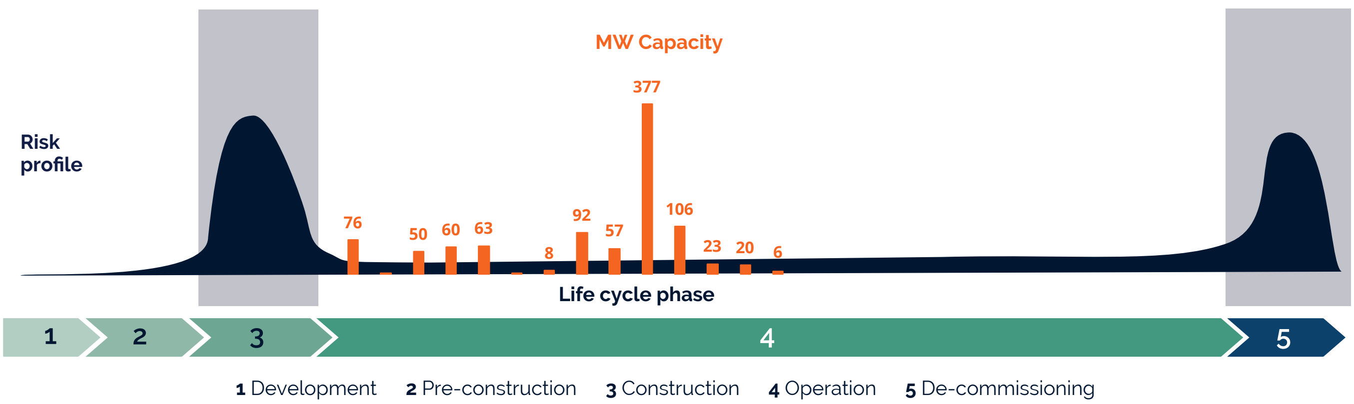
- Obtaining enhanced contractor data to allow further development of standard metrics;
- Growing the culture of proactive 'near miss & unsafe situation' reporting; and
- Aligning H&S resources and experience to asset life cycle risk.

Through the NextEnergy Group's H&S team, H&S risk at the asset level is monitored closely. Its life cycle is broken down into five key stages: development; pre-construction; construction; operation; and decommissioning. Throughout these five stages, the health and safety risks of the Company's assets vary in both quantum and magnitude according to the activities taking place.

The graph below illustrates the elevated level of H&S risk during the construction and decommissioning of solar PV assets in comparison to their operational phase. This reflects the significantly increased level of activity and the more complex nature of the works being undertaken during these phases. It considers factors such as vehicle movements, number of workers, activity and the type of plant/equipment likely to be used, but is only meant to be for illustrative purposes. Solar PV projects are by their very nature much simpler to construct, maintain and decommission than other types of power generation plant and, although risk levels are elevated during construction and decommissioning relative to normal operations, they remain extremely low in comparison to other forms of electricity generation. As demonstrated by the graph below, the Company's installed capacity, as at 30 September 2024, presents a relatively low H&S risk.

Information on the Company's H&S initiatives can be found in the Company's dedicated Annual Sustainability and ESG report which can be found on the Company's website (nextenergysolarfund.com).

Health and Safety risk level[1]



1 Excluding investment in NPIII.

Capital Recycling Programme

NESF continues to progress its Capital Recycling Programme which involves the phased divestment of a 245MW portfolio of subsidy-free UK solar assets. The proceeds from the Programme are being used to:

- **Reduce Short-Term Debt:** Pay down the NESF Group's £153m 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;
- **Sustain the Share Buyback Programme:** Finance the share buyback programme to aid in reducing the Company's ordinary share price to NAV discount; and
- **Progress Value-Accretive Investments:** Continue to progress its attractive pipeline of value-accretive solar energy and energy storage projects, both of which are integral to NESF's long-term growth and shareholder value, and vital for society's drive towards a decarbonised grid.

During the period, the Company completed the second phase of the Programme through its divestment of Whitecross, a 35MW operational subsidy-free solar asset in Lincolnshire for £27m (excluding deferred consideration) and was NAV accretive by +0.57p per ordinary share. The transaction represents a 14% premium to its holding value (1.3x Multiple on Invested Capital) and an attractive 14% IRR.

Post period end, NESF successfully divested Staughton for £30.3m, the largest transaction in the Programme to date. Staughton is the third phase of the Company's Capital Recycling Programme. The asset is a 50MW subsidy-free solar asset located in Bedfordshire and was developed as part of the Company's self-developed project pipeline. The transaction is NAV accretive to shareholders and will generate an estimated uplift of 0.92p, which will be reflected in the Company's NAV per ordinary share as at 31 December 2024. The transaction represents a 21.5% premium to its holding value as at 30 September 2024 (1.38x Multiple on Invested Capital) and an attractive 7.4% IRR. The proceeds of the sale will be used to reduce the Company's short-term debt via its RCFs.

To date, the Company's Capital Recycling Programme has raised £72.5m from the sale of c. 145MW of solar assets. The below table summarises the Company's Capital Recycling Progress so far:

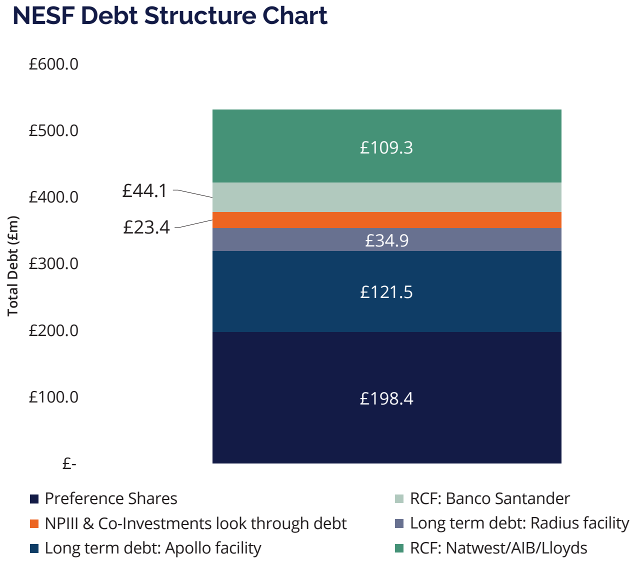
Subsidy-free solar asset	Installed Capacity	Project Status	Location	Status	Price	NAV uplift	Sale IRR
Hatherden	60MW	Ready to Build	Hampshire, UK	Sold in Phase I	£15.2m	1.27p[1]	57%
Whitecross	35MW[2]	Operational	Lincolnshire, UK	Sold in Phase II	£27.0m[3]	0.57p[4]	14%[3]
Staughton	50MW	Operational	Bedfordshire, UK	Sold in Phase III	£30.3m	0.92p[5]	7%
The Grange	50MW	Operational	Nottinghamshire, UK	Competitive sales process	n/a	n/a	n/a
South Lowfield	50MW	Operational	Yorkshire, UK	Competitive sales process	n/a	n/a	n/a

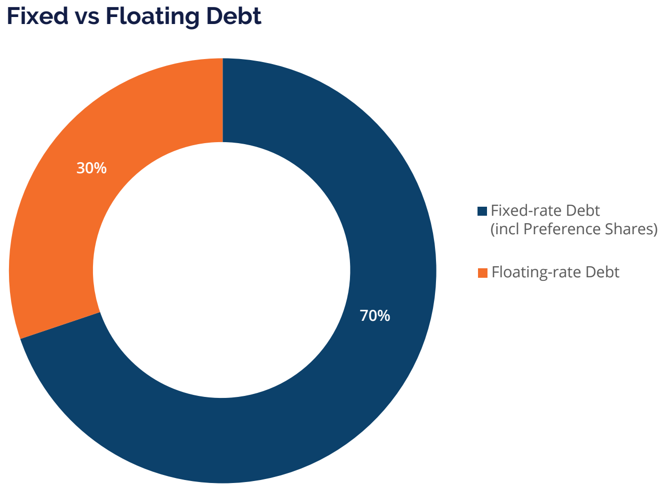
1 Realised in NAV as at 31 December 2023.
2 Originally included in the Capital Recycling Programme with a 36MW design capacity, 35.22MW is the final installed capacity.
3 Excluding deferred consideration. Including deferred consideration: Price would be £28m and IRR would be 15%.
4 Realised in the NAV as at 30 June 2024 excluding deferred consideration. Including deferred consideration, it would generate an estimated uplift of 0.70p if reflected in the Company's NAV per ordinary share as at 30 June 2024.
5 Estimated uplift which will be reflected in the Company's NAV as at 31 December 2024.

The Company maintains a structured approach to assessing opportunities for further capital recycling from its portfolio. This focus ensures we drive value for our shareholders and unlock opportunities for value capture, supporting long-term platform growth.

The remaining projects of the Programme are under competitive sales processes. Further updates on these will be announced to the market in due course.

Resilient Capital Structure





Financial debt

As at 30 September 2024, the Company's subsidiaries, alongside debt via the Company's investment in NPIII and its co-investments, had financial debt outstanding of c. £333m (31 March 2024: £338m), on a look-through basis, as shown in the table on page 34.

The Company has a prudent financial debt structure and continuously optimises financing costs, including through RPI linked subsidies. Even in a sustained low power price environment, the Company would still be able to service its ongoing debt commitments. No covenant breaches occurred during the period.

During the six-month period, the NESF Group repaid gross £21.8m of its short-term RCF. Furthermore, the NESF Group successfully refinanced its existing £135m short-term RCF with AIB Group and NatWest, which was due to expire in June 2024. The new facility is available for four years in total, with the initial loan available until June 2026 and two additional 12-month extension options at NESF's sole discretion, to bring the maturity date up to June 2028. This RCF continues to benefit from attractive terms with a margin of 120bps over SONIA (the Sterling Overnight Index Average). The banking consortium consists of the Company's existing counterparties AIB Group and NatWest, in addition to Lloyds as a new counterparty. The additional counterparty enhances the financing structure and reduces future refinancing risk. The NESF Group also exercised its option to extend its current £70m RCF with Santander for another 12 months, achieving a reduction in margin to 150bps over SONIA. The facility will mature in June 2025.

The Company continues to implement a measured debt management strategy and, in the short-term, proceeds from the Company's Capital Recycling Programme will be used to reduce its outstanding debt via its RCFs.

Preference shares

At 30 September 2024, the Company had £200m of preference shares outstanding (31 March 2024: £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 cash flow, or raise funds, to repay them at the end of their life. Benefits of the preference shares for NESF include:

- **Improved Cash Flows and Cover:** 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;
- **Reduced Refinancing Risk:** In 2036, the preference shares may be converted into ordinary shares, which removes refinancing risk but would dilute ordinary shareholders;
- **Diversification:** The preference shares benefit the capital structure by reducing the exposure to secured debt financing;
- **Attractive Financial Terms:** The preference shares pay a fixed preferred dividend at an annual rate of 4.75p per preference share, which is a significantly lower all-in annual cash cost to the Company compared to issuing ordinary shares;

- **Protection Against Falling Power Prices:** The preference shares provide flexibility in negotiating PPAs, as compared to traditional debt financing used by peers, and have no refinancing risk; and
- **Future Optionality:** NESF holds the option to redeem the preference shares at nominal value starting from 1 April 2030 for a period of six years, at the sole discretion of the Company. Redemption of the preference shares by the Company would provide an attractive uplift if the share price is trading at a healthy premium.

The Investment Manager's fee is calculated based on the ordinary share NAV and no management fee 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

As at 30 September 2024, the Company's financial debt gearing, measured by the aggregate of the NESF Group's financial debt relative to Gross Asset Value ("GAV") is 30.2% (31 March 2024: 29%). Together with the preference shares, the Company's total debt represented a gearing level of 48.2% (31 March 2024: 46%), which is below the maximum limit of 50% in the Company's Investment Policy.

NESF Group's debt structure as at 30 September 2024[8]

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)	45.4%	Medium-term	48.3	26.5	Dec-26	2.91%[4]
					Floating long-term	24.2	24.2	Jun-35	3.68%[4]
					Index-linked long-term[5]	38.7	32.2	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]	NextPower Radius	5 (84MW)	40.5%	Inflation-linked[5]	27.5	15.6	Sep-34	RPI + 1.44%
					Fixed long-term	27.5	19.2	Sep-34	4.11%
Total long-term debt						**212.4**	**156.4**		
Banco Santander	Revolving credit facility	NESH VI	13 (100MW)	n/a	n/a	70.0	44.1	Jun-26	SONIA + 1.50%
AIB/Natwest/ Lloyds	Revolving credit facility	RRAM Energy	22 (240MW)	n/a	n/a	135.0	109.3	Jun-28	SONIA + 1.20%
Total short-term debt						**205.0**	**153.4**		
NPIII look through debt[6]	n/a	n/a	n/a	n/a		n/a	10.9		
Co-investment look through debt[7]	n/a	n/a	n/a	n/a		n/a	12.6		
Total debt							**333.3**		

1 NESF has 326MW under long-term debt financing, 326MW under short-term debt financing and 214MW 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 23(b) 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).
7 The total combined short and long-term debt in relation to NESF's commitment into Agenor and Santarem (on a look through equivalent basis).
8 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

Emberton
Buckinghamshire
9.0MW
1.4ROC

Future Market Outlook

Solar

Solar is one of the cheapest and most sustainable forms of energy generation which can be deployed at speed. As outlined in the Electricity Generation Costs 2023 report published by the UK Department for Energy Security and Net Zero, ground mount solar PV has one of the lowest levelized costs of electricity ("LCOE") of all renewable generation technologies, with IRENA's "Renewable Power Generation Costs in 2023" report stating that solar PV's global average LCOE fell by 12% in 2023. Solar's affordability and sustainability makes it instrumental to the UK's goals of delivering national energy security and independence, by sheltering consumers from volatile global energy markets.

The UK has one of the most mature solar markets in the world with c.17GW currently deployed across its shores. The recently elected Labour Government has demonstrated its support for solar and renewable technologies through its comprehensive industrial policy where one of its goals is to increase renewable energy capacity for the UK to be a clean energy superpower by 2030. The policy includes an aim to triple the UK's solar power capacity to 50GW by 2030, evident by its 1GW approval of new solar capacity within two weeks of entering government. This presents a huge opportunity for growth in the sector and for the Company.

During the period the Company has seen multiple positive actions from the UK Government trying to resolve historic roadblocks, such as planning constraints and grid connections, to make the deployment of new build solar easier and faster. Increasing the budget for CfD allocation round 6 was a welcome, early demonstration of Government intent, with the establishment of Great British Energy and the National Wealth Fund further illustrating the strength of the Government's commitment, generating additional momentum for the UK renewables sector as a whole. These new Government initiatives and support are welcomed by the Company. Ross Grier, the COO and Head of UK investments at NextEnergy Capital, the Company's Investment Adviser, sits on the UK Government's Solar Task Force to accelerate the UK's solar energy rollout to strengthen energy independence and deliver an updated roadmap as part of 2030 clean power mission.

The National Electricity System Operator's (NESO) Future Energy Scenarios ("FES") 2024 report illustrates the critical need for, and importance of, solar generation across all three of its net zero pathways to achieve net zero by 2050. At a global scale, the IEA World Energy Outlook 2023 found, and continues to predict, that solar PV will be the leading renewable energy source in the clean energy transition with more than $1bn currently being spent on solar deployment per day.

Energy Storage

Energy storage is a highly complementary technology to solar PV and, as such, it is a key component of NESF's strategic endeavours. It provides multiple diversification benefits, ranging from technology, revenue, and geographic perspectives by capturing the benefits of solar's predictable generation profile and the flexibility of energy storage assets to derive attractive revenues.

Likewise with solar, the UK Labour Government recognises the need for energy storage to stabilise the grid, its effective integration with solar, and its critical role in achieving the UK's legal commitment to meet net zero by 2050. The Company welcomes the Government's recently announced Long Duration Electricity Storage (LDES) investment support scheme, aimed at increasing the development of, and investment in, long duration energy storage infrastructure. NESO estimates that 15.3GW of LDES is required to achieve net zero by 2050, whilst Solar Energy UK predicts that the UK will have c. 8GW of battery energy storage installed by the end of 2024.

The Company is strategically placed and prepared to take advantage of energy storage opportunities in its next phase of growth, particularly under the guidance of Dario Hernandez, Head of Energy Storage, and Christopher McKaig, Head of Grid Connections, who have over 30 years' experience between them.

The Company recognises that energy storage will have an important part to play in its future evolution and has an existing investment policy limit allowing it to invest up to 10% of the Company's Gross Asset Value in standalone energy storage. However, after consultation with some shareholders, the Board and Investment Adviser have decided to pause any increase in this limit at this current time as NESF focusses on maximising the value of its existing energy storage assets.

Power Prices

Around half of NESF's annual revenues come from RPI-linked Government-backed subsidies, such as Renewable Obligation Certificates (ROCs) and Feed in Tariffs (FiTs), providing a stable foundation for the Company's financial health. To further enhance value for shareholders, the Company employs an active power purchase agreement (PPA) programme, locking in short-term PPAs over a rolling

36-month period. This proactive strategy mitigates short-term power price volatility, increases cash flow visibility, and secures both dividend commitments and dividend cover.

