Generating a more sustainable future

Annual Report

for the year ended 31 March 2025

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 deliver 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 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.

Fully compliant with the principles and recommendations of the AIC Code.

GUERNSEY GREEN FUND

GREEN ECONOMY MARK
LONDON STOCK EXCHANGE

MAIN MARKET
LONDON STOCK EXCHANGE

Performance Highlights

Financial Highlights[1]

NAV per ordinary share as at 31 March 2025
95.1p
(31 March 2024: 104.7p)

Ordinary shareholders' NAV as at 31 March 2025
£547.4m
(31 March 2024: £618.6m)

Gross Asset Value as at 31 March 2025
£1,061m
(31 March 2024: £1,155m)

Financial debt gearing as at 31 March 2025[2]
30%
(31 March 2024: 29%)

Dividends per ordinary share for the year ended 31 March 2025
8.43p
(31 March 2024: 8.35p)

Cash dividend cover (pre-scrip dividends) for the year ended 31 March 2025
1.1x
(31 March 2024: 1.3x)

Total gearing as at 31 March 2025[3]
48%
(31 March 2024: 46%)

NAV total return per ordinary share for the year ended 31 March 2025
-1.1%
(31 March 2024: -1.1%)

Ordinary shareholder total return for the year ended 31 March 2025
6.5%
(31 March 2024: -23.8%)

Annualised total NAV return since IPO
6.3%
(31 March 2024: 7.1%)

Total capital raised from Capital Recycling Programme as at 31 March 2025
£72.5m
(31 March 2024: £15.2m)

Operational Highlights

Total capacity installed as at 31 March 2025[4]
937MW
(31 March 2024: 1,015MW)

Operating solar assets as at 31 March 2025[5]
100
(31 March 2024: 102)

Operating standalone energy storage assets as at 31 March 2025
1
(31 March 2024: 1)

Total electricity generation for the year ended 31 March 2025[4]
830GWh
(31 March 2024: 852GWh)

Generation against budget for the year ended 31 March 2025[6]
-5.3%
(31 March 2024: +0.3%)

Total capacity divested under Capital Recycling Programme as at 31 March 2025
145MW
(31 March 2024: 60MW)

ESG Highlights

Tonnes of CO_2e emissions avoided p.a.[7]
c.286,900
(31 March 2024: c.279,300)

Equivalent homes powered for one year[7]
c.265,400
(31 March 2024: c.301,000)

Click here to access the NESF Sustainability & ESG Report

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 Including share in private equity vehicle (NextPower III LP "NPIII") and co-investments (Agenor and Santarém). Inclusion of NESF's 6.21% share of NPIII on a look-through equivalent basis increases total capacity by 46MW (2024: 40MW) and increases generation by 51GWh (2024: 41GWh). Inclusion of NESF's 24.5% share of Agenor increases total capacity by 12MW (2024: 12MW) and increases generation by 14GWh (2024: nil GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases total capacity by 29MW (2024: 29MW).

5 Excluding the $50m investment into private equity vehicle (NPIII).

6 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.

7 For more information, please see pages 68-71.

Contents

Scan the QR code for more information about NESF

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 with the addition of complementary technologies such as energy storage

Managed by solar specialists:

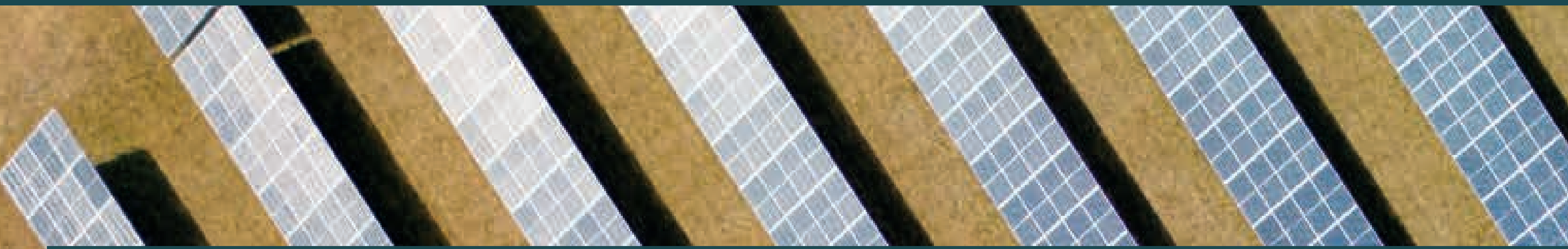
- NextEnergy Capital, Investment Adviser
- NextEnergy Capital IM, Investment Manager
- WiseEnergy, Asset Manager

