



New Energy
Solar

RENEWABLE ENERGY. SUSTAINABLE INVESTING

NEW to acquire first Australian asset: Manildra Solar Power Plant

25 June 2018



Manildra Solar Power Plant – May 2018

Disclaimer



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About New Energy Solar (ASX: NEW)

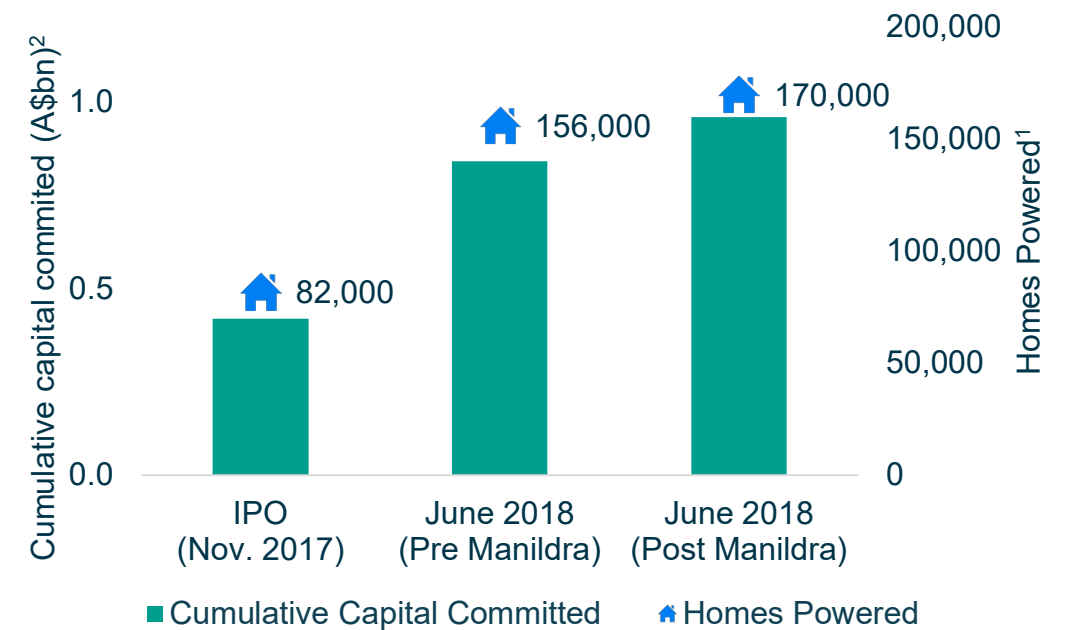


NEW is Australia's largest listed owner of solar infrastructure

Investment Mandate

PARAMETER	NEW MANDATE
Asset Type	Renewable energy generation with a focus on large-scale solar PV with long-term contracted off-take agreements with creditworthy counterparties
Location	Developed and stable economies with an initial focus on US, Australia and selected OECD
Portfolio Mix	Invest in a diversified portfolio of generation projects at a stage which minimises exposure to development risk
Return expectations	Secure and stable cash flows suitable for infrastructure and sustainable investors with the aim of achieving gross portfolio returns of 7-10% p.a. ³

Business Growth



Notes: 1. Based on full year expected production assuming committed MW_{DC} is operational and average household consumption of approximately 8,375KWh per annum.
 2. For US\$ assets, the acquisition prices are converted into A\$ using the FX conversion rates on the dates that binding agreements were executed.
 3. Over the 35 year expected life of the project. Before taxes, management expenses, administration costs and external borrowing costs.

Existing portfolio reflects favourable US market conditions



20 plants - blue-chip offtake and capacity weighted PPA term remaining of 17.3 years^{1,2}