Over the past six months, wholesale short-term power prices in the UK have continued to normalise from their unprecedented peaks caused by Russia's invasion of Ukraine and the COVID-19 pandemic. Medium and long-term power prices are expected to decline due to the increased deployment of renewables to meet the UK Government's net zero targets and the assumed CAPEX costs. However, there are positive factors that could counterbalance this outlook, such as the potential for electrification demand to outstrip supply, challenges in connecting new capacity to the grid, evolving markets for corporate PPAs, and ongoing innovation in route-to-market models, where the NEC power sales team is at the forefront.

The Company remains vigilant of ongoing international conflicts, particularly in the Middle East, which could impact commodity prices. The Company is prepared for these scenarios through its structured approach to power price hedging, ensuring it remains well-positioned to navigate market fluctuations. More details on the Company's PPA strategy can be found on pages 42-43.

Macroeconomic environment

Macroeconomic conditions across the UK equity market and investment company sector have continued to be challenging over the period; the combined impact of historic interest rate increases and the economic slowdown has driven capital away from small and mid-cap listed investment companies and towards the UK Gilt market. The equity market has also witnessed steady institutional investor outflows due to redemptions for reasons which are unrelated to the Company. This has put constant, but otherwise unjustified, pressure on the Company's ordinary share price, resulting in the ordinary shares trading at a large discount to its NAV for a sustained period.

Despite these challenges, the future macroeconomic outlook looks bright for the Company, with multiple expected tailwinds that should help the Company re-rate and close the existing discount to NAV. The Bank of England reduced its Bank Rate to 4.75% earlier in November, influencing interest rates and inflation to follow a similar trajectory. Favourable movements in these macroeconomic indicators are expected to act as a tailwind for the Company as equity investments in under-priced asset-based infrastructure funds increase in attractiveness relative to UK Gilts, resulting in a tightening of the NAV discount across the listed renewable funds sector.

Cost Disclosures

In September 2024, the UK Government and the FCA issued a joint statement announcing that they intend to make investment companies exempt from the EU-inherited PRIIPs regulation which caused a perceived 'double-counting' disclosure issue for the sector. The Board and the Investment Adviser welcome this positive progress, and look forward to receiving further industry guidance in due course. Combined with further interest rate cuts in the UK, this exemption is a large step forward for the sector.

Operating Portfolio Overview

NESF has a well-diversified and high-quality portfolio of operating assets. As at 30 September 2024, NESF had a portfolio with an installed capacity of 983MW, on a look-through basis, from 102 operating assets and a $50m investment into NPIII, a private international solar private equity.

Portfolio Highlights:

During the six-month period, the Company made steady progress with its Capital Recycling Programme contributing positively to NAV. The Company's two international solar co-investments and its energy storage asset continue to perform strongly following their energisation earlier in the year.

1. UK Solar Investments:

In June 2024, the Company successfully completed its divestment of Whitecross, a 35MW subsidy-free utility scale solar asset in Lincolnshire, having energised it in 2023. The asset was sold as part of the Capital Recycling Programme Phase II. Completion of the project at energisation reflects the accretive value that the Company has delivered through the holding period of the project, demonstrated by the sale IRR of 14%.

Post the period end, the Company announced the divestment of Staughton, a 50MW operational subsidy-free utility solar asset located in Bedfordshire. This divestment is part of the Company's Capital Recycling Programme Phase III. Its sale IRR of 7.4% highlights the added value that the Company has achieved during the project's holding period. Additionally, the Company successfully rebuilt Balhearty, a 5MW solar asset, having suffered damage resulting from two storms in 2021 and 2022. Balhearty is now fully operational.

2. International Solar Investments:

NESF has a 6.21% direct interest, and a fully drawn $50m commitment, in NPIII, a NextEnergy Capital managed private solar infrastructure fund that invests in OECD markets globally. It has a target gross IRR of between 13%-15% and a fund life of 10 years. As at 30 September 2024, NPIII had acquired 1.8GW across 172 solar energy and energy storage assets in the USA, India, Chile and Europe. As a result of this holding, NESF benefits from international diversification which de-risks its portfolio, and the expertise of the NPIII team. NPIII's exit sale will be managed by NextEnergy Capital (NPIII's investment manager) which has a proven track record of exiting large solar portfolios at attractive returns for its investors.

NESF also benefits from international diversification via its two solar co-investments, both of which were energised earlier in 2024: Agenor Hive S.L. ("Agenor"), a Spanish 50MW solar project in which the Company has a 24.5% stake; and Santarém, a Portuguese 210MW solar project in which the Company has a 13.6% stake. These combined assets brought an additional 260MW online in Europe and are expected to produce 445GWh of renewable electricity every year, the equivalent of powering approximately 126,700 homes.

Both Santarém and Agenor benefit from long-term contracted revenues through PPAs with Statkraft, a high-quality corporate off-taker in Europe's energy market. The PPA covering Santarém is the largest PPA in the history of Portugal to date, showing the continued demand for high-quality corporate PPAs across the European market. Under this PPA, Statkraft will acquire the electricity production from Santarém for eight years.

Co-investments, alongside NPIII, allow NESF to invest in international solar assets alongside large international institutional investors on a no fee, no carry basis. Access to these co-investment and private equity opportunities are only available to investors in the NextEnergy Capital's private infrastructure solar funds. NESF's peers cannot access these types of unique opportunities, whereas NESF's shareholders obtain access to an attractive return profile, including the potential upside of a fund exit during NPIII's sale period. These opportunities are particularly beneficial as they provide the Company with access to an attractive pipeline of potential international assets that are not available to other market participants or investors.

The co-investments and NPIII interest benefit NESF in the following ways:

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

3. Energy Storage Investments

Energy storage in the NESF portfolio provides both upside opportunities and insulates from variations in solar generation and potential price cannibalisation, by charging during the day when solar output is high and discharging at night when solar output is low. 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.

Standalone UK Energy Storage

In March 2024, the Company announced the energisation and commercial operations of Camilla, its first standalone 50MW energy storage asset in Scotland. Camilla connected to the National Grid in December 2023 and progressed successfully through to its final phases of commissioning in early 2024. Camilla is a 50MW 1 hour lithium-ion energy storage asset located in Fife, Scotland, which has been pre-configured for augmentation to 2 hours.

Camilla was acquired as part of the first joint venture partnership ("JVP1") with Eelpower ("Eelpower") worth up to £100m and owned 70% by NESF and 30% by Eelpower. Camilla was selected to provide energy storage capacity in the UK Government's Capacity Market Auction. On 20 February 2024, National Grid ESO published the provisional results of its T-1 Capacity Market Auction for delivery in 2024/25. Camilla successfully bid and secured a contract with a clearing price of £35.79/kW. The contract was secured with a derated capacity of 5.659MW and is expected to generate £202k (£4k/MW on a total capacity basis) of additional contracted revenue for the period from 1 October 2024 through to the end of September 2025.

The Company also has a second joint venture partnership ("JVP2") worth up to £200m with Eelpower. JVP2 offers enhanced terms by increasing NESF's ownership to 75%, with Eelpower holding the remaining 25%, reflecting the successful relationship built with Eelpower. The Company's first investment through JVP2 is a high-quality 2 hour energy storage project in the East of England, and one of the largest energy storage projects announced in the UK to date. Once energised, 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 JVP2 represents attractive and value accretive growth optionality for the Company which will be factored into the NAV once realised. The Company maintains flexibility to progress JVP2's construction at such time as this becomes appropriate under NESF's disciplined capital allocation policy.

Co-located Energy Storage

Co-located energy storage systems present an attractive growth opportunity across the portfolio as these assets offer multiple benefits, such as reduced costs from shared grid connection and the ability to store excess solar energy during periods of low demand. In April 2022, NESF announced a new co-located energy storage retrofit programme across the Company's UK operating solar farms. Currently, three sites (21MW) have been identified, including an extension to the existing 11MW North Norfolk solar farm to include a 6MW/12MWh energy storage system. These extensions to the Company's current portfolio highlight the value-attractive growth opportunities present with co-located energy storage systems. The Company is closely monitoring the evolving grid landscape to source opportunities which unlock additional import and export capacity, contributing to the portfolio's evolution.

Portfolio Performance

The Company's operating assets are actively managed by WiseEnergy which oversees the technical, commercial and financial operations across the portfolio's assets. WiseEnergy provides value to shareholders by optimising operating asset performance through maximising revenue, minimising risk, and reducing operating expenses where possible.

1. Managing Weather Impacts

During the period, solar irradiation across the NESF portfolio was 0.3% above acquisition forecasts despite the UK experiencing above-average rainfall and temperatures during the quarter ended 30 June 2024. This created operational challenges for parts of the portfolio, including temporary flooding in isolated parts of assets, increased humidity (which can affect the performance of certain components) and component failure necessitating repair or replacement. Subsequently, this meant that some assets were periodically offline in the quarter ended 30 September 2024, though all transformer failures have now been resolved. WiseEnergy, the Company's asset manager, has proposed an expanded transformer strategy to support the long-term health of the portfolio's assets.

Aller Court
Somerset
5.0MW
1.2 ROC

2. Grid / Distribution Network Operator ("DNO") Outages

DNOs are regionally based licensed companies (there are seven across the UK) with each responsible for a specific region of the GB electricity network. To ensure safety of their engineers and others, DNOs periodically take parts of the electricity network offline to enable completion of a rolling programme of preventative maintenance, upgrades and associated works. Adverse weather conditions can also result in unplanned outages on the DNO networks. During these periods of outage, electricity cannot be exported onto the network.

Due to the proactive management of WiseEnergy and its interaction with the DNO operators, a planned DNO outage for the Grange asset was postponed to November 2024 instead of occurring in June 2024. Additionally, this planned outage was shortened from three months of downtime to one and half months of downtime. This allowed for minimal uninterrupted generation during the summer period.

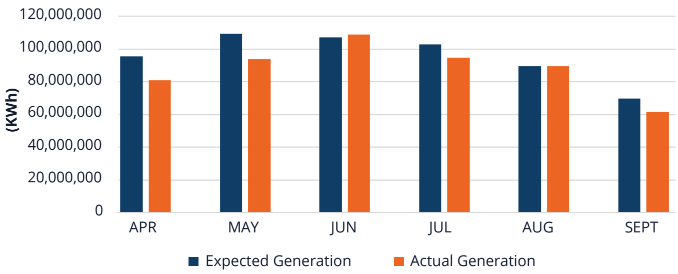
Due to these adverse operating conditions, generation in the six-month period to 30 September 2024 was 4.5% below budget (30 September 2023: above 5.5%). Despite generation being below budget, the Company continued to generate cash flows in line with its target range, providing a healthy dividend cash-coverage of 1.5x for the period, demonstrating the resilience of the Company's portfolio (1.3x for the 12 months ended 31 March 2024).

To further enhance the Company's portfolio performance, the Investment Adviser and the Asset Manager have a rolling strategic re-investment programme which regularly reviews the performance of the Company's portfolio to identify opportunities to support and enhance long-term asset health[1]. Further details of this programme can be found in the 'Portfolio optimisation and enhancement activity' and 'Cost optimisation' sections on page 42.

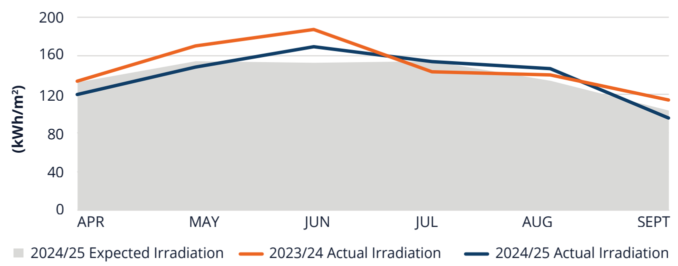
Six months ended 30 September 2024[4]	Total Generation (GWh)	Irradiation vs forecast[2]	Generation vs forecast[2]
UK Portfolio[3]	532.1	0.2%	-4.9%
Italy Portfolio	29.6	2.6%	3.6%
NPIII and Co-investments	33.6	n/a	n/a
Total	595.3	0.3%	-4.5%

1 The Asset Manager continues to deliver dynamic monitoring and active performance management for assets that have successfully passed the Preliminary Acceptance Certificate ("PAC") in accordance with the Engineering, Procurement and Construction ("EPC") contract. Similarly, the generation performance of assets that are yet to pass PAC are not reported by the Asset Manager.
2 Versus budget at point of acquisition. Figures have been adjusted, where relevant, for events outside of the Company's control, such as DNOs, and for events in which compensation has been or will be received, such as warranty claims.
3 UK portfolio includes both ground mount and rooftop assets, and excludes standalone energy storage asset, co-investments and investment in NPIII.
4 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

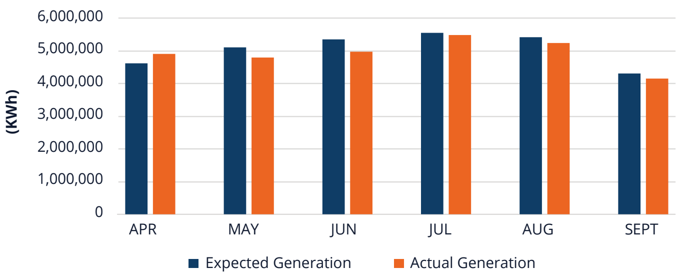
UK Monthly Generation Against Budget



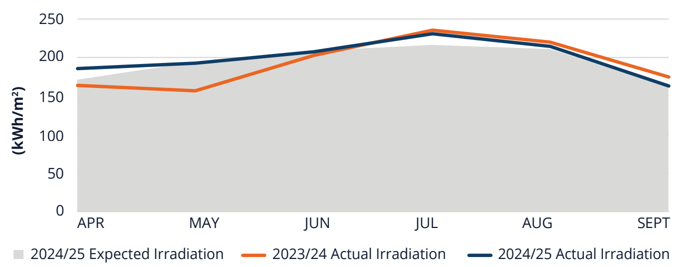
UK Monthly Irradiation Against Budget



Italy Monthly Generation Against Budget



Italy Monthly Irradiation Against Budget



Portfolio Optimisation and Enhancement Activity

The Company's Asset Manager focuses on implementing technical improvements across the portfolio, reducing operating costs through effective procurement and targeted re-negotiation of contractual terms with suppliers, as well as recovering sums insured where possible.

Throughout the period, the Asset Manager has leveraged its experience and understanding of renewables to deliver high levels of performance across NESF's operating portfolio despite sub-optimal operating conditions. Key initiatives included:

- **Asset Repowering:** As part of the Company's rolling inverter replacement programme, inverters were replaced at one further asset during the period. Inverter replacement works are currently underway at two further assets, with preparations underway for further inverter replacements during 2025.
- **Targeted Improvements:** a total of 11 improvement plans were completed over the period, consisting of asset improvements to deal with identified defects (such as restringing parts of some plant to improve generation), full system installations and upgrades on inverter station cooling systems, as well as CCTV upgrades to improve security.
- **Strategic spare parts management:** minimising the impact of component failures across the portfolio through pro-active management and maintenance of the Company's stock of key spare parts, particularly those with extended lead-times or declining availability.

Cost Optimisation

In August 2022, NESF conducted a portfolio-wide tender aiming to drive down costs of Operating and Maintenance ("O&M") contracts. The approach facilitates cost reductions by focusing on key activities where needed, whilst helping to further drive the performance of the assets by implementing robust contractual response times. Six leading O&M contractors were selected, providing:

- Economies of scale whilst simultaneously not exposing the portfolio to concentration risk with any individual provider;
- Coverage of all technologies across the portfolio in order to drive performance; and
- Appropriate geographical coverage for the Company.

Since implementation, 63 contracts have been renewed covering 559MWp, leading to an overall cost saving of 10.4%. This is equivalent to a total of £478k per year, or c.£2.39m over the lifetime of the 5-year contracts. During the six months ended 30 September 2024, 6 contracts covering 46MWp transitioned to this new approach.

Power Purchase Agreements Programme

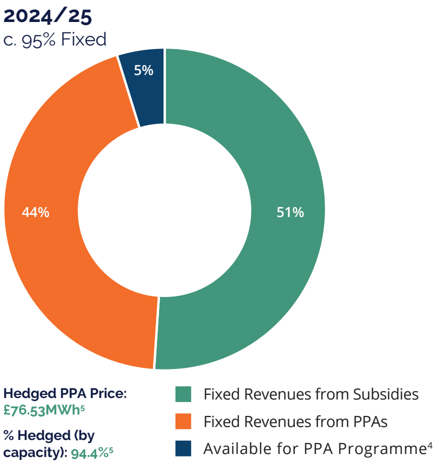
NESF runs a PPAs programme where it locks in short-term PPAs over a rolling 36-month period with varying contract lengths, alongside securing longer-term PPAs with high quality corporate off-takers. This increases the Company's visibility of future cash flows and ensures the Company has certainty of revenue streams, whilst mitigating the negative impact of short-term fluctuations in the power markets. Secured pricing comprises fixed price contracts and hedging under trading frameworks. This proactive strategy to risk mitigation helps secure and underpin both dividend commitments and dividend cover, whilst reducing volatility and increasing visibility of cash flows.