Diversified portfolio:

- 98 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

Market-leading approach to integrating Sustainability and ESG, with a focus on delivering returns while decarbonising the power sector and protecting, enhancing, and restoring nature

Cumulative asset outperformance since IPO



How does NextEnergy Solar Fund deliver value to shareholders?

RELIABLE INVESTMENT WITH ATTRACTIVE GROWTH PROSPECTS

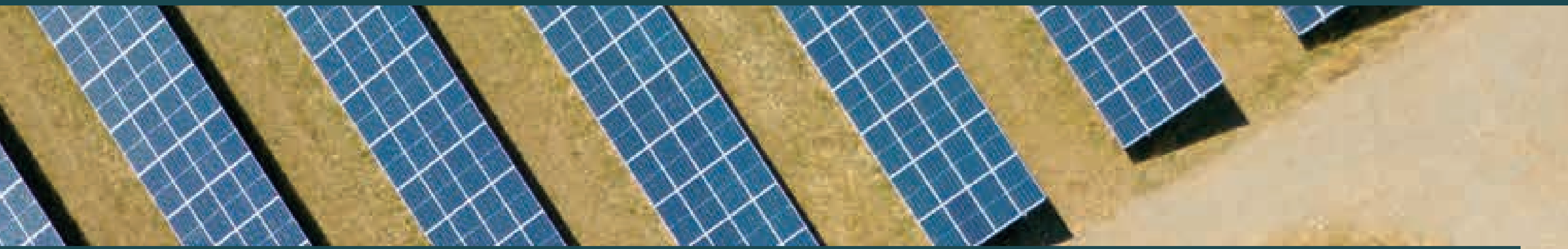
- Provides a regular attractive dividend for income seeking investors.
- Current share price discount to NAV provides an opportunity for future capital appreciation, alongside a high dividend yield of c.12% as at 31 March 2025, presenting an attractive entry point for new and existing investors.
- Offers a natural hedge against inflation with a high proportion of regulated revenues linked to RPI.
- Cashflows derived from a diverse portfolio of 937MW 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 is one of the cheapest forms of renewable energy generation to construct and operate.
- Solar PV is one of the quickest to construct amongst all renewable energy technologies.