Oregon Plants

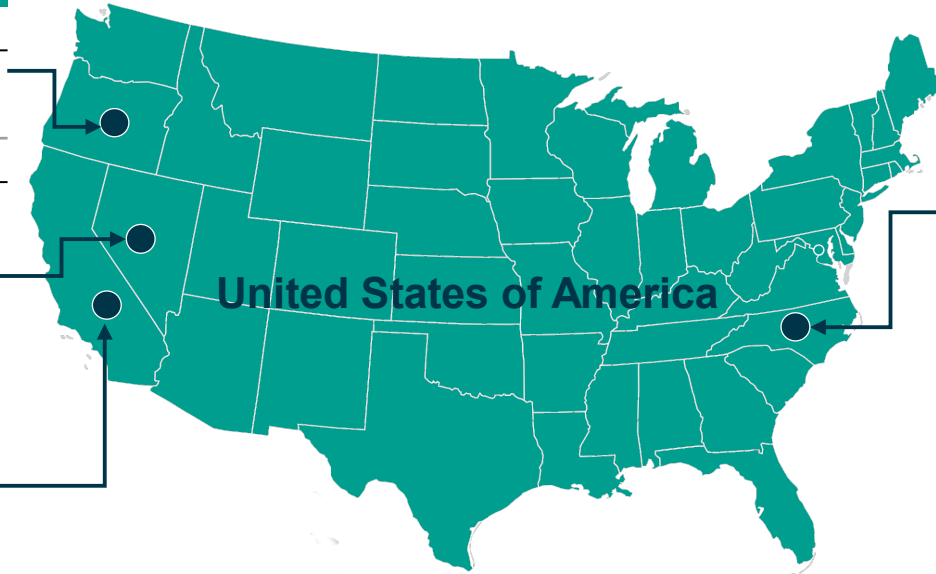
Name	Capacity (MW _{DC})	Offtaker
Bonanza	6.8	PacifiCorp
Pendleton	8.4	PacifiCorp
Total	15.2	

Nevada Plants

Name	Capacity (MW _{DC})	Offtaker
Boulder Solar 1	124.9	NV Energy

California Plants

Name	Capacity (MW _{DC})	Offtaker
Mount Signal 2	199.6	Southern California Edison
Stanford SGS	67.4	Stanford University
TID SGS	67.4	Turlock Irrigation District
Total	334.4	



North Carolina Plants

Name	Capacity (MW _{DC})	Offtaker
NC-31	43.2	Duke Energy Progress
NC-47	47.6	Duke Energy Progress
Hanover	7.5	Duke Energy Progress
Arthur	7.5	Duke Energy Progress
Church Road	5.2	Duke Energy Progress
Heedeh	5.4	Duke Energy Progress
Organ Church	7.5	Duke Energy Carolinas
County Home	7.2	Duke Energy Progress
Total	131.1	

Additional Committed US Projects

Name	Capacity (MW _{DC})	Location	Expected Offtaker
Rigel Portfolio ³	73.8	North Carolina and Oregon	Duke Energy Progress and PacifiCorp

Key
Operational
Acquired / under construction
Committed

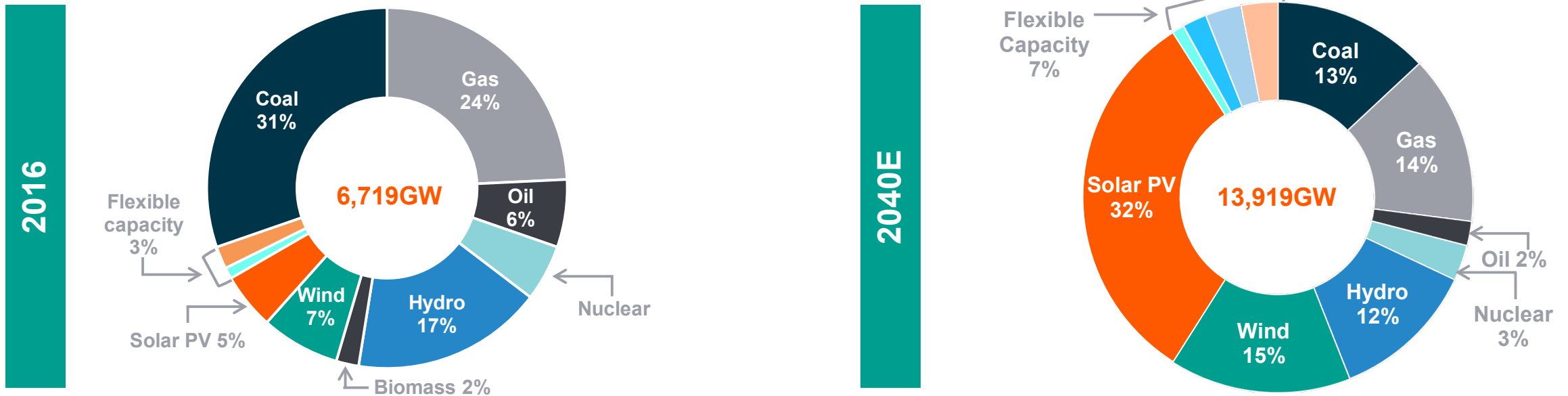
Notes: 1. Includes plants that are wholly or partly owned by NEW. Total US portfolio of 680MW_{DC} includes plants that are operational, acquired and under construction or committed.
 2. PPA terms of committed projects have been determined from their expected commercial operation dates.
 3. Rigel Portfolio refers to portfolio of assets NEW has committed to acquire from Cypress Creek Renewables if certain conditions are met.