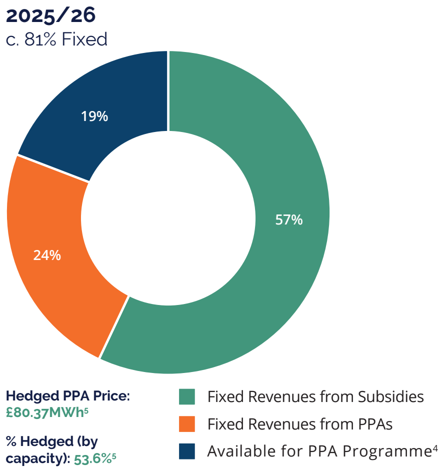
A portfolio of key offtake agreements representing over one third of the portfolio was re-negotiated in the second half of 2023. This not only contributed positively to portfolio valuation but also increased access to market liquidity and improved hedging opportunities.

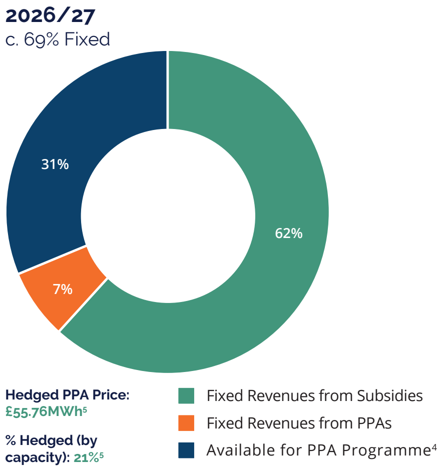
For the six-month period ended 30 September 2024, the Italian portfolio (34.5MW) derived c.69.05% of revenues from FiTs and c.30.95% of revenues from the sale of electricity to traders under PPAs and the sale of green certificates to traders under fixed price agreements. The weighted average power price achieved by the Italian portfolio over the period was €114.09/MWh.

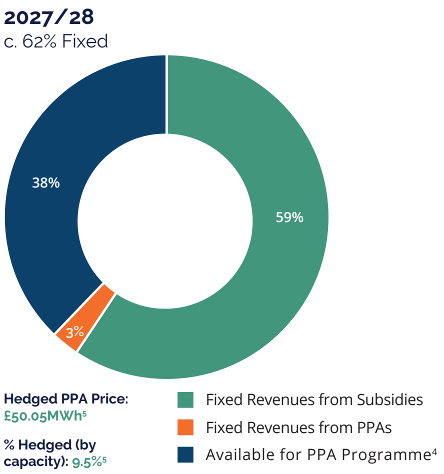
Forecasted Total Revenue Breakdown [1, 2, 3]

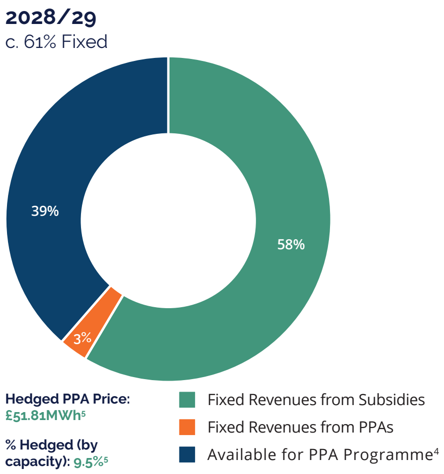
NESF's PPA programme locks in short term PPAs over a rolling 36-month period. This proactive strategy helps secure and underpin both dividend commitments and dividend cover, whilst reducing volatility and increasing visibility of cash flow.











1 As at 30 September 2024, fixed revenues include subsidy income.
2 Figures are stated to the nearest 0.1% which may lead to rounding differences.
3 Pie charts exclude Camilla, 50MW standalone energy storage asset.
4 NextEnergy Solar Fund minimises its merchant exposure through its active rolling PPA programme. The programme locks in PPAs in the liquid market to ensure maximum contracted revenues are achieved.
5 Fixed prices (£/MWh) covered 84% (826MW) of the total portfolio as at 30 September 2024. Excludes Solis portfolio.

Pipeline and Opportunity

NESF maintains and continues to build an attractive pipeline of long-term investment opportunities in the UK and international renewable energy markets, whilst maintaining short-term focus on its Capital Recycling Programme, Share Buyback Programme and reducing its RCF.

Renewable Energy Landscape

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. Energy storage greatly complements solar PV technology, providing further diversification to NESF's portfolio from technology, revenue, and geographic perspectives. 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.

With the UK's last coal power plant shut down in October 2024, the UK's electricity grid is evolving to a diversified energy generation mix which includes a significant amount of renewable energy. The variability of power driven by this shift makes it even more critical 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-users, such as heating for homes and transport, is expected to raise these peaks and increase the hourly, daily and seasonal variability of electricity demand in the future.

Consequently, 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, being the only listed renewable generator to currently have an operational standalone battery in its portfolio.

Existing Portfolio

NESF's 102[1] operating assets all have active grid connections which provide value in today's environment with a long-waiting list for grid connections in the UK. These assets all hold significant value which can be enhanced through extensions of asset life, securing additional import capacity, selective repowering with the latest technologies and taking advantage of opportunities to create and support local demand. The Investment Adviser operates a rolling programme to identify and unlock value from these opportunities on an ongoing basis, although opportunities inherent across the portfolio are not included in the calculation of the Company's Net Asset Value until they are realised.

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

Pipeline

NESF has a unique pipeline of promising solar PV and energy storage development opportunities that could drive the Company's growth. This pipeline offers strategic growth options, with over £500 million (approximately 650MW) in future opportunities. Additionally, NESF benefits from its association with NextEnergy Group's development company, Starlight Energy LP ("Starlight"). Through a 'Right Of First Offer' (or ROFO), NESF has the option, but not the obligation, to acquire UK-subsidised, CfD, or long-term contracted assets from Starlight's development pipeline. Starlight's pipeline now exceeds 10GW of both greenfield and brownfield projects globally. This flexibility in potential capital allocation continues to add value for NESF's shareholders.

Private Infrastructure Solar Funds and Co-investment Opportunities

NESF benefits from international opportunities through its co-investments, and its $50m fully drawn commitment to NPIII which is targeting a gross IRR of 13-15%. These investments provide international diversification to NESF's portfolio, reducing risk for its shareholders, and enable NESF to leverage the local expertise and experience of the NPIII team. Additionally, co-investments allow NESF to participate directly in international solar assets alongside large institutional investors, without fees or carry.

NextEnergy Capital has a strong, proven history of successfully exiting large solar portfolios with attractive returns for investors. NESF stands to benefit from this expertise as NPIII nears the end of its fund life.

These private investments provide the Company with access to an attractive pipeline of potential international assets not typically available to peer market participants or investors.

1 Excluding the $50m commitment into private equity vehicle NPIII.

Bay Farm
Suffolk
8.1MW
1.6 ROC

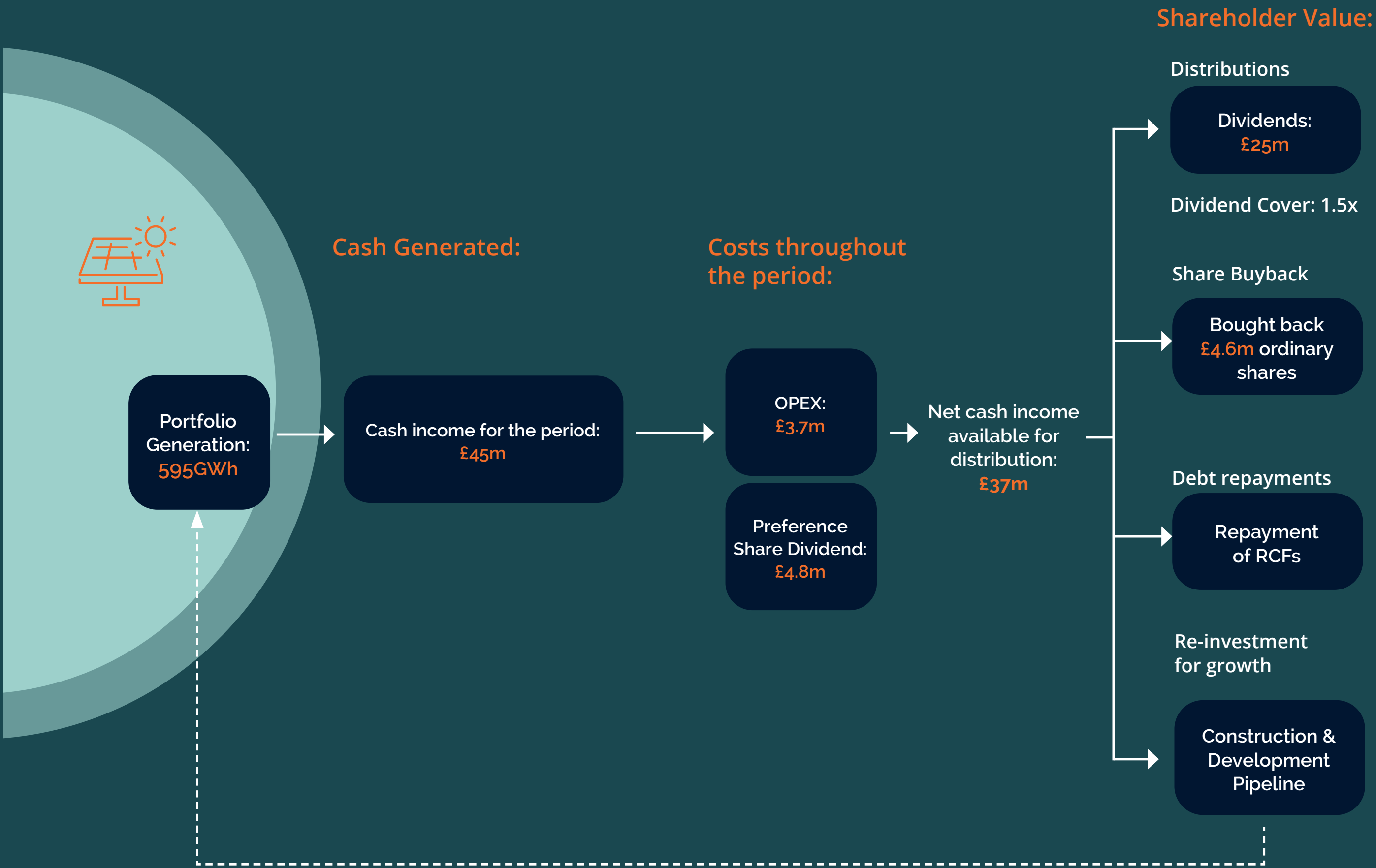
Cash Flow Generation

The NESF Group generates revenues through the sale of electricity to the markets and the subsidies provided under various subsidy regimes (ROC, NIROC and FiT). Both revenue streams are underpinned by two main factors:

- The actual energy generated (measured as the amount of GWh of energy generated), which is mainly driven by the solar irradiation, technical performance and availability of the plant; and
- The actual price at which the energy generated is sold to the markets, as well as the subsidies received for the same generation.

The performance of a plant in terms of revenues is therefore a product of both the operational performance and the commercial terms of the PPAs in place. Before taking into account tax payments and financing considerations, the cash flow generation of solar assets is also influenced by operating expenses, which are usually governed by long-term contracts and characterised by low volatility over the long-term.

How NESF converted solar irradiance to shareholder value for the six-month period ended 30 September 2024



Operating results

Loss before tax was £17.1m (30 September 2023: £11.6m loss) with loss per ordinary share of 2.9p (30 September 2023: 2.0p loss).

During the period, the Company commenced receiving cash returns in the form of repayment of intercompany loans in preference to investment income. Returns from both intercompany loan repayments and Investment Income form Cash Income for the period.

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 2023: £3.7m). The Company's ongoing charges ratio ("OCR") was 1.2% (30 September 2023: 1.1%). The budgeted OCR for the financial year ending 31 March 2025 is 1.1%. The OCR, which has been calculated in accordance with the Association of Investment Companies recommended methodology, is an Alternative Performance Measure (see pages 102-105).

Cash flow analysis

As at 30 September 2024, the Company held cash of £0.6m 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 2024 and part of the investment into HoldCos.

Cash flows of the Company	Period ended 30 September 2024 (unaudited) £'000	Period ended 30 September 2023 (unaudited) £'000
Company cash balance at 1 April	**8,860**	**14,354**
Net cash movement in HoldCos[2]	31,605	21,519
Purchase of Treasury Shares	(4,402)	–
Directors' fees	(168)	(108)
Investment Manager fees	(2,526)	(2,586)
Administrative costs	(902)	(934)
Dividends paid in cash to ordinary shareholders	(24,754)	(22,748)
Preference share dividends	(7,105)	(4,711)
Company cash balance at 30 September	**608**	**4,786**

NESF Group operating SPVs

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

	Period ended September 2024 (unaudited) £'000	Period ended September 2023 (unaudited) £'000
Total SPVs revenue	88,099	91,709
EBITDA	70,395	74,757
EBIT	41,227	45,831

Cash Dividend Cover

Six months ended 30 September 2024	£'000	Pre-scrip dividends £'000
Cash income for period[1]	45,254	
Net operating expenses for period	(3,741)	
Preference share dividend	(4,763)	
Net cash income available for distribution	36,750	
Ordinary shares dividend paid during period		24,754
Cash dividend cover[1]		**1.5x**

1 Alternative Performance Measures.
2 Net cash movement in Holdcos includes proceeds receipts from and investment payments to the HoldCos.

Net Asset Value

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. Where possible the Investment Adviser uses third-party data sources and does not overlay management assumptions. The NAV is reviewed and approved by the Investment Manager and the Board. The NAV is also audited by KPMG, the Company's independent auditor, on an annual basis at the end of the Company's financial year. 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 (DCF) valuation.

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

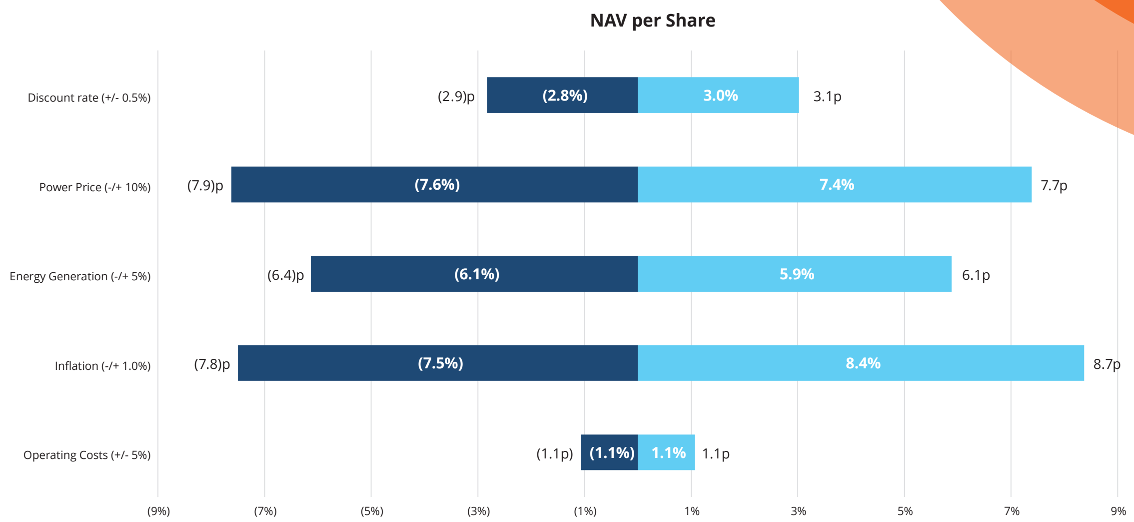
NAV bridge for the six-month period ended 30 September 2024

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

Item	31 March 2024 – 30 September 2024	Description
Time Value	£28.0m	This movement reflects the change in the valuation as a result of changing the valuation date, prior to adjusting for any outflows of the Company. The increase in value is attributable to the unwinding of the discount applied to cash flows for the period when calculating the DCF.
Power price forecasts	(£17.8m)	A decrease in short-term (2024-2029) UK power price forecasts provided by Consultants, mainly as a result of falling gas prices and reduced short-term power demand expectations.
Change in short-term inflation	(£0.7m)	The valuation incorporates revisions to short-term inflation forecasts from external third parties.
Revaluation of NPIII	£0.5m	The revaluation of NPIII.
Sale of Whitecross	£3.3m	Divestment of Whitecross, 35MW subsidy-free utility scale solar asset.
Cash dividends paid	(£29.5m)	The dividends paid during the period, this includes both ordinary and preference share dividend payments.
Other movements in residual value	(£13.5m)	Other movements in residual value include changes in FX rates, fund operating expenses, and other non-material movements.
Share buyback	(£4.6m)	Cash on hand used to purchase 5,642,709 ordinary shares in the period driving an increase in the NAV per ordinary share of 0.2p due to the weighted average price of ordinary shares purchased being less than the NAV per ordinary share.

The chart below shows the impact of the key sensitivities on the Company's assets held at fair value. The total operational fair value to which the sensitivity analysis has been applied is £606.5m (31 March 2024: £657.4m). Additional information can be found in note 19(b) to the Financial Statements.

NAV sensitivity analysis as at 30 September 2024



Portfolio Valuation

Third-Party Verification

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).

Valuation Principles

The Company's valuation principles are based on a discounted cash flow methodology, except for NPIII and the Company's co-investments which are 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.