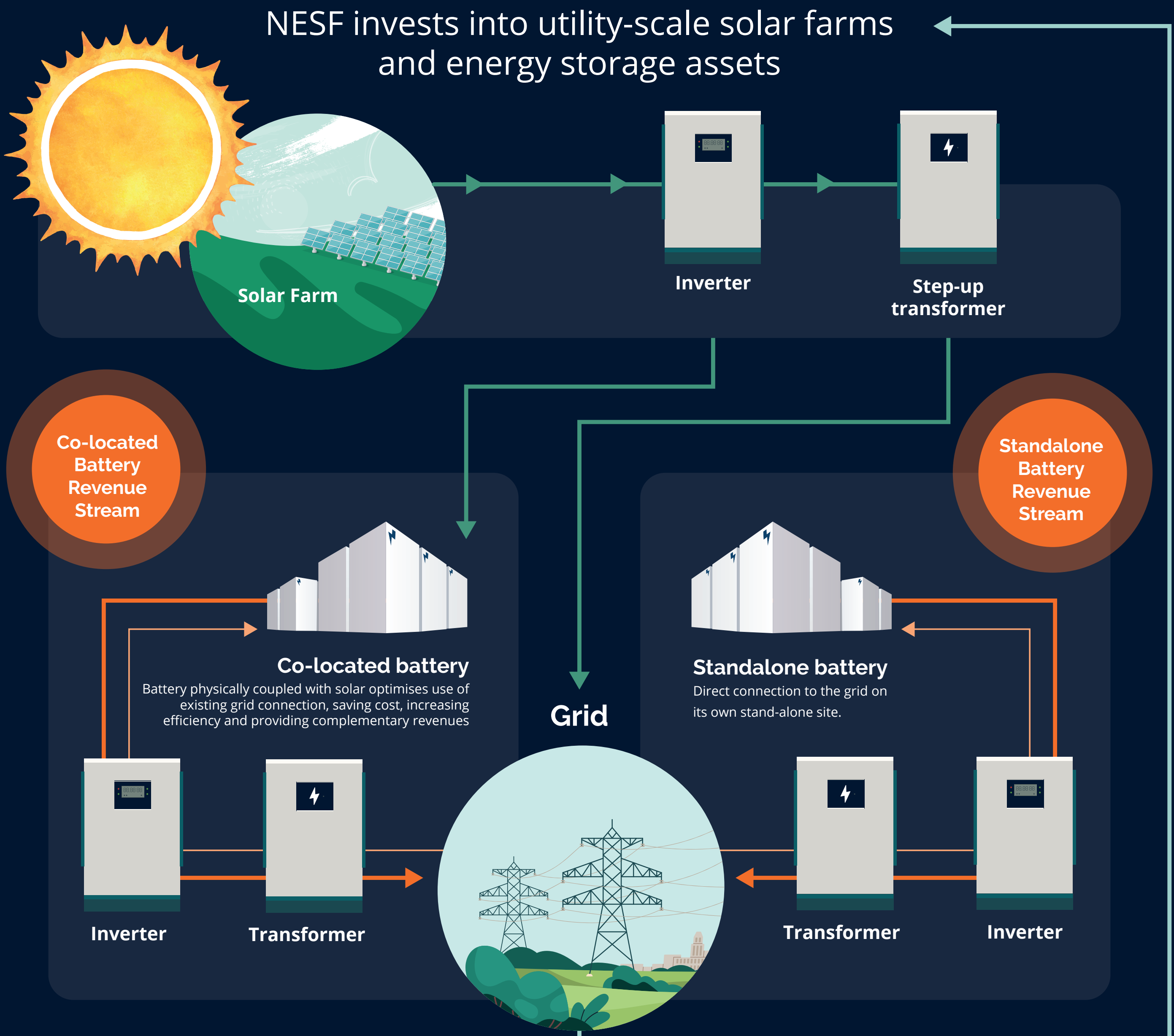
CLIMATE CHANGE SOLUTION

- 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 to the communities 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 (Great Britain) Limited.
- NextEnergy Capital Limited is one of the world's largest specialist solar investors, with c.$4.4bn funds under management worldwide.

How does NEXTENERGY SOLAR FUND make its revenue?

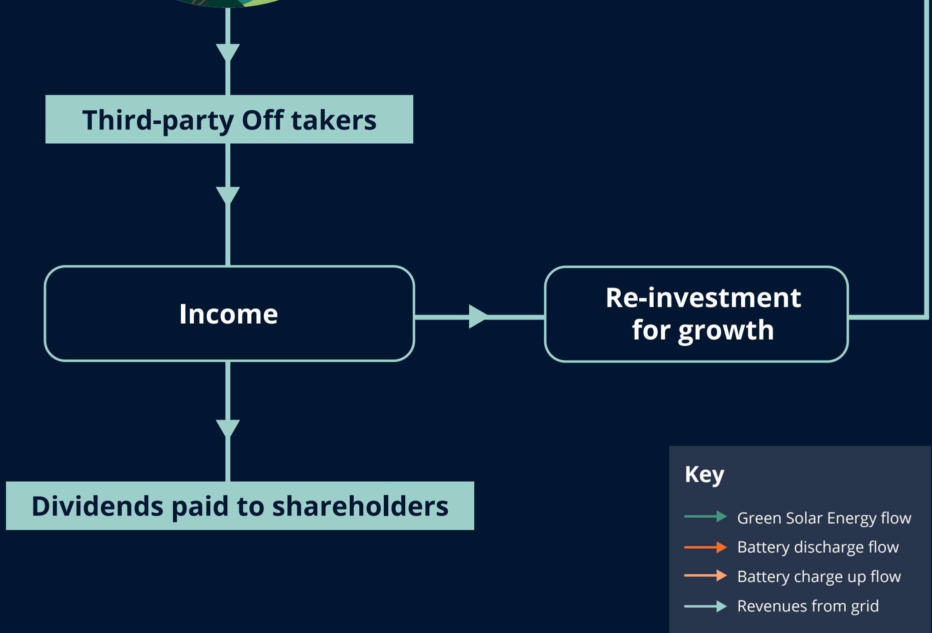


Solar Revenue Streams

- Government Subsidy
- Corporate PPAs[1]
- Ancillary Revenues (including REGOs)