Solar energy is gaining ground globally

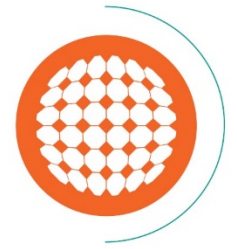


By 2040, solar PV is projected to represent 32% of global installed electricity generation capacity, up from 5% in 2016

Global installed generation capacity

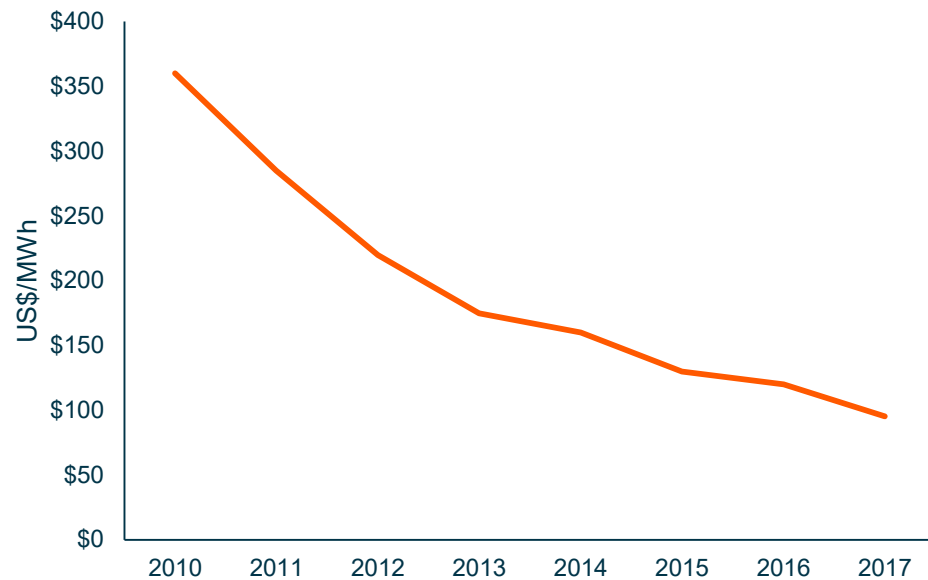


Cost is driving the transition to renewables

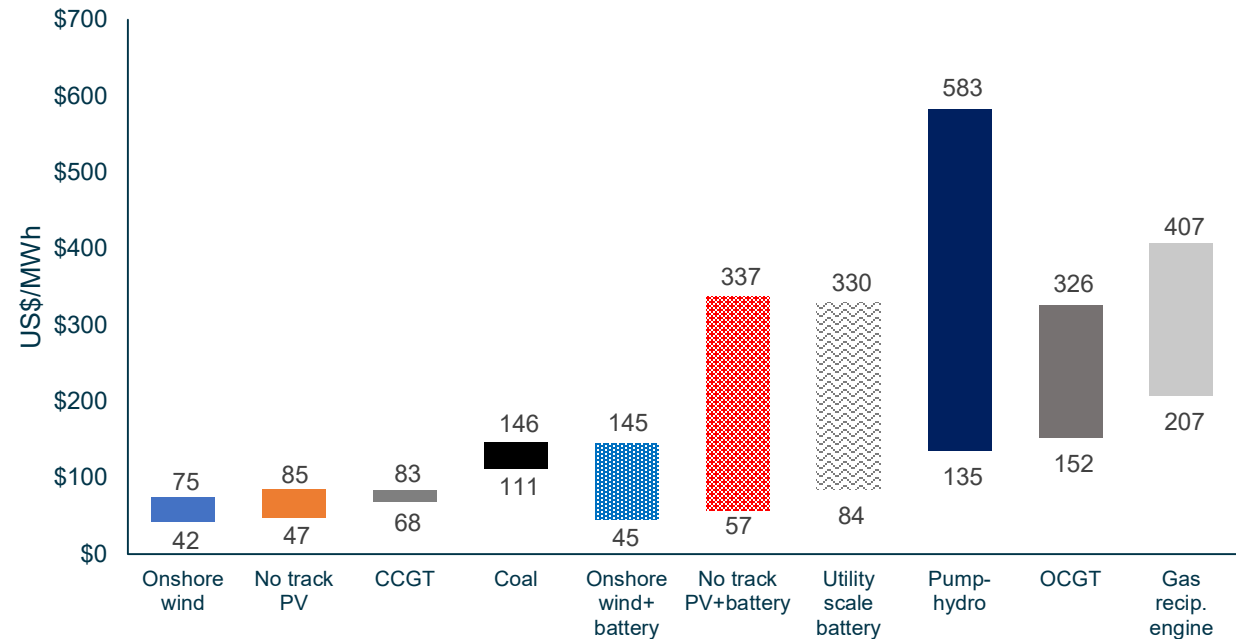


Renewable technology is becoming the most cost effective source of electricity

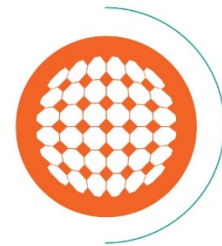
Global weighted levelized cost of solar PV¹ US\$/MWh