Audit

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 model audit company conducts a detailed review and validates the Company's financial model. 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 2024	As at 31 March 2024
UK long-term inflation	2.3%	2.3%
UK short-term inflation (1 year horizon)	3.6%	3.1%
Weighted average discount rate	8.0%	8.1%
Weighted average asset life	25.6 years	26.6 years
UK short-term power price average (2024-2028, real 2024)[1]	£62.0/MWh	£65.4/MWh
UK long-term power price average (2029-2043 real 2024)[1]	£56.4/MWh	£56.6/MWh
Italy short-term power price average (2024-2028, real 2024)[1]	€92.2/MWh	€98.3/MWh
Italy long-term power price average (2029-2043, real 2024)[1]	€63.9/MWh	€66.3/MWh
UK corporation tax rate	25.0%	25.0%

1 Applied to the Company's solar portfolio where PPAs are not in place.

Processes and Controls

Corporate governance of the Company is critical to the valuation process and involves many stakeholders. On a quarterly basis, the fund model is used to produce a valuation of the investments, which involves an extensive internal review performed by the Investment Adviser. This review process includes:

- Inputs and assumptions, which are updated to correctly reflect the project documents and the acquisition case. For new assets acquired since the previous valuation, the main input source is the acquisition documents used to build the acquisition model created by the Investment Adviser. The Investment Adviser is therefore responsible for ensuring that the inputs of their acquisition model have been correctly transferred to the fund model and the acquisition contracts are cross-checked against one another.
- Changes to inputs for existing assets, which must be explained by project documents. These changes might include:
  - Project Life: Planning and lease extensions secured since the acquisition of the asset;
  - Project Yield: Remediation performed after acquisition;
  - Project Operating Expenses: New or amended contracts for O&M, Asset Management, Insurance and general and administrative expenses secured during the period; and
  - Project Capital expenditures (actual costs incurred and changes to expected milestone dates).
- Updates to data provided by third party advisers and sources. The Company continues to capitalise on the expertise of third parties and ensure fairness in the process through the independence of assumptions.

Following the production of the NAV, multiple reviewers are responsible for ensuring that all changes to the Company's portfolio are reflected in the NAV and explained appropriately. 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 Investment Adviser subsequently presents the valuation to the Board of Directors of the Investment Manager, explaining the movements in the portfolio valuation and the NAV during the period. Following approval, the Investment Adviser presents to the NESF Board of Directors. The presentation shows the valuation of the portfolio, split by asset and includes the NAV bridge. If satisfied with the responses to queries, the NAV is approved for public dissemination. All Board and Committee meetings are minuted and documented.

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

Forecast power prices methodology

For the UK solar portfolio, the Company uses multiple sources for UK power price forecasts. Where PPAs are in place, contracted PPA prices are used. 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' long-term central case projections. This approach allows mitigation of any delay in response from the three independent market forecasters ("Consultants") used by the Company in publishing quarterly or ad hoc updates following any significant market development.

For the Italian solar portfolio, a leading independent energy market consultant's long-term projections are used to derive the power curve adopted in the valuation. Where PPAs are in place, contracted PPA prices are used.

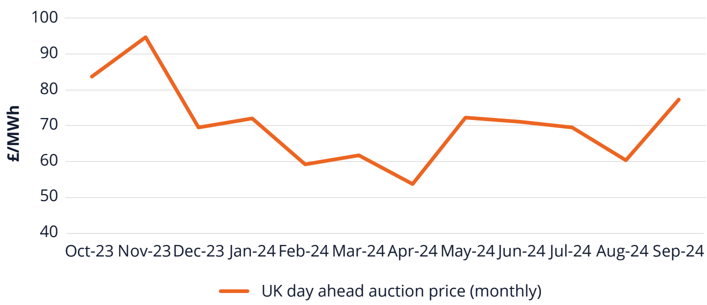
The power price forecasts used also include a 'solar capture' discount which reflects the difference between the prices available in the market in the daylight hours of operation of a solar asset versus the baseload prices included in the power price estimates. This solar capture discount is provided 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.

For the Company's energy storage asset, Camilla, the Company uses a market leading advisor to forecast the energy storage's revenue streams. Where revenues are contracted through the capacity market, live contracts are used.

Historic - UK power prices

UK electricity day ahead prices increased from £61.8/ MWh in March 2024 to £77.3/MWh in September 2024. (Source: N2EX - UK baseload – day ahead).

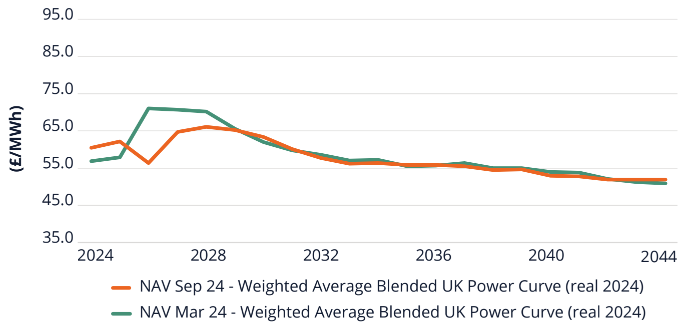
UK Power Price



Forecast UK power prices (real 2024)

The Company's current UK 20-year average power price forecast represents a decrease of 1.9% compared to that used at the end of the previous financial period (and 50.6% below the average price used at IPO).

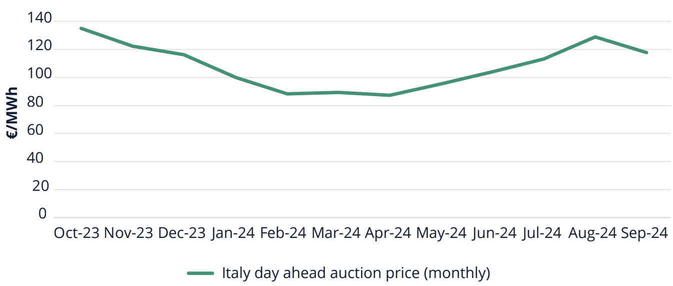
UK Power Curve



Historic - Italian power prices

Italian electricity day ahead prices increased from €88.9/MWh in March 2024 to €117.1/MWh in September 2024. (Source: Gestore Marcati Energetici – purchasing price).

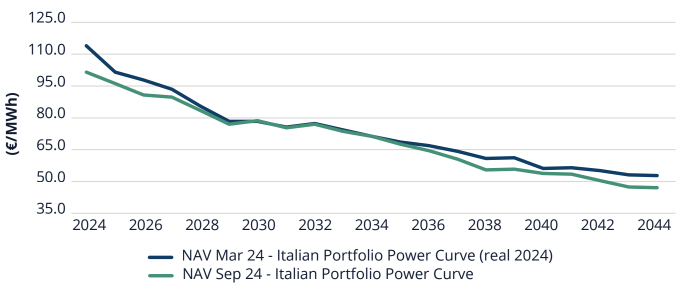
Italian Power Prices



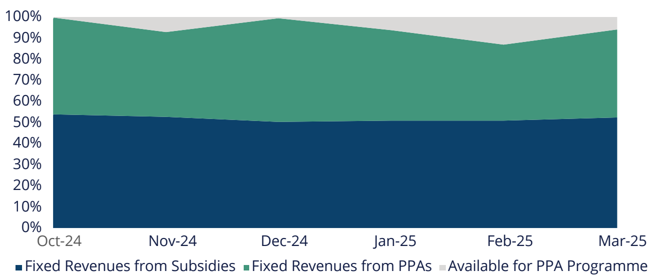
Forecast Italian power price (real 2024)

On average, the Company's current Italian long-term power price represents a decrease of 4.3% compared to that used at the end of the previous financial period.

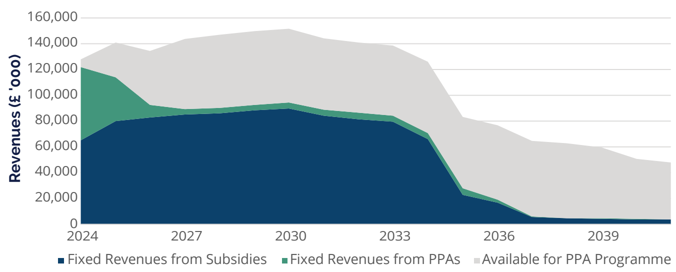
Italian Power Curve



NESF Fixed Revenues Until 31 March 2025



NESF Long-Term Forecast Revenue Breakdown[1]



1 When the subsidised revenue streams expire, the Apollo and Radius debt facilities will have been repaid and the revenues will transition to NESF's short-term power purchase agreements programme. This programme will secure predictable revenues over a rolling 36-month period and provide visibility into NESF's dividend cover.

Discount rate

During the six-month period, the UK rate of inflation fell slightly as the Bank of England ("BoE") Bank Rate decreased to 5.00% in August 2024. As a result, the Company has maintained its discount rate for unlevered operating UK solar assets at 7.50% (31 March 2024: 7.50%). This is in line with discount rates observed by the Investment Adviser in the sector in which the Company operates and continues its robust approach to valuing the portfolio.

The resulting weighted average discount rate for the Company's solar portfolio was 8.0% (31 March 2024: 8.1%). For the Company's operational energy storage assets, the discount rates applied for uncontracted battery revenues are 10% and for contracted battery revenues are 7% (31 March 2024: 10% for uncontracted and 7% for contracted).

The Company's pre-tax weighted average cost of capital ("WACC") as at 30 September 2024 was 6.6% (31 March 2024: 6.4%). NPIII, an independent fund and the co-investments, managed by NextEnergy Capital, have not been included in the calculation for the weighted average discount rate and the WACC.

Discount rate assumptions	Premium	As at 30 September 2024	As at 31 March 2024
UK unlevered	-	7.50%	7.50%
UK levered	0.70-1.00%	8.20-8.50%	8.20-8.50%
Italy unlevered[1]	1.50%	9.00%	9.00%
Subsidy-free (uncontracted)[2]	1.00%	8.50%	8.50%
Life extensions[3]	1.00%	8.50-9.50%	8.50-9.50%

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.

Mill Farm
Hertfordshire
5.0MW
1.2 ROC

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.

As a result of a successful lease extension programme, 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.

Operating Performance

The Company initially 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. For projects acquired at development or construction phase, the minimum PR is approximated from an energy yield assessment conducted by the EPC. 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").

As at 30 September 2024, 6 solar assets (totalling 69.6MW) have yet to achieve FAC and their design PR (rather than the actual) is still currently being used in the discounted cash flow valuation.

FAC timeline for remaining solar assets	Capacity MW
Financial quarter ending December 2024	49.99
2025 onwards	19.65
Total	69.64

Regulatory Updates

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, 50 OFGEM audits have been successfully concluded without adverse impact to ROC or FiT 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.

The UK Government recently held its second consultation on the evolution of electricity markets, through the Review of Electricity Market Arrangements ("REMA"). Initiated in 2022, REMA is intended to ensure that Great Britain develops a zero-carbon power sector by 2035, at the most affordable cost possible. As part of the latest consultation, a number of options have been ruled out of future market design. Notably, the option of transitioning to a nodal pricing system (a complex methodology for pricing electricity based on where it is generated geographically) has been removed. This is welcomed as minimising unnecessary complexity supports the investment outlook.

One option that remains under consideration is zonal pricing, whereby the electricity system is divided into zones, each with an individual price. In general, zones dominated by demand (south of England) will result in higher wholesale prices than those with low demand and high generation (such as north of Scotland). NESF's UK portfolio is spread broadly across the UK and many of its assets are well situated to potentially benefit from the expected higher prices in the south of England. This diversity will help to reduce the risk associated with the uncertainty of how these markets would work in practice.

The recent REMA consultation also emphasises the importance of the Contracts for Difference (CfD) scheme which provides price stability for renewable energy projects. A revised budget for Contracts for Difference (CfD) has been announced for the 2025 CfD9.

The Company has welcomed several aspects of how the REMA consultation has been delivered so far, such as its consistent engagement with the energy industry, including NextEnergy Capital. This is important to ensure that the needs of existing generators and investors are taken into account in the design of future market arrangements.

Alignment of interest

As at 12 November 2024, NextEnergy Group employees held 2,104,361 ordinary shares in NESF[1].

Events After the Balance Sheet Date

On 7 November 2024, the Directors approved a dividend of 2.11 pence per ordinary share for the quarter ended 30 September 2024 to be paid on 30 December 2024 to ordinary Shareholders on the register as at the close of business on 15 November 2024.

As at 20 November 2024, NextEnergy Solar Fund held 8,560,932 ordinary shares in treasury.

On 20 November 2024, the Company announced the sale of Staughton, a 50MW utility scale solar project, for a total consideration of £30.3m.

NextEnergy Capital Limited
20 November 2024

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

Bilsthorpe
Nottinghamshire
5.0MW
1.2ROC

Operating Portfolio[12]

Power plant		Location	Acquisition date	Subsidy/PPA[1]	Installed capacity (MW)	Cost (£m)	Remaining useful life of asset (years)[7]
1	Higher Hatherleigh[3]	Somerset	Apr-14	1.6	6.1	7.3	13.5
2	Shacks Barn[3]	Northamptonshire	May-14	2.0	6.3	8.1	12.7
3	Gover Farm[3]	Cornwall	Jan-15	1.4	9.4	10.7	15.2
4	Bilsham[3]	West Sussex	Jan-15	1.4	15.2	18.6	19.7
5	Brick Yard[3]	Warwickshire	Jan-15	1.4	3.8	4.0	15.1
6	Ellough[3]	Suffolk	Jul-14	1.6	14.9	19.6	24.4
7	Poulshot[3]	Wiltshire	Apr-15	1.4	14.5	15.4	14.4
8	Condover[3]	Shropshire	May-15	1.4	10.2	11.7	15.1
9	Llwyndu	Ceredigion	Jul-15	1.4	8.0	8.9	25.2
10	Cock Hill Farm	Wiltshire	Jul-15	1.4	20.0	23.0	14.9
11	Boxted[3]	Essex	Apr-15	1.4	18.8	21.2	15.4
12	Langenhoe[3]	Essex	Apr-15	1.4	21.2	25.0	30.6
13	Park View[3]	Devon	Jul-15	1.4	6.5	7.5	30.3
14	Croydon[3]	Cambridgeshire	Apr-15	1.4	16.5	17.8	15.2
15	Hawkers Farm[3]	Somerset	Jun-15	1.4	11.9	14.6	15.4
16	Glebe Farm[3]	Bedfordshire	May-15	1.4	33.7	40.5	25.1
17	Bowerhouse[3]	Somerset	Jul-15	1.4	9.3	10.8	30.4
18	Wellingborough[3]	Northamptonshire	Jun-15	1.4	8.5	10.4	14.7
19	Birch[3]	Essex	Sep-15	FiTs UK	5.0	4.7	15.7
20	Thurlestone - Evo	Leicestershire	Oct-15	FiTs UK	1.8	2.3	8.5
21	North Farm[3]	Dorset	Oct-15	1.4	11.5	14.5	30.2
22	Ellough Phase 2[3]	Suffolk	Aug-16	1.3	8.0	7.8	31.0
23	Hall Farm[3]	Leicestershire	Apr-16	FiTs UK	5.0	4.8	35.9
24	Decoy Farm[3]	Lincolnshire	Mar-16	FiTs UK	5.0	5.2	31.6
25	Green Farm	Essex	Dec-16	FiTs UK	5.0	5.8	16.4
26	Fenland[2, 4]	Cambridgeshire	Jan-16	1.4	20.4	24.3	15.8
27	Green End[2, 4]	Cambridgeshire	Jan-16	1.4	24.8	29.4	15.9
28	Tower Hill[2, 4]	Gloucestershire	Jan-16	1.4	8.1	8.8	15.4
29	Branston[2, 5]	Lincolnshire	Mar-16	1.4	18.9	21.8	31.4
30	Great Wilbraham[2, 5]	Cambridgeshire	Mar-16	1.4	38.1	44.2	30.4
31	Berwick[2, 5]	East Sussex	Mar-16	1.4	8.2	9.5	16.9
32	Bottom Plain[2, 5]	Dorset	Mar-16	1.4	10.1	11.7	30.7
33	Emberton[2, 5]	Buckinghamshire	Mar-16	1.4	9.0	10.4	35.6
34	Kentishes	Essex	Jul-17	1.2	5.0	4.3	35.5
35	Mill Farm	Hertfordshire	Jul-17	1.2	5.0	4.0	32.3
36	Bowden[2, 4]	Somerset	Sep-17	1.2	5.0	5.4	32.4
37	Stalbridge	Dorset	Sep-17	1.2	5.0	5.2	32.2
38	Aller Court	Somerset	Sep-17	1.2	5.0	5.3	17.4
39	Rampisham	Dorset	Sep-17	1.2	5.0	5.6	17.9
40	Wasing	Berkshire	Aug-17	1.2	5.0	5.3	22.2
41	Flixborough	South Humberside	Aug-17	1.2	5.0	5.1	23.3
42	Hill Farm	Oxfordshire	Mar-17	1.2	5.0	5.4	27.4
43	Forest Farm	Hampshire	Mar-17	FiTs UK	3.0	3.1	27.4
44	Birch CIC[4]	Essex	May-17	FiTs UK	1.7	1.6	17.6
45	Barnby Moor	Nottinghamshire	Aug-17	1.2	5.0	5.0	17.8
46	Bilsthorpe Moor	Nottinghamshire	Aug-17	1.2	5.0	5.2	18.1
47	Wickfield	Wiltshire	Mar-17	1.2	4.9	5.4	18.6
48	Bay Farm	Suffolk	Sep-17	1.6	8.1	9.3	30.4
49	Honnington	Suffolk	Sep-17	1.6	13.6	15.8	30.3
50	Macchia Rotonda[2, 6]	Apulia	Dec-17	FiTs Italy	6.6	22.8	11.3
51	Lacovangelo[2, 6]	Apulia	Dec-17	FiTs Italy	3.5	12.1	11.5
52	Armiento[2, 6]	Apulia	Dec-17	FiTs Italy	1.9	6.6	11.5
53	Inicorbaf[2, 6]	Apulia	Dec-17	FiTs Italy	3.0	10.4	11.4
54	Gioia[2, 6]	Campania	Dec-17	FiTs Italy	6.5	22.4	12.0
55	Carinola[2, 6]	Apulia	Dec-17	FiTs Italy	3.0	10.3	12.0