Battery Revenue Streams[1]

- Ancillary services
- Energy Arbitrage
- Capacity Market



1 Definitions can be found in the glossary on page 157.

How NESF converted solar irradiance to shareholder value for the 12 months ended 31 March 2025:

Sale of assets:
£57.3m

Portfolio Gernation
830GWh

Distributions from NPIII and co-investments:
£5.4m

Repayment of long-term debt:
(£12.7m)

Profit on sale of assets

Capital recycled through sale of assets

Cash Generated

Cash Income for the year:
£73.2m

Costs throughout the year

Company OPEX:
(£7.3m)

Preference Share Dividend:
(£9.5m)

Net cash income

Net cash income available for distribution
£56.4m

Shareholder Value

Share Buyback

Bought back ordinary shares
£11.2m

Debt Repayments

Net repayment of short-term debt (RCF)
£20.7m

Distributions

Ordinary Share Dividends
£49.2m

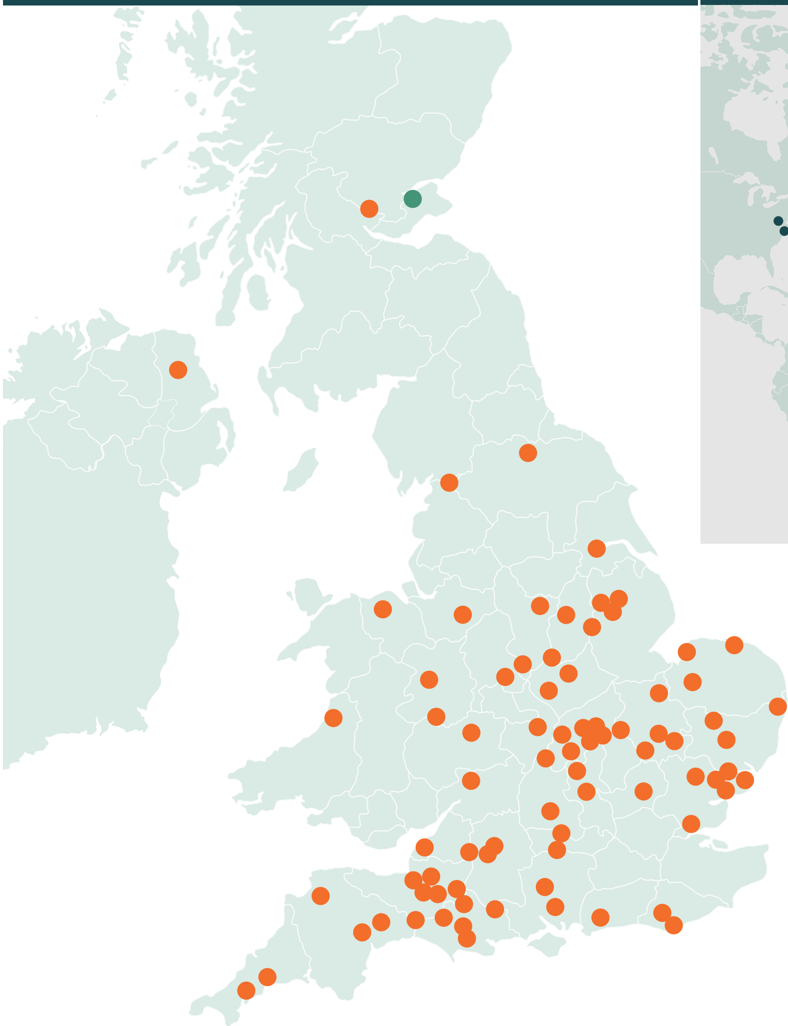
Dividend cover: 1.1x

Re-Investment for growth