Levelised cost of electricity 1H 2018 Australia² US\$/MWh



Notes: 1. IRENA Renewable Power Generation Costs in 2017.
2. Bloomberg New Energy Finance, 1H 2018 LCOE Update – Global.



1 Manildra Solar Power Plant acquisition

Foundation Australian asset consistent with existing portfolio and expected to provide accretive cash yield



Manildra Solar Power Plant acquisition



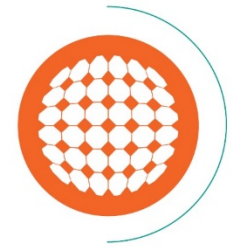
A high quality asset that complements the existing portfolio

- Binding agreement with First Solar (NASDAQ:FSLR) to acquire the 55.9MW_{DC} / 46.7MW_{AC} solar power plant
 - Located in Central West NSW, Australia and within one of the NSW Government's three priority renewable energy zones
 - Manildra commenced exporting electricity into the National Electricity Market in April 2018
- Based on an enterprise value of A\$113 million¹:
 - Target unlevered 5-year average gross yield of 7.6% for Manildra vs. 6.6%² expected yield for the current US operating portfolio in 2018
 - Project yield expected to grow over the term of the Power Purchase Agreement (PPA) in line with underlying price escalation in the PPA
- 10 year PPA with EnergyAustralia (EA), one of Australia's largest vertically integrated electricity retailers with over 1.7 million customers:
 - Long-term offtake contract (electricity and LGCs) → mitigates exposure to volatile spot prices
 - NEW and EA will both hold an option to unilaterally extend the PPA to December 2030 at pre-agreed prices

Notes: 1. Exclusive of expected transaction costs and stamp duty.

2. Projected yields of existing operational US assets for 2018, based on expected P50 generation and are before transaction costs, interest, taxes and fees.

Manildra, the foundation for growth in Australia



Strong solar resource underpinned by long-term offtake contract with one of Australia's largest energy retailers

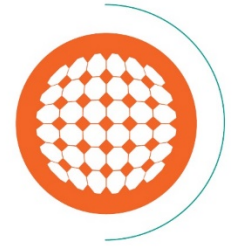


TECHNICAL INFORMATION

Location	Manildra, New South Wales, Australia
Capacity	55.9MW _{DC} / 46.7MW _{AC}
Asset Description	Located on a 120 Ha leased site approximately 1.5km north east of the Manildra town centre
EPC Contractor	RCR O'Donnell Griffin (ASX:RCR) ¹
PPA Offtaker	EnergyAustralia (EA)
PPA Term	10 years with options to extend to December 2030 ²
Estimated AC Capacity Factor	28.6%
PV Panels	First Solar Series 4
Inverters	SMA
Trackers	NEXTracker

Notes: 1. RCR O'Donnell Griffin is a subsidiary of RCR Tomlinson Limited (ASX:RCR).
2. Both NEW and Energy Australia will each hold unilateral PPA extension options that would extend the PPA term to December 2030.

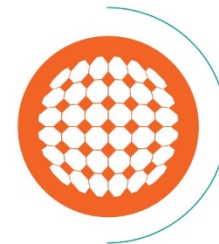
Manildra, a compelling investment in a new market



Investment highlights and strategic rationale

- ✓ **Revenue stability:** Long-term PPA, avoiding wholesale market volatility
- ✓ **Escalating revenue:** 10-year escalating PPA, with option to extend to 2030¹
- ✓ **High quality offtaker:** EnergyAustralia is the 3rd largest electricity retailer in Australia
- ✓ **Building on strategic partnership:** NEW will have acquired assets developed and/or operated by First Solar in both Australia and the US
- ✓ **Operational:** Manildra will be operational upon acquisition and immediately cash flow producing
- ✓ **Yield accretion:** Initial unlevered cash yield represents a 1 percent premium to existing operating assets
- ✓ **Portfolio diversification:** Manildra represents NEW's first Australian asset, further diversifying the portfolio
- ✓ **High quality equipment:** Manildra has been designed to maximise operational life², using Tier 1 solar modules as well as high quality inverters and trackers

Notes: 1. Both NEW and EnergyAustralia will have unilateral options to extend the PPA to December 2030.
2. Under an appropriate maintenance program it is expected that Manildra will have an economic life of 35+ years.