Power plant		Location	Acquisition date	Subsidy/PPA[1]	Installed capacity (MW)	Cost (£m)	Remaining useful life of asset (years)[7]
56	Marcianise[2, 6]	Campania	Dec-17	FiTs Italy	5.0	17.3	11.9
57	Riardo[2, 6]	Campania	Dec-17	FiTs Italy	5.0	17.2	11.9
58	Gilley's Dam	Cornwall	Nov-17	1.3	5.0	6.0	31.2
59	Pickhill[2, 3]	Clwyd	Dec-17	1.2	3.6	3.6	33.0
60	North Norfolk	Norfolk	Dec-17	1.6	11.0	15.2	20.0
61	Axe View	Devon	Dec-17	1.2	5.0	5.5	22.8
62	Low Bentham	Lancashire	Dec-17	1.2	5.0	5.4	21.5
63	Henley	Shropshire	Jan-18	1.2	5.0	5.4	21.7
64	Pierces Farm	Berkshire	May-18	FiTs UK	1.7	1.8	14.0
65	Salcey Farm	Buckinghamshire	May-18	1.4	5.5	6.3	15.0
66	Thornborough	Buckinghamshire	Jul-18	1.2	5.0	5.7	17.2
67	Temple	Derbyshire	Jul-18	1.2	4.9	5.7	16.8
68	Fiskerton	Lincolnshire	Jul-18	1.3	13.0	16.6	25.4
69	Huddlesford House	Staffordshire	Jul-18	1.2	0.9	0.9	16.2
70	Little Irchester	Northamptonshire	Jul-18	1.2	4.7	5.9	17.3
71	Balhearty	Clackmannanshire	Jul-18	FiTs UK	5.0	4.5	31.4
72	Brafield	Northamptonshire	Jul-18	1.2	4.9	5.8	31.6
73	Huddlesford Park	Staffordshire	Jul-18	1.2	0.9	0.9	16.4
74	Sywell	Northamptonshire	Jul-18	1.2	5.0	5.9	16.5
75	Coton Park	Derbyshire	Jul-18	FiTs UK	2.5	1.1	16.6
76	Hook[2, 4]	Somerset	Aug-18	1.6	15.3	24.0	29.4
77	Blenches[2, 4]	Wiltshire	Aug-18	1.6	6.1	9.6	14.1
78	Whitley[2, 4]	Somerset	Aug-18	1.6	7.6	12.5	29.3
79	Burrowton[2, 4]	Devon	Aug-18	1.6	5.4	8.6	28.9
80	Saundercroft[2, 4]	Devon	Aug-18	1.6	7.2	12.5	29.4
81	Raglington[2, 4]	Hampshire	Aug-18	1.6	5.7	8.9	29.2
82	Knockworthy[2, 4]	Cornwall	Aug-18	FiTs UK	4.6	7.6	13.4
83	Chilton Cantello[2, 4]	Somerset	Aug-18	FiTs UK	5.0	8.5	27.8
84	Crossways[2, 4]	Dorset	Aug-18	FiTs UK	5.0	8.0	27.8
85	Wyld Meadow[2, 4]	Dorset	Aug-18	FiTs UK	4.8	8.6	28.9
86	Ermis	Rooftop Portfolio	Jul-18	FiTs UK	1.0	2.9	12.0
87	Angelia	Rooftop Portfolio	Jul-18	FiTs UK	0.2	0.6	12.0
88	Ballygarvey	County Antrim	Jul-19	1.4 NIROCs	8.2	8.7	23.3
89	Hall Farm II	Leicestershire	Aug-19	Subsidy-free	5.4	2.7	34.8
90	Staughton	Bedfordshire	Dec-19	Subsidy-free	50.0	25.9	34.4
91	High Garrett	Essex	Oct-20	Subsidy-free	8.4	4.5	35.6
92	Marham WW	Norfolk	Jan-21	Long-term PPA	1.0	0.7	36.3
93	Sutterton Reservoir	Lincolnshire	Mar-21	Long-term PPA	0.4	32.3	21.3
94	Grange	Nottinghamshire	Feb-21	Long-term PPA	50.0	0.4	21.5
95	South Lowfield	Yorkshire	Jun-21	Long-term PPA	50.0	28.2	36.7
96	JSC (NZ)	Worcestershire	Mar-19	FiTs UK	0.0	0.0	15.0
97	Karcher (NZ)	Oxfordshire	Nov-19	Subsidy-free	0.3	0.2	20.5
98	Dolphin (NZ)	East Sussex	Jul-21	Subsidy-free	0.2	0.2	22.2
99	Holiday Inn (NZ)	Northamptonshire	Apr-22	Long-term PPA	0.2	0.2	22.7
Solar Subtotal					865.0	1,008.8	24.8
100	Camilla[11]	Scotland	Mar-24	Subsidy-free	35.0	27.2	45.3
Energy Storage Subtotal					35.0	27.2	45.3
101	NPIII LP[8]	OECD Markets	Jun-21	Multiple long-term PPAs	42.5	39.3	N/A
102	Agenor[9]	Spain	Jan-24	Long-term PPA	12.3	9.4	N/A
103	Santarem[10]	Portugal	Mar-24	Long-term PPA	28.6	9.8	N/A
NPIII and Co-Investment Subtotal					83.3	58.5	
Total					983.3	1,094.4	25.6

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 Weight average years remaining useful life of asset.
8 42.5MW represents the proportion of NPIII operational assets owned by NESF on a look through equivalent basis as at 30 September 2024. NPIII is a portfolio of assets at different stages of their project life cycle.
9 12.3MW represents the proportion of Agenor owned by NESF.
10 28.6MW represents the proportion of Santarem owned by NESF.
11 35.0MW represents the proportion of Camilla owned by NESF.
12 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

Portfolio Generation Performance[8]

	Power Plant	Operational date	Generation (GWh)	Solar Irradiation Delta (%)	Generation Delta (%)[5]	Solar Irradiation Delta (%)	Generation Delta (%)[5]
				Period ended 30 September 2024		5-year track record	
1	Higher Hatherleigh	Apr-13	2.7	-6.1	-34.8	2.1	-5.8
2	Shacks Barn	Mar-13	3.6	-4.2	-11.8	2.2	4.9
3	Gover Farm	Oct-14	5.5	0.7	-13.8	4.3	-1.5
4	Bilsham	Nov-14	9.7	0.2	-10.6	6.2	3.0
5	Brick Yard	Nov-14	1.5	-1.9	-41.4	3.5	-3.7
6	Ellough	Mar-14	9.1	0.1	-11.8	2.1	-0.1
7	Poulshot	Mar-15	7.7	-2.4	-12.2	1.5	2.8
8	Condover	Mar-15	6.5	-5.2	-3.1	0.8	2.9
9	Llwyndu	Feb-15	5.2	-9.6	-3.8	-2.3	6.2
10	Cock Hill Farm	Mar-15	13.7	-1.1	1.9	3.0	6.7
11	Boxted	Mar-15	12.9	2.3	1.6	4.1	6.2
12	Langenhoe	Mar-15	15.7	4.8	7.7	7.5	11.5
13	Park View	Mar-15	4.4	-4.7	-3.0	0.8	3.0
14	Croydon	Mar-15	11.3	4.5	10.4	7.5	11.8
15	Hawkers Farm	Mar-15	8.4	-4.1	1.0	1.6	5.9
16	Glebe Farm	Mar-15	23.1	2.1	6.6	8.2	12.5
17	Bowerhouse	Mar-15	5.8	0.2	-9.1	4.3	-5.2
18	Wellingborough	Mar-14	5.0	-1.6	-10.0	3.8	5.8
19	Birch	Jun-15	3.6	2.9	4.5	5.9	7.3
20	Thurlestone - Evo	Apr-13	0.9	-7.9	-15.7	-38.3	-4.1
21	North Farm	Mar-15	7.4	-5.2	-6.4	-1.7	-6.0
22	Ellough Phase 2	Jan-16	5.9	3.7	6.4	7.5	12.0
23	Hall Farm	Aug-16	2.6	-4.0	-12.4	3.8	3.1
24	Decoy Farm	Nov-15	3.5	0.1	4.7	5.7	10.7
25	Green Farm	Mar-16	3.3	1.8	-6.1	3.4	0.2
26	Fenland	Feb-15	14.2	0.3	7.1	4.8	9.1
27	Green End	Mar-15	17.6	2.8	4.9	5.2	5.7
28	Tower Hill	Mar-15	5.8	-1.2	4.6	2.4	7.7
29	Branston	Mar-15	12.7	1.1	2.2	6.1	9.0
30	Great Wilbraham	Mar-15	24.9	2.2	-2.7	5.7	3.6
31	Berwick	Mar-15	5.9	-2.0	-2.1	2.9	5.7
32	Bottom Plain	Dec-14	6.3	-1.9	-12.3	3.2	-1.8
33	Emberton	Mar-15	6.1	0.8	3.4	4.7	5.8
34	Kentishes	Dec-16	3.7	4.2	2.0	5.5	5.5
35	Mill Farm	Dec-16	2.5	5.4	-28.2	8.5	4.2
36	Bowden	Mar-17	3.4	-6.4	-6.5	-0.6	-0.9
37	Stalbridge	Mar-17	3.6	-6.0	-2.9	-0.5	3.6
38	Aller Court	Mar-17	3.6	-3.9	-2.5	2.3	4.0
39	Rampisham	Mar-17	2.6	-9.9	-7.9	-3.6	-1.7
40	Wasing	Mar-17	3.5	0.7	2.8	4.1	6.9
41	Flixborough	Mar-17	3.3	-1.7	-0.4	3.9	6.5
42	Hill Farm	Mar-17	3.6	3.4	7.9	5.0	9.3
43	Forest Farm	Mar-17	2.2	1.1	3.8	3.9	8.0
44	Birch CIC	Jun-15	1.2	3.0	0.7	5.6	4.3
45	Barnby Moor	Mar-17	3.2	-2.8	-1.9	2.8	3.0
46	Bilsthorpe Moor	Mar-17	2.1	-4.6	-36.7	2.7	-2.3
47	Wickfield	Mar-17	3.2	1.1	-4.6	3.9	2.6
48	Bay Farm	Mar-14	4.2	2.4	-15.2	5.4	6.2
49	Honnington	Mar-14	8.4	3.4	-8.7	4.4	4.7
50	Macchia Rotonda	Feb-11	5.6	5.4	3.5	-6.1	1.5
51	Lacovangelo	Apr-11	2.7	5.5	-12.0	4.9	1.3
52	Armiento	Apr-11	1.8	5.4	5.3	5.6	7.7
53	Inicorbaf	Mar-11	2.8	3.9	3.2	6.1	6.2
54	Gioia	Oct-11	5.6	0.4	-1.1	2.8	5.7

			Period ended 30 September 2024			5-year track record	
Power Plant		Operational date	Generation (GWh)	Solar Irradiation Delta (%)	Generation Delta (%)[5]	Solar Irradiation Delta (%)	Generation Delta (%)[5]
55	Carinola	Oct-11	2.5	-3.2	0.1	1.3	2.5
56	Marcianise	Sep-11	4.3	3.7	0.0	3.2	3.5
57	Riardo	Sep-11	4.3	0.4	-1.7	2.5	0.1
58	Gilley's Dam	Mar-16	3.2	-8.5	-13.4	-5.7	-8.1
59	Pickhill	Mar-17	2.5	-1.9	2.0	3.3	7.0
60	North Norfolk	Jan-14	4.3	-0.1	-43.4	4.8	-10.5
61	Axe View	Mar-17	3.5	0.2	1.7	4.9	6.4
62	Low Bentham	Mar-17	2.5	-9.7	-23.9	0.5	-2.9
63	Henley	Mar-17	3.2	-5.2	-1.4	1.4	4.0
64	Pierces Farm	Mar-15	1.1	-0.4	-3.6	2.1	3.9
65	Salcey Farm	Sep-14	3.1	1.9	-13.7	4.9	1.7
66	Thornborough	Mar-16	3.5	-4.5	-1.3	0.0	-5.0
67	Temple	Mar-16	2.5	-7.6	-23.0	0.6	-10.1
68	Fiskerton	Mar-15	8.4	-2.1	-6.4	4.2	-1.3
69	Huddlesford House	Mar-16	0.6	-3.1	-1.5	3.3	3.5
70	Little Irchester	Mar-16	2.3	-4.0	-32.5	1.1	-11.2
71	Balhearty[4]	Mar-16	0.0	-6.5	-100.0	-1.3	-18.8
72	Brafield	Mar-16	3.4	1.9	-1.8	6.0	-0.1
73	Huddlesford Park	Mar-16	0.6	-3.6	-4.4	2.6	0.4
74	Sywell	Dec-15	3.4	-1.5	-4.0	3.3	4.5
75	Coton Park	Dec-15	1.5	-5.6	-6.5	-0.9	1.4
76	Hook	Mar-14	5.9	-4.2	-45.5	1.6	-11.8
77	Blenches	Mar-14	1.2	-4.2	-69.8	2.4	-11.1
78	Whitley	Mar-14	3.6	4.3	-30.4	7.7	-6.5
79	Burrowton	Mar-14	6.5	-3.8	-7.3	3.2	-6.0
80	Saundercroft						
81	Raglington	Mar-13	4.0	-1.6	-5.5	2.2	-10.2
82	Knockworthy	Mar-13	2.2	-7.6	-35.1	-0.1	-23.6
83	Chilton Cantello	Jul-12	3.3	-3.6	-7.4	4.9	-2.9
84	Crossways	Jul-12	2.1	0.4	-40.6	2.8	-13.1
85	Wyld Meadow	Jul-12	3.4	-7.4	-4.9	-1.5	-11.5
86	Ermis[1]	Oct-11	0.5	-5.4	-9.1	-18.5	0.4
87	Angelia[1]	Oct-11	0.1	2.0	-7.6	-13.5	-1.0
88	Ballygarvey	Mar-18	4.4	-7.3	-5.6	0.1	2.8
89	Hall Farm II	Aug-19	3.1	3.3	-1.0	10.0	11.4
90	Staughton	Dec-19	36.3	8.7	11.3	11.9	12.2
91	High Garrett	Oct-20	5.9	6.9	2.2	8.0	8.1
92	Marham WW	Jan-21	0.7	-4.0	-2.4	-2.0	-2.4
93	Sutterton Reservoir	Mar-21	0.3	-2.8	-0.1	1.5	0.0
94	Grange	Jan-21	34.5	3.7	0.4	5.9	1.8
95	South Lowfield	Jun-21	26.5	4.5	-0.9	-1.4	-2.9
96	JSC (NZ)[1]	Mar-19	0.0	-6.0	-2.1	-1.6	-2.4
97	Karcher (NZ)[1]	Nov-19	0.2	-2.6	-8.2	1.3	-6.2
98	Dolphin (NZ)[1]	Jul-21	0.1	-23.8	-22.7	3.4	-8.3
99	Holiday Inn (NZ)[1]	Apr-22	0.1	-5.4	-7.4	2.2	-3.3
100	Whitecross[7]	Jul-23	11.2	-2.7	-1.8	-2.7	-1.8
Subtotal			561.7	0.3	-4.5	4.0	2.7
101	NPIII LP[3]	Multiple	26.7	-	-	-	-
102	Agenor[6]	Jan-24	6.9	-	-	-	-
103	Santarem[2]	Mar-24	-	-	-	-	-
Total			595.3	0.3	-4.5	4.0	2.7

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 The performance of NextPower III is not included.
4 Balhearty was taken offline due to damage caused by Storm Arwen in November 2021 and Storm Eunice in February 2022. Post the period end, Balhearty was successfully rebuilt and is now fully operational.
5 Figures have been adjusted, where relevant, for events outside of the Company's control, such as DNO outages, and for events in which compensation has been or will be received, such as warranty claims.
6 Agenor's performance figures are from July 2024 onwards when it passed PAC.
7 Whitecross' performance figures are until its divestment in June 2024.
8 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

Hill Farm
Oxfordshire
5.0MW
1.2 ROC

Sustainability and ESG

NESF is driven by a mission to lead the transition to clean energy. Its focus is on driving value creation while helping to mitigate climate change and making a broader contribution to society. The Company has developed a comprehensive Sustainability Strategy to ensure it delivers those benefits in the most effective way possible. Focusing on People, Nature, and Prosperity, this guides how NESF incorporates Sustainability and ESG into its strategic and operational decision-making. Seeking to ensure responsible investment also enables NESF to meet relevant compliance and disclosure frameworks, and to de-risk its investments by increasing its resilience to future regulatory requirements.