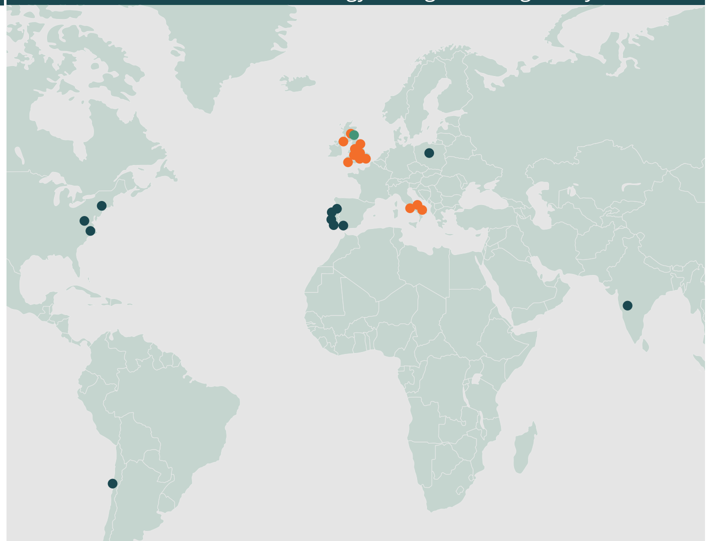
Asset Health, Construction & Development Pipeline

NESF's Asset Locations

UK - c. 830MW of solar PV & energy storage assets operational



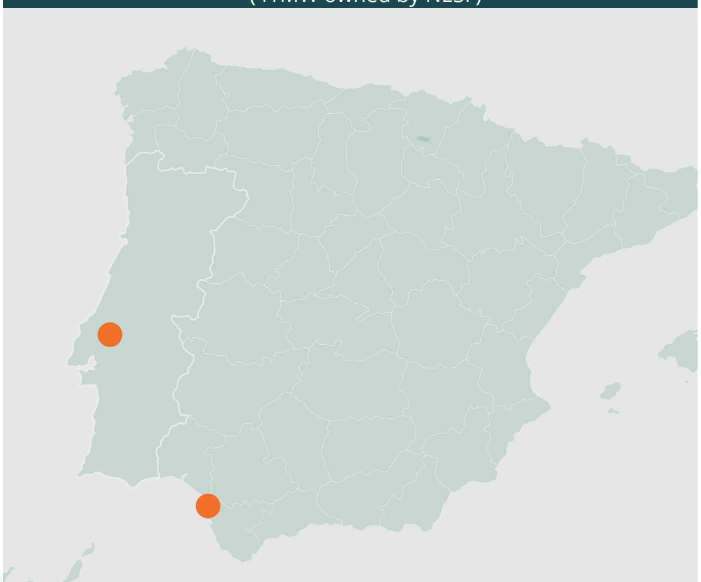
The World - including $50m investment into NPIII, which holds 161 solar PV and 6 energy storage assets globally



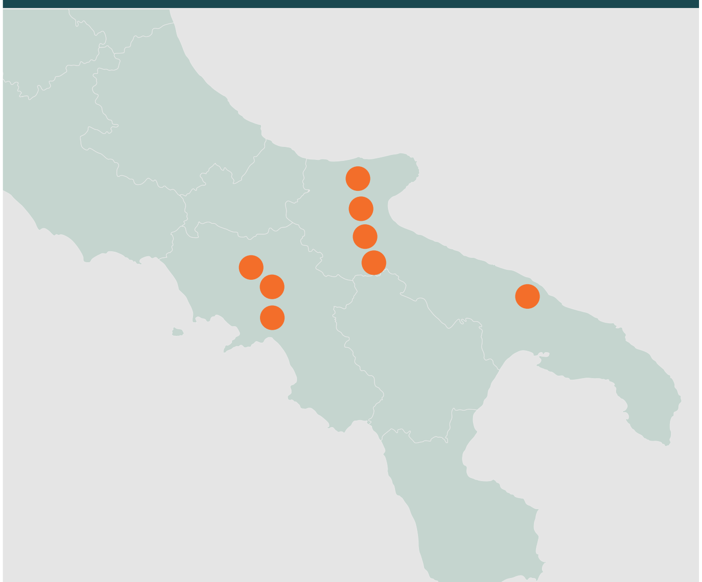
Assets locations

- **Operating Solar Assets (for more information see pages 64 and 65)**
- **Operating Energy Storage Assets**
- **Private Solar Infrastructure Fund**

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



Italy - c. 35MW of solar PV assets operational



Hill Farm
Oxfordshire
5.0MW
1.2ROC

Paul Le Page
Interim Chair

Chair's Statement

On behalf of the Board, I am pleased to present the eleventh Annual Report and Accounts for NextEnergy Solar Fund Limited (the "Company" or "NESF") for the financial year ended 31 March 2025.