2 Portfolio impacts

Acquisition will consolidate NEW's position as a leading pure play investor in solar infrastructure globally

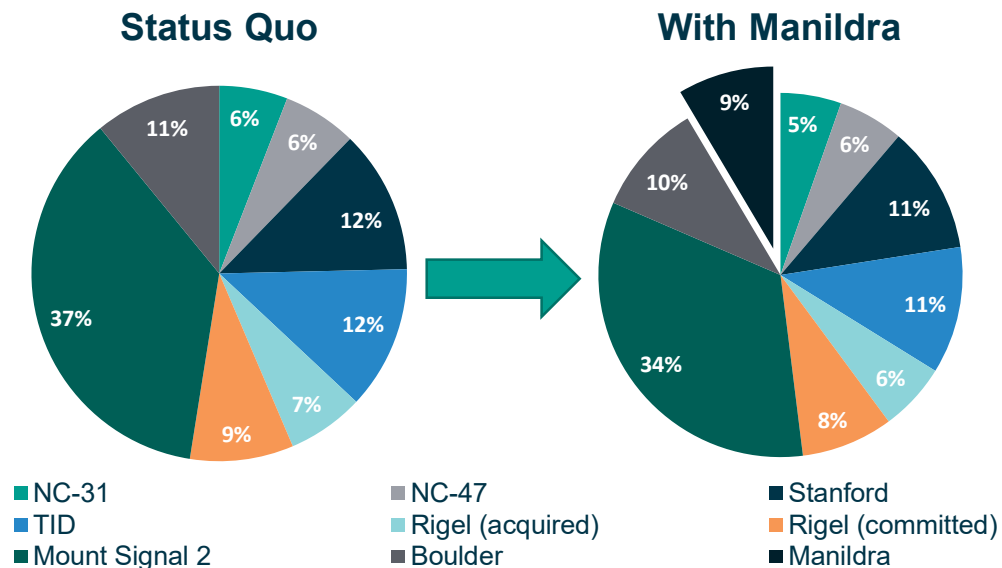




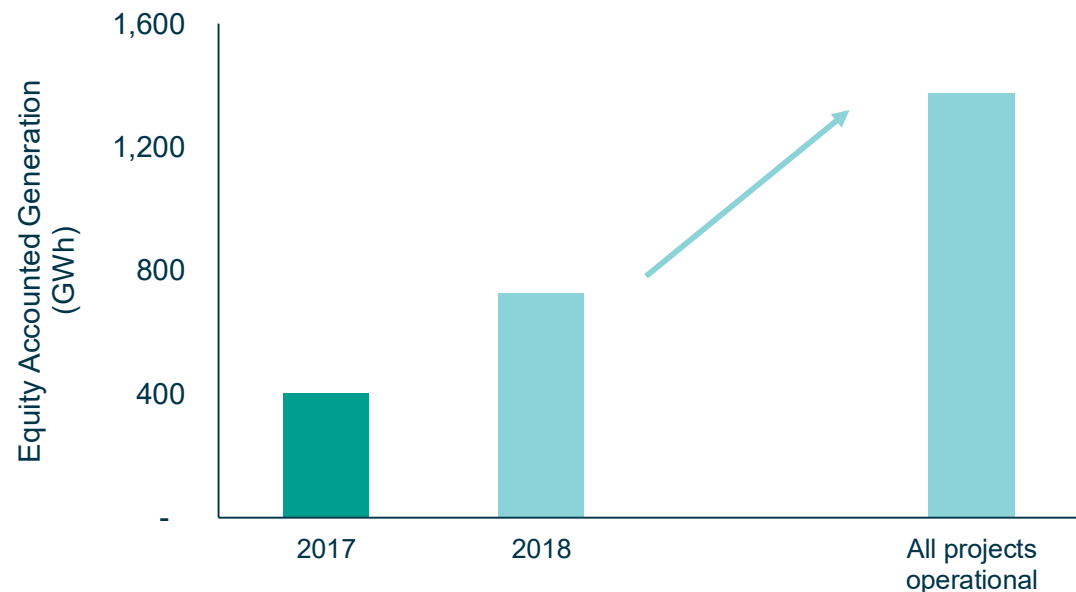
Portfolio impact

Manildra acquisition will take NEW's portfolio to over 730MW of capacity¹, supporting strong growth in contracted generation and underlying cash earnings