Kilotonnes of CO_2e emissions avoided for the six-month period ended 30 September 2024
193.9
(30 September 2023: 198.2)

Equivalent cars removed from the road for the six-month period ended 30 September 2024
46,167
(30 September 2023: 47,179)

Total clean electricity generated for the six-month period ended 30 September 2024[1]
595GWh
(30 September 2023: 619GWh)

1 Including share in private equity vehicle (NPIII) and co-investment (Agenor). Inclusion of NESF's 6.21% share of NPIII on a look through equivalent basis increases generation by 27GWh (30 September 2023: 20GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 7GWh (30 September 2023: nil GWh).

The NESF Sustainability Strategy

During the reporting period NESF formally adopted its new Sustainability Framework. Progress towards the new Sustainability Framework was previously reported in the NESF Sustainability and ESG Report for the year ended 31 March 2024.

The new Sustainability Framework is organised around three priority areas, with focus topics relating to each one:

- People, with a focus on health and safety, human rights, and community;
- Nature, with a focus on climate, biodiversity, and the circular economy; and
- Prosperity, with a focus on value generation, transparency, and integrity.

Emberton
Buckinghamshire
9.0MW
1.4 ROC

Delivery of the Sustainability Framework will be guided by our publicly disclosed Sustainable Investment Policies. These include a Sustainability Policy, and Position Statements on Climate, Nature, and Human Rights. NESF's approach to ensuring that key Sustainability and ESG issues are integrated into its procurement is supported by its Code of Conduct for Suppliers. These documents are publicly available on our website and are reviewed regularly.

In the NESF Annual Sustainability and ESG report for the year ending 31 March 2025, NESF will include full coverage of the areas covered by the new Sustainability Strategy.

ISSB alignment

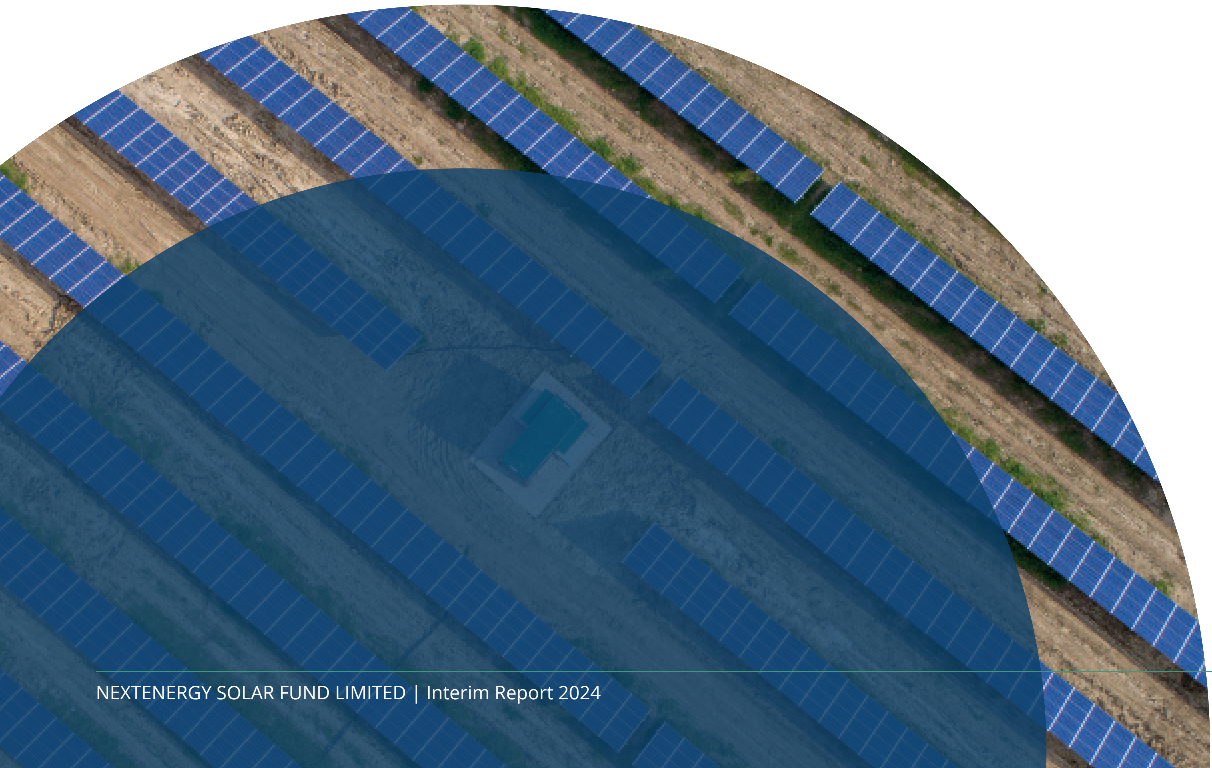
In the year ended 31 March 2024, NESF voluntarily chose to become an early adopter of standards IFRS S1 and IFRS S2, issued by the International Sustainability Standards Board (ISSB). These standards expand on work to assess the financial impact of climate change initiated by the Taskforce for Climate-related Financial Disclosures (TCFD). Reporting against IFRS S1 and S2 for the first time marked a milestone in the Company's approach to Sustainability and ESG, demonstrating the Company's ongoing commitment to the highest levels of business transparency.

NESF continues to lead the market in how it manages sustainability and climate-related risks. There has been no change during the six-month period to 30 September 2024 to how the Company manages these. NESF will continue to monitor the regulatory and disclosure environment, and ensure its reporting complies with mandatory and voluntary frameworks, as relevant.

Barnby Moor
Nottinghamshire
5.0MW
1.2 ROC

Sustainability Framework priority area updates:

- **People:** Community engagement continues to be a key aspect of NESF's local community activity, critical to its social licence to operate. In terms of human rights and other supply chain ESG matters, the Company benefits from the direct involvement of the Investment Adviser with the Solar Stewardship Initiative (SSI), which focuses on solar specific supply chain matters. Progress by the SSI during the reporting period included launching a consultation on its draft polysilicon traceability standard, which will provide a standard specification for identifying the raw material origins of solar modules. The standard will be a key step to help ensure responsible sourcing, for example by avoiding procurement from areas where social and labour standards cannot be met.
- **Nature:** During the reporting period, NESF continued to develop its work to identify, assess and manage climate-related risks and opportunities across its portfolio. In addition, NESF will be publishing its 'Approach to Nature' in 2024. The Approach to Nature document will outline how NESF will continue to integrate nature into its business operations, whilst aligning with emerging global standards such as the Taskforce on Nature-related Financial Disclosures (TNFD) and the Science Based Targets Network (SBTN). By implementing the Approach to Nature, NESF will be able to prioritise and address nature-related risks and opportunities in a more structured and transparent way, ultimately contributing to the financial resilience and long-term success of the Company. This framework also supports NESF in its early adoption of TNFD-aligned disclosures, which are planned for the year ending 31 March 2025.
- **Prosperity:** NESF assets continue to support economic prosperity by providing a source of clean, stable and secure energy. The Company supports local business activity through its engagement of contractors, such as operations and maintenance and landscape management firms, and will seek to monitor its impact as the solar industry innovates and creates the potential to upskill those working on its assets. During the reporting period the Company also supported the publication of an industry-leading report providing guidance on nature-positive solar investment. The report is part of the Finance & Investment in Nature Positive Energy project, led jointly by NESF, the Investment Adviser, the University of York, Lancaster University, and the Natural Environment Research Council, and outlines the findings of research into mechanisms to increase the economic potential of investments that support nature. Solar farms are well positioned to capitalise on this, and so NESF will gain an enhanced understanding of potential investment opportunities associated with its portfolio.



Aller Court
Somerset
5.0MW
1.2 ROC

Awards and communications

Reflecting NESF's industry-leading sustainable investment management and communications, the Company won the AJ Bell Best Company for Shareholder Communication Award, and was shortlisted for several other investment, communications and ESG prizes. NESF will continue to pursue excellence across all its Sustainability and ESG activity.

Winner

AJ BELL Investment Awards: Best Company for Shareholder Communication

Shortlisted

AJ BELL Investment Awards: Renewables Active

Sustainable Invest Awards 2024: Best Sustainable Specialist Fund

AIC Shareholder Communications Awards: Best ESG Communication

NESF: an Article 9 Fund

The EU Sustainable Finance Disclosure Regulation (or the 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 represents one of the most sustainable investments on the market, and the Company makes all appropriate disclosures under Annexes I, III and V of the Regulation. These are available on the NESF website. The Company monitors policy, regulatory and political developments relating to Sustainability and ESG, including work on the UK Sustainability Disclosure Requirements, and carries out a wide range of stakeholder engagement activity on renewable energy investment issues.

Risk summary

ESG risks for NESF and its portfolio include physical and transition risks linked to climate change, nature and 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 Risks and Uncertainties section which follows.

Risks and Uncertainties

For the remaining six months of the year ending 31 March 2025

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 2024 within the following sections: the Risk and Risk Management section in the Strategic Report (pages 67 to 69) and the Risk, Internal Controls and Internal Audit section in the Corporate Governance Statement (pages 91 and 92). The Annual Report for the year ended 31 March 2024 can be found on our website (nextenergysolarfund.com).

Principal and Emerging Risks

Details of the emerging and principal risks we face that have the potential to materially affect our business are described on pages 67 to 69 of the Annual Report for the year ended 31 March 2024 and are categorised below. All risks are principal risks, except those specifically stated. There are some risks that we currently regard as less material and, therefore, they have not been included below but they may become material in the future. Additionally, other risks may be unknown to us at present.

- **Portfolio management and performance risks:**
  - Electricity generation falling below expectation; and
  - Portfolio valuation.
- **Operational and strategic risks:**
  - A decline in the price of electricity;
  - Counterparty risk; and
  - Plant operational risk.
- **External and market risks:**
  - Adverse changes in government policy and political uncertainty *(principal or emerging)*;
  - Adverse changes to the regulatory framework for solar PV *(principal or emerging)*;
  - Changes to tax legislation and tax rates *(principal or emerging)*
  - Health and safety *(principal or emerging)*; and
  - Climate-related risks *(emerging)*.

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

- The risk of disruption to the global supply chain for components required in the construction of solar energy and battery storage assets;
- The risks of financial market volatility leading to the Company's ordinary share price trading at a significant discount to the NAV; and
- The risk of geopolitical instability as a result of increased international conflict and international elections.

The inherent risks associated with investment in the solar energy and energy storage 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 Board and the Audit Committee rely on periodic reports provided by the Investment Manager and the Administrator regarding risks that the Company faces. The Audit Committee works in close collaboration with the Investment Adviser to drive continued improvement of the Company's identification and management of risk, based around a thorough risk matrix. New Board members are encouraged to review the Company's risk matrix and suggest potential enhancements to the risk management framework building on their experience. Enhancements during the period include an evolution of the Company's risk heat-mapping, enabling clarity of alignment between risk and strategy. When required, experts, including tax advisers, legal advisers and environmental advisers, are engaged.

Helen Mahy, CBE
Chairwoman
Chair of Nomination Committee
Non-executive Director

Paul Le Page
Senior Independent Director
Chair of Remuneration Committee
Non-executive Director

Jo Peacegood
Chair of Audit Committee
Non-executive Director

Josephine Bush
Chair of ESG Committee
Non-executive Director

Caroline Chan[1]
Chair of Management Engagement Committee
Non-executive Director

1 Joined 1 April 2024.

Emberton
Buckinghamshire
9.0MW
1.4 ROC

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 Chairwoman'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.

On behalf of the Board of Directors of NESF

Helen Mahy
Chairwoman

20 November 2024

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 2024 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 2024 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.

Steven Stormonth

For and on behalf of KPMG Channel Islands Limited

Chartered Accountants

Guernsey

20 November 2024

Statement of Comprehensive Income (Unaudited Condensed)

For the six months ended 30 September 2024

	Notes	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Income				
Income comprises:				
Interest income		6,191	6,183	12,363
Investment income	26	6,463	40,412	57,705
Administrative services income		5,749	5,285	10,755
Movement in unrealised losses on valuation	17	(27,008)	(55,054)	(72,002)
Unrealised foreign exchange losses		(18)	(2)	(6)
Total net income		(8,623)	(3,176)	8,815
Expenditure				
Preference share dividends		4,763	4,763	9,500
Management fees	5	2,526	2,587	5,234
Legal and professional fees		383	423	871
Directors' fees	7	166	167	328
Administration fees	6	166	146	295
Other expenses	9	316	187	391
Audit fees	8	106	97	156
Charitable donation	10	-	-	250
Regulatory fees		63	74	123
Insurance		15	12	24
Total expenses		**8,504**	**8,456**	**17,172**
Loss and comprehensive loss for the period/year		(17,127)	(11,632)	(8,357)
Loss per ordinary share – basic	14	(2.91p)	(1.97p)	(1.42p)
Loss per ordinary share – diluted	14	(2.91p)	(1.97p)	(1.42p)

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 78-100 are an integral part of these condensed interim financial statements.

Statement of Financial Position (Unaudited Condensed)

As at 30 September 2024

	Notes	30 September 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Non-current assets				
Investments	17	756,879	802,873	802,236
Total non-current assets		756,879	802,873	802,236
Current assets				
Cash and cash equivalents		608	4,786	8,860
Trade and other receivables	11	13,656	33,274	8,509
Total current assets		14,264	38,060	17,369
Total assets		771,143	840,933	819,605
Current liabilities				
Trade and other payables	12	(562)	(2,627)	(2,650)
Total current liabilities		(562)	(2,627)	(2,650)
Non-current liabilities				
Preference shares	23	(198,405)	(198,266)	(198,336)
Total non-current liabilities		(198,405)	(198,266)	(198,336)
Net assets		572,176	640,040	618,619
Equity				
Share capital and premium	13	605,517	610,079	610,079
Retained earnings		(33,341)	29,961	8,540
Equity attributable to ordinary shareholders		572,176	640,040	618,619
Total equity		572,176	640,040	618,619
Net assets per ordinary share	16	97.8p	108.3p	104.7p

The accompanying notes on pages 78-100 are an integral part of these condensed interim financial statements.

The unaudited condensed financial statements were approved and authorised for issue by the Board of Directors on 20 November 2024 and signed on its behalf by:

Helen Mahy
Chairwoman

Joanne Peacegood
Director

Statement of Changes in Equity (Unaudited Condensed)

For the six months ended 30 September 2024

	Share capital and premium £'000	Retained earnings £'000	Total equity £'000
Ordinary shareholders' equity at 1 April 2024	610,079	8,540	618,619
Loss and comprehensive loss for the period	-	(17,127)	(17,127)
Purchase of ordinary shares into Treasury	(4,562)	-	(4,562)
Ordinary dividends declared	-	(24,754)	(24,754)
Ordinary shareholders' equity at 30 September 2024	605,517	(33,341)	572,176
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 2023	609,448	64,972	674,420
Loss and comprehensive loss for the year	-	(8,357)	(8,357)
Scrip shares issued in lieu of dividends	631	-	631
Ordinary dividends declared	-	(48,075)	(48,075)
Ordinary shareholders' equity at 31 March 2024	610,079	8,540	618,619

The accompanying notes on pages 78-100 are an integral part of these condensed interim financial statements.

Statement of Cash Flows (Unaudited Condensed)

For the six months ended 30 September 2024

	Notes	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Cash flows from operating activities				
Loss and comprehensive loss for the period/year		(17,127)	(11,632)	(8,357)
Adjustments for:				
Interest income receivable		(6,191)	(6,183)	(12,363)
Interest income received		6,191	6,223	12,403
Investment income receivable		(6,463)	(40,412)	(57,705)
Investment income received		3,774	15,033	56,697
Change in fair value of investments	17	27,008	55,054	72,002
Proceeds from HoldCos	17	70,481	11,000	23,806
Payments to HoldCos	17	(52,132)	(8,143)	(34,309)
Payments to NPIII		-	(6,432)	(9,383)
Net changes in unrealised foreign exchange		18	2	6
Financial debt amortisation		69	69	139
Dividends paid on preference shares as finance costs		4,763	4,763	9,500
Operating cash flows before movements in working capital		30,391	19,342	52,436
Changes in working capital				
Movement in trade and other receivables		(2,458)	(1,411)	(1,017)
Movement in trade and other payables		94	(39)	37
Net cash generated from operating activities		28,027	17,892	51,456
Cash flows from financing activities				
Dividends paid on preference shares		(7,105)	(4,710)	(9,500)
Dividends paid on ordinary shares		(24,754)	(22,748)	(47,444)
Purchase of ordinary shares into Treasury		(4,402)	-	-
Net cash used in financing activities		(36,261)	(27,458)	(56,944)
Net movement in cash and cash equivalents during period/year		(8,234)	(9,566)	(5,488)
Cash and cash equivalents at the beginning of the period/year		8,860	14,354	14,354
Effect of foreign exchange rate changes		(18)	(2)	(6)
Cash and cash equivalents at the end of the period/year		608	4,786	8,860

The accompanying notes on pages 78-100 are an integral part of these condensed interim financial statements.