Portfolio Diversification by expected annual generation¹



Rapid Scaling of Operations²



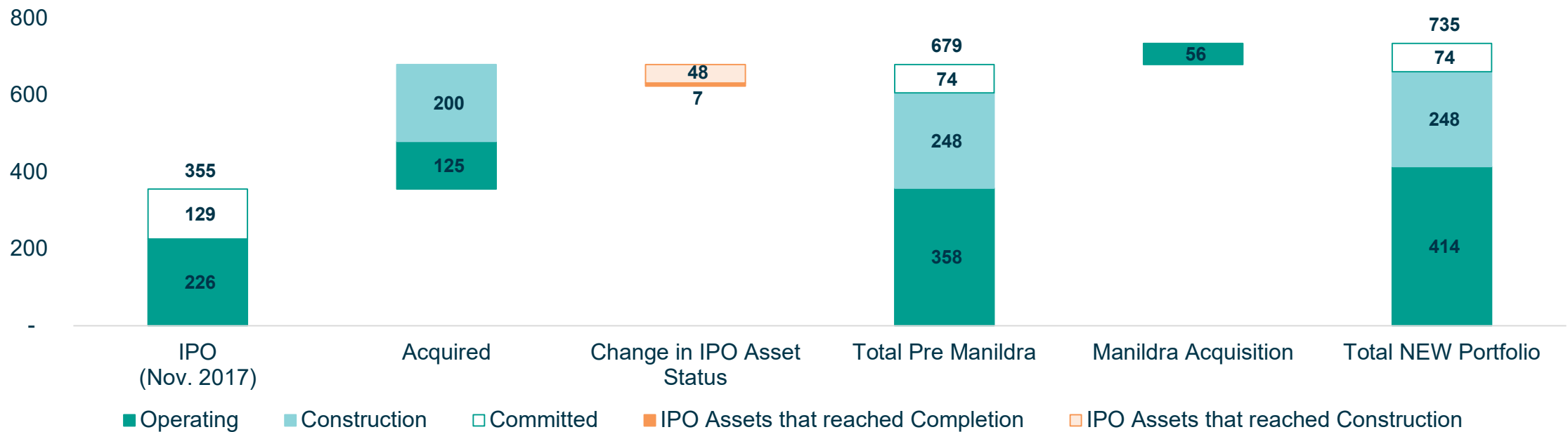
Note: 1. Figure includes assets which are operating, under construction or that NEW has committed to acquire.
 2. Generation is illustrative based on NEW's effective equity interest in each asset, P50 forecasts and all projects commissioned as expected.

Growth of portfolio since IPO

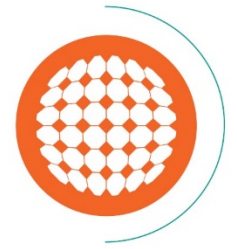


Operating portfolio is scaling rapidly as committed assets transition to completion

Growth in NEW Portfolio (MW_{DC})



Capital structure and financing



Following the Manildra acquisition, portfolio look through gearing will move towards 50%, utilising long-term, fixed-rate debt

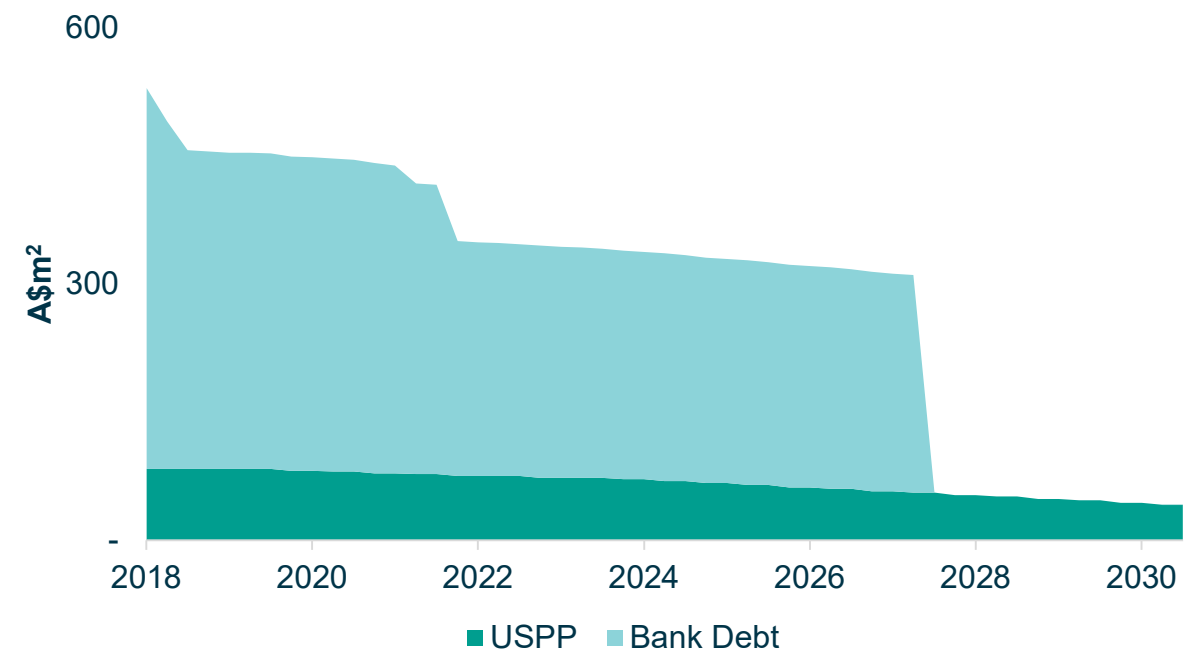
Manildra acquisition funding

- A\$75.7m existing project level debt
- Equity funded with cash and corporate facilities

Long-term debt portfolio with predictable payments

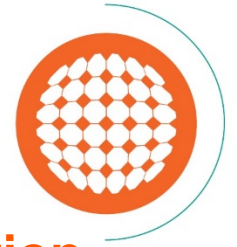
- US\$62.5m US Private Placement in October 2017
- US\$331m equivalent bank debt raised against projects in FY 2018^{2,3}
- >95% of debt service costs are fixed or hedged through to end of 2030

Projected External Debt Portfolio Maturity Profile¹



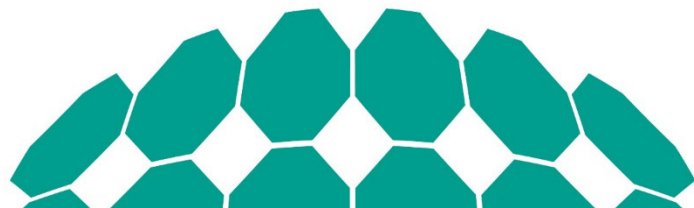
Notes: 1. The chart is a projection only assuming no refinances. Actual debt balances will be dependent on exchange rates, future acquisitions and operating cash flows.
2. An assumed 1 AUD : 0.75 USD exchange rate has been used when converting debt balances and repayments.
3. Combination of existing US bank debt, project debt on Manildra and drawdown of bank debt to fund the acquisition of NEW's equity interest in Manildra.

Conclusion



NEW is now one of the largest listed global investors in large scale solar generation

- NEW is the largest solar investment vehicle listed on the ASX
- Significant presence in the US and high quality foundation Australian asset
- NEW is well-positioned to capitalise on the improving market dynamics in Australia
- Once all portfolio assets are operating, NEW will have:
 - 20 assets across 4 US states generating over 1,250 GWh p.a.
 - Manildra asset in NSW, forecast to generate 118 GWh p.a.
- Significant opportunities to grow and diversify its portfolio:
 - Risk adjusted returns in the US remain appealing whilst Australian conditions continue to improve
 - Ability to leverage US relationships to secure attractive Australian deals
- 2018 stapled security distribution expected to be 7.75cps, representing year-on-year growth of 7.6%
 - Acquisition of Manildra is expected to be accretive to cash yield
 - Gearing moving towards targeted 50% level, utilising long-term, fixed-rate debt





Appendix

Investor benefits and full portfolio



Investor benefits from the NEW portfolio



Attractive risk adjusted returns and positive social impact

- Expected distribution growth of 7.6% from 2017 to 2018
- Expected gross investor distribution yield of 5.3% in 2018¹
- Assisted more than 4,700 investors offset their carbon emissions in 2017

Exposure to the transformation to renewable energy

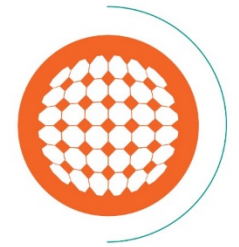
- Solar generation capacity forecast to increase from 5% to 32% of global electricity generation capacity by 2040²
- NEW is the largest ASX listed investor in solar projects with a total portfolio of over 730MW_{DC} of generation capacity across the US and Australia³

Operational portfolio and contracted cash flows to creditworthy counterparties

- All projects benefit from long-term offtake contracts with creditworthy counterparties
- The addition of Manildra means the portfolio will contain seven high quality solar plants already operating and selling emissions free power
- Eight projects under construction with six more committed but construction has not yet commenced

Notes: 1. Expected 2018 calendar year yield based on an investment on 1 January 2018 at the security price of A\$1.46.
2. Source: Bloomberg New Energy Finance, New Energy Outlook 2017.
3. Figure includes assets which are operating, under construction or that NEW has committed to acquire.