Notes to the Financial Statements (Unaudited Condensed)

For the six months ended 30 September 2024

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 Material Accounting Policies

a) Basis of Preparation

The unaudited condensed interim financial statements for the six months ended 30 September 2024 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 2024.

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 2024, 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 NESF Group debt facilities;
- Future investment transactions; and
- Expenditure and capital commitment.

The Company's cash balance as at 30 September 2024 was £608k, all of which was readily available. The NESF Group also had immediately available but undrawn amounts under its subsidiaries' debt facilities of a further £51.6m. The NESF Group had capital commitments totalling £16.3m 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.

In accordance with the Articles for the Company, the Board was required to propose a special resolution at the AGM on 12 August 2024 to consider discontinuation of the Company due to the Company's shares having traded at an average discount of over 10% to the Company's NAV over the financial year ended 31 March 2024. As a result of the vote, with over 94% voting against the resolution for discontinuation, the Company will continue to exist in its present form.

The Directors of the Company have considered the potential outcome of a further vote on the ability of the Company to continue as a going concern and continue to consider it to be unlikely that Shareholders will vote in favour of discontinuation. Bearing in mind the illiquid nature of the Company's underlying assets and the macroeconomic factors that have contributed to the discontinuation vote being triggered, if the discontinuation vote occurs and is passed, and a subsequent reconstruction or winding up process is initiated, the Board nonetheless expects that the Company would continue in existence for at least 12 months from the date of signing of this Interim Report.

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. In particular, 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 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 Income Statement.

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 income 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 2024 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 2025 and the Board is still assessing the 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 to produce investment valuations based on projected future cash flows for all investments except NPIII, Project Agenor co-investment, Project Santarem co-investment, and solar and energy projects not yet operational which are valued at estimated attributable NAV and cost as an approximation of fair value respectively. These valuations are reviewed and approved by the Board. The investments are held through SPVs and NPIII 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 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 2024 level 3 investments amount to £756.9m (30 September 2023: £802.9m; 31 March 2024: £802.2m) and consist of three private equity solar fund investments (NPIII, Project Agenor co-investment, and Project Santarem co-investment) which have been valued using estimated attributable NAV and 100 investments in solar PV and energy storage assets (30 September 2023: 100, 31 March 2024: 101) all of which have been valued on a look through basis based on the discounted cash flows of the solar and energy storage assets (except for those solar and energy storage assets not yet operational) and the residual value of net assets at the HoldCos level.

The Company's investments are geographically spread as follows, by fair value (excluding investment in NPIII): United Kingdom £662.1m (30 September 2023: £697.8m), Italy £23.2m (30 September 2023: £39.2m), Spain £13.1m (30 September 2023: £9.4m) and Portugal £16.7m (30 September 2023: £9.8m).

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. The power price forecasts are also a significant Level 3 input and variations in the forecasts could also have a material effect. Investments in solar and energy storage 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 Manager who reports to 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 2024 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 17.

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 19.

The Company and the HoldCos operate as an integrated structure whereby the Company invest 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 2024 the Company incurred £2.5m in management fees (six months ended 30 September 2023: £2.6m; year ended 31 March 2024: £5.2m), of which £15k was outstanding at 30 September 2024 (30 September 2023: £15k; 31 March 2024: £15k).

6. Administration Fees

Under the Administration Agreement with Ocorian Administration (Guernsey) Limited, the administration fee was a fixed fee of £275k per annum with effect from 30 March 2022. On 1 January 2024 and 1 January 2023, the fixed fee increased in line with the annual increase in Guernsey RPI.

For the six months ended 30 September 2024 the Administrator was entitled to administration fees of £166k (six months ended 30 September 2023: £146k; year ended 31 March 2024: £295k), of which £nil was outstanding at 30 September 2024 (30 September 2023: £nil; 31 March 2024: £69k).

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

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 £166k (six months ended 30 September 2023: £167k; year ended 31 March 2024: £328k), of which £73k was outstanding at 30 September 2024 (30 September 2023: £59k; 31 March 2024: £75k).

8. Audit Fees[1]

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

	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Fees payable to the auditor for the audit of the Company	46	46	99
Fees payable to the auditor for the interim review of the Company	55	48	53
Additional audit fee and disbursements for the prior period/year	5	3	4
Total	106	97	156

1 The figures noted in the table above do not include audit fees incurred by subsidiary entities.

9. Other Expenses

	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Amortisation expense	69	69	139
Sundry expenses	243	112	244
Director's expenses	4	6	8
Total	316	187	391

10. Charitable Donation

During the period ended 30 September 2024, the Company made a charitable donation of £nil (six months ended 30 September 2023: £nil; year ended 31 March 2024: £250k and an additional solar donation of surplus modules that was based on the original price of approximately £89k). 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 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Administrative service fee income receivable	3,565	1,951	1,518
Prepayments	515	65	104
Due from HoldCos	9,576	31,258	6,887
Total trade and other receivables	13,656	33,274	8,509

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

12. Trade and Other Payables

	30 September 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Other payables	562	232	308
Preference dividends payable	-	2,395	2,342
Total trade and other payables	562	2,627	2,650

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 2024 (unaudited)	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2024 (audited)
Opening balance	590,821,185	590,254,181	590,254,181
Scrip shares issued during the period/year	-	567,004	567,004
Ordinary shares purchased into Treasury during the period/year	(5,642,709)	-	-
Total issued	585,178,476	590,821,185	590,821,185

Treasury Shares

On 18 June 2024, the Company announced a share buyback programme in which it had allocated £20 million to purchase its own shares. During the period ended 30 September 2024, 5,642,709 shares were purchased at an average price of 0.81 pence per share. The total amount spent on the buyback was £4,562,334.

The Company held 5,642,709 Treasury shares at the period end (30 September 2023: nil; 31 March 2024: nil).

Treasury shares are recognised at acquisition cost and are presented as a deduction from shareholders' equity.

Issued ordinary shares – share capital and premium	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Opening balance	610,079	609,448	609,448
Value of scrip shares issued during the period/year	-	631	631
Value of ordinary shares purchased into Treasury during the period/year	(4,562)	-	-
Total issued	605,517	610,079	610,079

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.

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. Loss per Ordinary Share

a) Basic

	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2023 (unaudited) £'000	Year ended 31 March 2024 (audited) £'000
Loss and comprehensive loss for the period/year (£'000)	(17,127)	(11,632)	(8,357)
Basic weighted average number of issued ordinary shares	589,454,345	590,367,717	590,596,000
Loss per share basic	(2.91p)	(1.97p)	(1.42p)

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 2024 (unaudited)	Six months ended 30 September 2023 (unaudited)	Year ended 31 March 2024 (audited)
Loss and comprehensive loss for the period/year (£'000)	(17,127)	(11,632)	(8,357)
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)	(12,364)	(6,869)	1,143
Basic weighted average number of issued ordinary shares	589,454,345	590,367,717	590,596,000
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	191,021,968	174,978,128	174,978,128
Adjusted weighted average number of ordinary shares	780,476,313	765,345,845	765,574,128
Loss per share diluted	(2.91p)[1]	(1.97p)[1]	(1.42p)[1]

[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 2024 (unaudited) £'000	Six months ended 30 September 2024 Pence per share	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2023 Pence per share	Year ended 31 March 2024 (audited) £'000	Year ended 31 March 2024 Pence per share
Quarter 1	12,348	2.09	11,097	1.88	11,097	1.88
Quarter 2	12,406	2.10	12,282	2.08	12,282	2.08
Quarter 3	N/a	N/a	N/a	N/a	12,348	2.09
Quarter 4	N/a	N/a	N/a	N/a	12,348	2.09
Total	24,754	4.19	23,379	3.96	48,075	8.14

b) Declared in Respect of the period/year

	Six months ended 30 September 2024 (unaudited) £'000	Six months ended 30 September 2024 Pence per share	Six months ended 30 September 2023 (unaudited) £'000	Six months ended 30 September 2023 Pence per share	Year ended 31 March 2024 (audited) £'000	Year ended 31 March 2024 Pence per share
Quarter 1	12,407	2.10	12,282	2.08	12,282	2.08
Quarter 2	12,291	2.11	12,333	2.09	12,348	2.09
Quarter 3	N/a	N/a	N/a	N/a	12,348	2.09
Quarter 4	N/a	N/a	N/a	N/a	12,348	2.09
Total	24,698	4.21	24,615	4.17	49,326	8.35

16. Net Assets per Ordinary Share

	30 September 2024 (unaudited)	30 September 2023 (unaudited)	31 March 2024 (audited)
Ordinary shareholders' equity (£'000)	572,176	640,040	618,619
Number of issued ordinary shares	585,178,476	590,821,185	590,821,185
Net assets per ordinary share	97.8p	108.3p	104.7p

17. Investments at Fair Value Through Profit or Loss

The Company owns its portfolio of solar and energy storage assets through its investments in HoldCos and a direct investment in NPIII. The Company's investments comprise its portfolio of solar and energy storage assets and the residual net assets of the HoldCos. As explained in note 4(a), 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 2024 (six months ended 30 September 2023: none; year ended 31 March 2024: 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 2024 (unaudited) £'000	**Six months ended 30 September 2023 (unaudited) £'000**	**Year ended 31 March 2024 (audited) £'000**
Brought forward cost of investments	854,622	834,736	834,736
Investment proceeds from HoldCos	(70,481)	(11,000)	(23,806)
Investment payments to HoldCos	52,132	8,143	34,309
Investment payments to NPIII	-	6,432	9,383
Carried forward cost of investments	836,273	838,311	854,622
Brought forward unrealised (losses)/gains on valuation	(52,386)	19,616	19,616
Movement in unrealised gains on valuation	5,070	-	35,306
Movement in unrealised losses on valuation	(32,078)	(55,054)	(107,308)
Carried forward unrealised losses on valuation	(79,394)	(35,438)	(52,386)
Total investments at fair value	756,879	802,873	802,236

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 of NPIII directly. As stated in note 4b), the HoldCos are incorporated in the UK and 100% directly owned. There are no cross guarantees amongst NESF Group entities. Below are the legal entity names for the SPVs, all owned directly or indirectly through the HoldCos listed below as at 30 September 2024. Agenor (24.5%) and NextPower III Co-Invest LP (18%) are 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	RRAM Energy Limited	UK
Le Solar 51 Limited	UK	Saundercroft Farm Solar Park Limited	UK
Little Irchester Solar Limited	UK	SL Solar Services Limited	UK
Little Staughton Airfield Solar Limited	UK	Sywell Solar Limited	UK
Micro Renewables Domestic Limited	UK	Tau Solar Limited	UK
Micro Renewables Limited	UK	Temple Normanton Solar Limited	UK
NESH 3 Portfolio A Limited	UK	NextPower Grange Limited	UK
Nextpower Bosworth Limited	UK	Thornborough Solar Limited	UK
Nextpower Eelpower Limited	UK	NextPower South Lowfield Limited	UK
NextPower High Garrett Limited	UK	Thurlestone-Leicester Solar Limited	UK
Nextpower Hops Energy	UK	UK Solar (Fiskerton) LLP	UK
Nextpower SPV 4 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
NextEnergy Solar Holdings IV Limited	**UK**	Tower Hill Farm Renewables Limited	UK
Berwick Solar Park Limited	UK		
Bottom Plain Solar Park Limited	UK	Emberton Solar Park Limited	UK
Branston Solar Park Limited	UK	Great Wilbraham Solar Park Limited	UK
NextEnergy Solar Holdings V Limited	**UK**	Nextpower Radius Limited	UK
Agrosei S.r.l	Italy		
Fotostar 6 S.r.l	Italy	Starquattro S.r.l	Italy
Macchia Rotonda Solar S.r.l	Italy	SunEdison Med. 6 S.r.l	Italy
NextPower III Co-Invest LP**	Portugal	Agenor Hive S.L. *	Spain
NXP Co-Invest Portugal HoldCo***	Portugal	NextPower III Co-Invest UK HoldCo Ltd***	UK
Raglington Farm Solar Park Limited	UK	Escalabis Solar, S.A.***	Portugal

* Agenor Hive S.L.U. 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.

***Subsidiaries of NPIII Co-Invest LP

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 and energy storage assets 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 2024, investments held at fair value using the discounted cash flow methodology totalled £606.5m (30 September 2023: £666.1m; 31 March 2024: £657.4m).

The Company has invested directly in a private equity fund NPIII, and through NESH V, in co-investments Project Agenor and Santarem. 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 2024, investments held at fair value using NAV totalled £71.6m (30 September 2023: £38.8m; 31 March 2024: £74.2m).

Investments in assets that are not yet operational 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 in note 19(b). As at 30 September 2024, investments held at fair value using the cost methodology totalled £44.5m (30 September 2023: £90.1m; 31 March 2024: £43.1m).

Another £34.3m (30 September 2023: £7.9m; 31 March 2024: £27.5m) 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 £606.5m (30 September 2023: £666.1m; 31 March 2024: £657.4m).

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 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Weighted average discount rate	8.0%	8.0%	8.1%
Range of discount rates (unlevered to levered)	7.5% to 10.0%	7.5% to 9.0%	7.5% to 10.0%
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 2024 (unaudited)			
Directors' valuation	(£17.2m)	£606.5m	£18.3m
Directors' valuation – percentage movement	(2.8%)		3.0%
Change in NAV per ordinary share	(2.9p)		3.1p
30 September 2023 (unaudited)			
Directors' valuation	(£18.0m)	£666.1m	£19.2m
Directors' valuation – percentage movement	(2.30%)		2.40%
Change in NAV per ordinary share	(3.0p)		3.2p
31 March 2024 (audited)			
Directors' valuation	(£19.1m)	£657.4m	£20.5m
Directors' valuation – percentage movement	(2.90%)		3.10%
Change in NAV per ordinary share	(3.2p)		3.5p

Power Price

As at 30 September 2024, estimates implied an average rate of growth of UK electricity prices (2023-2043) of approximately 0.8% (30 September 2023: -5.6%; 31 March 2024: -0.5%) in 2024 real terms and an average rate of growth of Italian electricity prices (2023-2042) of approximately 3.8% (30 September 2023: -4.6%; 31 March 2024: -3.8%) in 2024 real terms. As at 30 September 2024, estimates implied a long-term inflation rate of 2.3% (30 September 2023: 2.3%; 31 March 2024: 2.3%).

The power price environment has recovered to normal levels in 2024 following a prolonged period of extreme volatility caused by international conflict. The blended average of the 'central case' scenarios have been applied to the valuation which includes the impact of the current 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 2024 (unaudited)			
Directors' valuation	(£46.2m)	£606.5m	£44.8m
Directors' valuation – percentage movement	(7.6%)		7.4%
Change in NAV per ordinary share	(7.9p)		7.7p
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
31 March 2024 (audited)			
Directors' valuation	(£46.2m)	£657.4m	£45.3m
Directors' valuation – percentage movement	(6.9%)		7.1%
Change in NAV per ordinary share	(7.9p)		7.7p

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 2024 (unaudited)			
Directors' valuation	(£37.2m)	£606.5m	£35.7m
Directors' valuation – percentage movement	(6.1%)		5.9%
Change in NAV per ordinary share	(6.4p)		6.1p
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
31 March 2024 (audited)			
Directors' valuation	(£40.4m)	£657.4m	£38.8m
Directors' valuation – percentage movement	(6.2%)		5.9%
Change in NAV per ordinary share	(6.8p)		6.6p

Inflation Rates

The portfolio valuation assumes long-term inflation of 2.3% (30 September 2023: 2.3%; 31 March 2024: 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% (30 September 2023: 1%; 31 March 2024: 1%), with all other variables held constant.

Inflation rate sensitivity	-1.0% change	Investments	+1.0% change
30 September 2024 (unaudited)			
Directors' valuation	(£45.5m)	£606.5m	£50.8m
Directors' valuation – percentage movement	(7.5%)		8.4%
Change in NAV per ordinary share	(7.8p)		8.7p
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
31 March 2024 (audited)			
Directors' valuation	(£47.6m)	£657.4m	£52.7m
Directors' valuation – percentage movement	(7.2%)		8.0%
Change in NAV per ordinary share	(8.1p)		8.9p

Operating Costs

The table below shows the sensitivity of the portfolio to changes in operating costs by plus or minus 5% (30 September 2023: 5%; 31 March 2024: 5%) at the SPVs level, with all other variables held constant.

Operating costs sensitivity	+5.0% change	Investments	-5.0% change
30 September 2024 (unaudited)			
Directors' valuation	(£6.5m)	£606.5m	£6.5m
Directors' valuation – percentage movement	(1.1%)		1.1%
Change in NAV per ordinary share	(1.1p)		1.1p
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
31 March 2024 (audited)			
Directors' valuation	(£6.4m)	£657.4m	£6.6m
Directors' valuation – percentage movement	(1.0%)		1.0%
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 2023: 25%; 31 March 2024: 25%), in accordance with the latest UK Budget announcements.

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

The combined NAVs of NPIII, the direct private equity investment, and Project Agenor and Santarem, the co-investments made through NESF V, as at 30 September 2024 was £71.6m (30 September 2023: £38.8m; 31 March 2024: £74.2m). 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 1.3% (30 September 2023: 0.6%; 31 March 2024: 0.6%).