Investor benefits from the NEW portfolio (cont.)



In 2017, average NEW investor held ~60,000 securities and received:

- A cash distribution of approximately A\$4,300
- An environmental dividend in the form of a 70 tonne reduction in CO₂ output, which is enough to:
 - Fill 15 Olympic swimming pools¹
 - Offset the annual carbon footprint of three people
- Both cash distributions and environmental dividends are expected to grow over time

In 2018, an investor can offset their carbon footprint:

VALUE INVESTED ²	CO ₂ REDUCTION (TONNES) ²	CARBON FOOTPRINT OFFSET (NUMBER OF PEOPLE)
A\$28,000	22.5	1
A\$56,000	45	2
A\$112,000	90	4
A\$224,000	180	8

Notes: 1. Calculated based on 1 tonne of CO₂ having a volume of 556.2m³ at room temperature. 2. Based on estimated CO₂ displaced over the 2018 calendar year, NEW security price of A\$1.46 and 326,297,684 securities outstanding as at 1 January 2018. Average CO₂ emissions per capita in Australia calculated as 22.5t pa over 2016-17 by the Department of the Environment and Energy. This will also depend on assets acquired and capital raised or deployed during the period.



New Energy Solar – operating assets



	ASSET	EQUITY OWNERSHIP %	CAPACITY	LOCATION	ACTUAL/EST. COD	PPA OFFTAKER	PPA TERM (FROM COD)	O&M PROVIDER	PANEL MANUFACTURER
Operational	Stanford SGS	99.9%	67.4MW _{DC}	Rosamond, California	December 2016	Stanford University	25 Years	SunPower Corporation, Systems	SunPower
	TID SGS	99.9%	67.4MW _{DC}	Rosamond, California	December 2016	Turlock Irrigation District	20 Years	SunPower Corporation, Systems	SunPower
	NC-31	100.0% ¹	43.2MW _{DC}	Bladenboro, North Carolina	March 2017	Duke Energy Progress	10 Years	Miller Bros. Solar	Canadian Solar
	NC-47	100.0% ¹	47.6MW _{DC}	Maxton, North Carolina	May 2017	Duke Energy Progress	10 Years	DEPCOM Power, Inc	Canadian Solar
	Boulder Solar I	49.0%	124.9MW _{DC}	Boulder City, Nevada	December 2016	NV Energy	20 Years	SunPower Corporation, Systems	SunPower
	Hanover	99.0% ²	7.5MW _{DC}	Onslow, North Carolina	June 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Manildra	100.0% ¹	55.9MW _{DC}	Manildra, New South Wales	June 2018	EnergyAustralia	10+ Years ³	First Solar	First Solar

Notes: 1. Equity ownership % once acquisition has been completed. For NC-31 and NC-47, NEW currently holds 85.55% and 90% interests respectively.
 2. NEW has acquired a 99% equity interest, with the remaining 1% equity interest in each project to be acquired once the final project is completed.
 3. Both NEW and EA will have unilateral options to extend the PPA to December 2030.

New Energy Solar – construction assets



	ASSET	EQUITY OWNERSHIP %	CAPACITY	LOCATION	ACTUAL/EST. COD	PPA OFFTAKER	PPA TERM (FROM COD)	O&M PROVIDER	PANEL MANUFACTURER
Under Construction	Arthur	99.0% ¹	7.5MW _{DC}	Columbus, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	Solar Frontier
	Church Road	99.0% ¹	5.2MW _{DC}	Johnston, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	REC Solar
	Heedeh	99.0% ¹	5.4MW _{DC}	Columbus, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Organ Church	99.0% ¹	7.5MW _{DC}	Rowan, North Carolina	H2 2018	Duke Energy Carolinas	15 Years	CCR O&M	Solar Frontier
	County Home	99.0% ¹	7.2MW _{DC}	Richmond, North Carolina	H2 2018	Duke Energy Progress	15 Years	CCR O&M	Golden Concord
	Bonanza	99.0% ¹	6.8MW _{DC}	Klamath, Oregon	H2 2018	PacifiCorp	~13 Years	CCR O&M	Golden Concord
	Pendleton	99.0% ¹	8.4MW _{DC}	Umatilla County, Oregon	H2 2018	PacifiCorp	~13 Years	CCR O&M	Golden Concord
	Mount Signal 2	100.0%	199.6MW _{DC}	Imperial Valley, California	H2 2019	Southern California Edison	20 Years	First Solar Electric (California), Inc.	First Solar

Note: 1. NEW has acquired a 99% equity interest, with the remaining 1% equity interest in each project to be acquired once the final project is completed.