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 2024 they are held at £198.4m (30 September 2023: £198.3m; 31 March 2024: £198.3m). 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 £198.4m as at 30 September 2024. 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 direct investment in NPIII, HoldCos and SPVs), 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 2024, the Company had £200m of preference shares in issue (30 September 2023: £200m; 31 March 2024: £200m) and no financial debt outstanding. The subsidiaries had £333.3m in long-term debt, look through debt and revolving credit facilities outstanding (30 September 2023: £355.8m; 31 March 2024: £338.0m) (see note 23(b)), representing a total gearing level of 48% (30 September 2023: 46%; 31 March 2024: 46%).

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 2024 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 and 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 material 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 unhedged portion of Company cash flows is not considered to be significant. The Company holds private equity investments in NPIII, and Projects Santarem and Agenor which are not reported in pounds sterling, and the vast majority of cashflows from the solar assets of these projects are in either US Dollars or Euros but these are not hedged as the currency risk they represent is not considered 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 2024. Of the £333.3m (30 September 2023: £355.8m; 31 March 2024: £338.0m) credit facilities outstanding (excluding NPIII and co-investment look through debt of £23.4m (30 September 2023: £10.2m; 31 March 2024: £12.6m), £105.7m (30 September 2023: £109.7m; 31 March 2024: £108.0m) had fixed interest rates and the remaining £204.1m (30 September 2023: £235.9m; 31 March 2024: £217.3m) 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 £50.7m (30 September 2023: £58.6m; 31 March 2024: £51.7m). The counterparties to these swaps are all Investment grade financial institutions. The remaining £153.4m (30 September 2023: £177.3m; 31 March 2024: £165.6m) had floating rates which are not hedged 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 2024 (unaudited) £'000	30 September 2023 (unaudited) £'000	31 March 2024 (audited) £'000
Cash and cash equivalents	608	4,786	8,860
Trade and other receivables	13,656	33,274	8,509
Debt investments	306,554	306,554	306,554
Total	320, 818	344,614	323,923

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 at 30 September 2024, 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 subsidiary (30 September 2023: none; 31 March 2024: 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 2024		
Barclays Bank PLC	Long – A+ Short – A-1	608
30 September 2023		
Barclays Bank PLC	Long – A/+ Short – A-1	4,786
31 March 2024		
Barclays Bank PLC	Long – A+ Short – A-1	8,860

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 2024				
Assets				
Cash and cash equivalents	608	608	–	–
Trade and other receivables	13,656	13,656	–	–
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,405)	–	(7,105)	(309,341)
Trade and other payables	(562)	(562)	–	–
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)	–	–
31 March 2024				
Assets				
Cash and cash equivalents	8,860	8,860	–	–
Trade and other receivables	8,509	8,509	–	–
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,336)	(2,342)	(7,158)	(314,000)
Trade and other payables	(2,650)	(2,650)	–	–

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 2024			
Preference shares	198,336	69	198,405
30 September 2023			
Preference shares	198,197	69	198,266
31 March 2024			
Preference shares	198,197	139	198,336

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 2024, the nominal outstanding amount was £136.4m (30 September 2023: £143.0m; 31 March 2024: £136.9m).

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. In April 2024, NESF III refinanced the £135.0m RCF with National Westminster Bank plc, AIB Group (UK) plc and Lloyds Bank plc. As at 30 September 2024, the outstanding amount was £109.3m (30 September 2023: £135.0m; 31 March 2024: £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 2024, the nominal outstanding amount was £42.4m (30 September 2023: £45.7m; 31 March 2024: £44.3m).

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. As at 30 September 2024, the outstanding amount was £44.1m (30 September 2023: £42.3m; 31 March 2024: £30.6m).

24. Reconciliation of Financing Activities

	Opening £'000	Cash Flows £'000	Net Income Allocation £'000	Dividend Payable Movement £'000	Non-cash Flows £'000	Carry Amount £'000
Six months ended 30 September 2024						
Preference shares	198,336	(7,105)	4,763	2,342	69	198,405
Six months ended 30 September 2023						
Preference shares	198,197	(4,710)	4,763	(53)	69	198,266
31 March 2024						
Preference shares	198,197	(9,500)	9,500	–	139	198,336

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 2024, a letter of credit of £2,500,000 was in issue (30 September 2023: £2,500,000; 31 March 2024: £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 2024 the Company has no outstanding commitments related to this guarantee (30 September 2023: none; 31 March 2024: none).

The Company, through its HoldCo's, had other project spending commitments totalling £16.3m as at 30 September 2024 (30 September 2023: £24m; 31 March 2024: £23.5m).

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 £103,188 (30 September 2023: £79,770; 31 March 2024: £133,721) 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, which was outstanding at period end (30 September 2023: £nil; 31 March 2024: £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 on 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 £4.5m (30 September 2023: £3.8m; 31 March 2024: £8.5m).

At 30 September 2024, £9.6m (30 September 2023: £31.3m; 31 March 2024: £6.9m) was owed from the subsidiaries, being cash trapped within the structure at period end. £5.7m of administrative service fees were received from the subsidiaries during the period (30 September 2023: £5.3m; 31 March 2024 £10.8m), £3.5m of which was outstanding at 30 September 2024 (30 September 2023: £2.0m; 31 March 2024: £1.5m). £6.1m of Eurobond interest was received from the subsidiaries during the period (30 September 2023: £6.1m; 31 March 2024: £12.3m), £nil of which was outstanding as at 30 September 2024 (30 September 2023: £nil; 31 March 2024: £nil). During the period, dividends of £6.5m (30 September 2023: £40.4m; 31 March 2024: £57.7m) were received from the subsidiaries. Refer to note 11 for terms and conditions on amounts due from subsidiaries. During the period, the Company commenced receiving cash returns in the form of repayment of intercompany loans in preference to investment income, amounting to £15.2m (30 September 2023: £nil; 31 March 2024: £nil) received from the subsidiaries (included in Investment Proceeds from HoldCos in note 17).

The Company has committed US$50m to NPIII, as a Limited Partner governed by a Limited Partnership Agreement, which is fully drawn as at 30 September 2024 (30 September 2023: US$46.3m drawn; 31 March 2024: fully drawn). The Investment Manager, the Investment Adviser and the Asset Manager are all professionally engaged to provide services to this fund. 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.

In December 2023, the site at Hatherden was sold for total proceeds of £14.3 million. The purchaser, NextPower UK LP, is a 10-year closed-ended private fund managed by NextEnergy Capital. Due to the sale of Hatherden being classified as a smaller related party transaction under the FCA's Listing Rules, the Board appointed Deloitte to undertake an independent valuation. The Board also obtained a written confirmation from the Company's Sponsor ("Cavendish"), that the Transaction was fair and reasonable as far as the shareholders are concerned as required under Listing Rule 11.1.10R.

Post period end, the Company sold the site at Staughton for a total consideration of £30.3m. The purchaser for this transaction was also NextPower UK LP. The transaction is not deemed a related party transaction under the FCA's UK Listing Rules as at the time of the transaction. However, in line with best practice governance, Deloitte were appointed to undertake an independent valuation on NESF's behalf.

The Directors' fees for the six months ended 30 September 2024 amounted to £166k (30 September 2023: £167k; 31 March 2024: £328k), of which £73k is outstanding as at period end (30 September 2023: £59k; 31 March 2024: £75k). As at 30 September 2024, Helen Mahy held 83,908 ordinary shares, Joanne Peacegood held 50,000 ordinary shares, Josephine Bush held 10,000 ordinary shares, Paul Le Page held 30,000 shares, and Caroline Chan was not holding any shares.

As at 12 November 2024, NextEnergy Group employees held 2,104,361 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

During the period from 1 October 2024 up to and including 20 November 2024, the Company purchased 2,918,223 ordinary shares at a total cost of £2,216,824.

On 7 November 2024, the Directors approved a dividend of 2.11 pence per ordinary share for the quarter ended 30 September 2024 to be paid on 30 December 2024 to ordinary Shareholders on the register as at the close of business on 15 November 2024.

Post the period end, the Company announced the sale of Staughton, which is the third phase of its Capital Recycling Programme.

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

Historical Financial and Portfolio Information (unaudited)

	Year ended 31 March					Six months ended
	2020	2021	2022	2023	2024	30 September 2024
Financial						
Ordinary shares in issue	584.2m	586.9m	589.1m	590.3m	590.8m	585.2m
Ordinary share price	101.5p	99.6p	103.4p	104.8p	71.5p	80.3p
Market capitalisation of ordinary shares	£593m	£585m	£609m	£618m	£422.4m	£469.9m
NAV per ordinary share[1]	99.0p	98.9p	113.5p	114.3p	104.7p	97.8p
Total ordinary NAV[1]	£579m	£581m	£668m	£674m	£618.6m	£572.2m
Premium/(discount) to NAV[1]	2.5%	0.7%	(8.9%)	(8.3%)	(31.7%)	(17.9%)
Earnings per ordinary share	(5.09p)	6.87p	21.69p	8.20p	(1.42p)	(2.91p)
Dividends per ordinary share	6.87p	7.05p	7.16p	7.52p	8.35p	4.21p
Dividend yield[1]	6.8%	7.1%	6.9%	7.2%	11.7%	10.5%
Cash dividend cover – pre-scrip dividends[1]	1.2x	1.1x	1.2x	1.4x	1.3x	1.5x
Preference shares in issue	200m	200m	200m	200m	200m	200m
Financial debt outstanding at subsidiaries level	£214m	£246m	£283m	£345m	£338m	£333m
GAV	£991m	£1,025m	£1,150m	£1,225m	£1,155m	£1,104m
Financial debt (financial debt/GAV)[1]	22%	24%	25%	28%	29%	30.2%
Gearing (financial debt + preference shares/GAV)[1]	42%	43%	42%	45%	46%	48.2%
Ordinary shareholder total return – cumulative since IPO[2]	37.5%	42.6%	53.6%	62.4%	37.2%	48.1%
Ordinary shareholder total return – annualised since IPO[2]	6.3%	6.1%	6.7%	7.0%	3.7%	4.6%
Ordinary shareholder total return	(7.8%)	5.1%	11.0%	8.6%	(23.8%)	18.2%
Ordinary NAV total return[1]	(4.5%)	7.0%	22.0%	7.3%	(1.1%)	(2.6%)
Ordinary NAV total return – annualised since IPO[2]	5.9%	6.0%	8.0%	8.0%	7.1%	6.3%
Ongoing charges ratio[1]	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
Weighted average discount rate	6.8%	6.3%	6.3%	7.3%	8.1%	8.0%
Operational						
Invested capital[1]	£950m	£998m	£1,039m	£1,134m	£1,157m	£1,139m
Number of assets[6]	90	94	99	99	103	102
Total installed capacity	755MW	814MW	884MW[3]	889 MW[3]	1015MW[3]	983MW[3]
Annual/Period generation[3]	715 GWh	735 GWh	773GWh	899 GWh	852GWh	595GWh
Generation since IPO[4]	2.5 TWh	3.2 TWh	4.0TWh	4.9 TWh	5.8TWh	6.4TWh
Solar irradiation (delta vs. budget)	+4.0%	+5.6%	+3.5%	7.4%	2.6%	0.3%
Generation (delta vs. budget)[5]	+6.2%	+6.9%	+4.1%	5.5%	0.3%	(4.5%)
Remaining weighted average useful life	26.9 years	27.5 years	27.3 years	26.3 years	26.6 years	25.6 years

1 Alternative performance measure.
2 Return figures since IPO calculated based on dividends paid.
3 Including share in private equity vehicle (NPIII) and co-investment (Agenor). Inclusion of NESF's 6.21% share of NPIII on a look through equivalent basis increases generation by 27GWh (30 September 2023: 20GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 7GWh (30 September 2023: nil GWh).
4 Excludes performance of private equity vehicle (NPIII) and Santarem.
5 Figures have been adjusted, where relevant, for events outside of the Company's control, such as DNO outages, and for events in which compensation has been or will be received, such as warranty claims.
6 Excluding the $50m commitment into private equity vehicle NPIII.

Alternative Performance Measures ("APMS") (unaudited)

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.

Invested Capital

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

	30 September 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
Invested capital	1,138,855	1,148,781	1,157,090

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 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
NESF Group's outstanding financial debt (A)	333,250	355,797	337,965
Preference shares as per Statement of Financial Position (B)	198,405	198,266	198,336
Net assets as per Statement of Financial Position (C)	572,176	640,040	618,619
Total gearing ((A + B) / (A + B + C)), expressed as a percentage)	48.2%	46.4%	46.4%

Financial Debt Gearing

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

	30 September 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
NESF Group's outstanding financial debt (A)	333,250	355,797	337,965
Preference shares as per Statement of Financial Position (B)	198,405	198,266	198,336
Net assets as per Statement of Financial Position (C)	572,176	640,040	618,619
Financial debt gearing ((A) / (A + B + C)), expressed as a percentage)	30.2%	29.8%	29.3%

Cash Income

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

	30 September 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
Income as per Statement of Comprehensive Income (A)	18,403	51,880	80,823
Intercompany loan repayments from HoldCos (B)	15,227	-	-
Net distributable cash generated in the portfolio (C)	13,671	-	-
Trade and other receivables – administrative service fee income accrual at beginning of period/year (D)	1,518	504	504
Trade and other receivables – administrative service fee income accrual at end of period/year (E)	(3,565)	(1,951)	(1,518)
Cash income (A + B + C + D – E)	45,254	50,433	79,809

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 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
Cash Income as per the table above (A)	45,254	50,433	79,809
Total expenses as per Statement of Comprehensive Income (B)	8,504	8,456	17,172
Pre-scrip ordinary dividends paid as per Statement of Changes in Equity (C)	24,754	23,379	48,075
Cash dividend cover (pre-scrip dividends) ((A – B) / C)	1.5x	1.8x	1.3x

Dividend Yield

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

	30 September 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
Dividend per ordinary share (A)	8.43	8.35	8.35
Ordinary share price at end of period/year (B)	80.3	86.2	71.5
Dividend yield (A / B, expressed as a percentage)	10.50%	9.69%	11.68%

NAV per Ordinary Share

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

	30 September 2024 pence	30 September 2023 pence	31 March 2024 pence
Net assets as per Statement of Financial Position (£,000) (A)	572,176	640,040	618,619
Number of ordinary shares in issue at period/year end (B)	585,178,476	590,821,185	590,821,185
NAV per ordinary share ((A / B) x 1,000)	97.8p	108.3p	104.7p

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 2024 pence	Six months ended 30 Sep 2023 pence	Year ended 31 Mar 2024 pence
Basic NAV per ordinary share at period/year end as per Statement of Financial Position (A)	97.8	108.3	104.7
Annual dividend per ordinary share declared in respect of period/year (B)	4.21	4.17	8.35
Basic NAV per ordinary share at beginning of period/year as per Statement of Financial Position (C)	104.7	114.3	114.3
NAV total return per ordinary share ((A + B – C) / C, expressed as a percentage)	(2.57%)	(1.60%)	(1.09%)

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 2024 pence	30 September 2023 pence	31 March 2024 Pence
Ordinary share price at period/year end (A)	80.3	86.2	71.5
Annual dividend per ordinary share declared/paid in respect of period/year (B)	4.21	4.17	8.35
Ordinary share price at beginning of period/year (C)	71.5	104.8	104.8
Ordinary shareholder total return per share ((A + B – C) / C, expressed as a percentage)	18.20%	(13.77%)	(23.81%)

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 2024 pence	30 September 2023 pence	31 March 2024 Pence
Ordinary share price at period/year end (A)	80.3	86.2	71.5
NAV per ordinary share at period/year end as per Statement of Financial Position (B)	97.8	108.3	104.7
Discount to NAV per Ordinary Share ((A – B) / B, expressed as a percentage)	(17.9%)	(20.4%)	(31.7%)

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 2024 £'000	30 September 2023 £'000	31 March 2024 £'000
Total expenses as per Statement of Comprehensive Income (A)	8,504	8,456	17,172
Preference share dividends as per Statement of Comprehensive Income (B)	4,763	4,763	9,500
Non-recurring expenses (C)	196	91	432
Average of quarterly net assets (D)	292,406	321,291	635,050
Ongoing charges ratio ((A – B – C) / D, expressed as a percentage)	1.21%	1.12%	1.11%

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).

Camilla
Fife
50MW

Financial Calendar for Year Ending 31 March 2025

Annual Results announced	June 2025
Annual General Meeting	August 2025

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 2025.

Dividend	Announcement date	Ex-dividend date	Payment date	Amount
2nd	7 Nov 24	14 Nov 24	30 Dec 24	2.11p
3rd	Feb 25	Feb 25	31 Mar 25	2.11p
4th	May 25	May 25	30 Jun 25	2.11p

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	Energy 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))
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
Controlled subsidiary investments	Subsidiary entities in which Company has a controlling interest which are used as holding companies for investments in underlying assets
CO_2e or carbon dioxide equivalent	A term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO_2e signifies the amount of CO_2 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	Energy 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 and NESH V
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
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. For solar assets, MW refers to megawatt-peak (MWp)
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
REGO	Renewable Energy Guarantees of Origin
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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Berwick
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8.2MW
1.4ROC

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