A Challenging Year Supported By Steady Progress

This year has not been easy for NESF, our shareholders, and the wider investment company sector. We have seen continued pressure on our share price discount to Net Asset Value ("NAV") which averaged c.27% throughout the 12-month period but we are pleased to see the start of a recovery since the Company's discount hit an all-time high in January 2025.

The sustained discount has been driven by a perfect storm of multiple macroeconomic factors which are outside of the Company's immediate control; this has resulted in negative sentiment towards the entire alternative investment company sector.

Despite this backdrop, the Company's large portfolio of operating assets has continued to demonstrate resilience, adaptability, and strength under the stewardship of both the Board and the Company's Investment Adviser, NextEnergy Capital.

I understand that this has been a particularly frustrating time for our shareholders whom I would personally like to thank for their continued long-term support to the Company as demonstrated by the overwhelming vote 'Against' discontinuation at last year's AGM, and I would like to reassure that both the Board and the Investment Adviser remain committed to returning long-term value to NESF shareholders.

The Board and the Company's Investment Adviser continue to apply strategic rigour and a clearly defined assessment criteria to evaluate new growth opportunities for total shareholder return. Each opportunity is assessed on its merits, with a focus on shareholder value, strategic fit, and alignment with NESF's portfolio and long-term growth objectives. This includes engaging with the Board's independent external advisers, as appropriate, to ensure a robust, well-informed and value approach, which is applied to all potential strategic initiatives. Impacts to the Company's NAV, portfolio composition, investment limits, and gearing position are also considered in detail to maximise the returns delivered to Shareholders. If sufficient positive synergies and compelling value accretion are identified, the Board will agree to pursue further. Despite the current closure of capital markets, the Company maintains an acute focus on delivering long-term shareholder value and return through disciplined decision-making and a resilient strategic framework.

In May this year, Helen Mahy stepped down as director of the Company to pursue other interests. The Board and I would like to thank Helen for her hard work and contributions and wish her the very best with her future endeavours. Helen leaves NESF and the Board well positioned to take advantage of the opportunities that lie ahead.

The Board and I remain optimistic about the path ahead for the Company as we look forward to making tangible progress across the Company's long-term strategy over this new financial year.

Tailwinds Now Creating A Positive Route For Recovery

The macroeconomic environment over the financial year has continued to present challenges, with geopolitical events leading to global equity market uncertainty and volatility – to which the Company's share price has not been immune – inflation data softening slower than expected, and wider challenges faced by the entire investment company sector. The impact of these macroeconomic headwinds has been compounded by the continued outflows from strategies focused on UK equities.

However, we are starting to see positive tailwinds which should aid the narrowing of the Company's discount, and with further UK interest rate cuts expected, we are beginning to see gradual easing of inflationary pressures. We are also seeing a supportive backdrop for UK renewables, with the UK government aiming to be a clean energy superpower by 2030, tripling installed solar PV capacity from its current c.17GW to 50GW over the next five years.

Financial Performance Remains In-line With Expectations

As at 31 March 2025, NESF's reported Net Asset Value stood at £547.4m, equivalent to 95.1p per ordinary share (31 March 2024: £618.6m, 104.7p). The Company delivered a 1.1x cash-covered dividend of 8.43p per ordinary share during the period, offering one of the highest dividend yields in the FTSE 350.

While we encountered headwinds and on average below budget generation, driven in part by unusually low UK solar irradiance, the portfolio performed robustly, generating £73.2m of income throughout the financial year. For a breakdown of the utilisation of this income, please refer to p60 of the Annual Report.

Unlocking and Delivering Strategic Growth Opportunities Offer Long-Term Value to Shareholders

The Board remains committed to unlocking value and growth for the Company, and continues to explore a range of options that are beneficial for all shareholders. The future of solar as a major energy generator in the UK is full of exciting opportunities for the Company with the Government's Clean Power 2030 Action Plan ("CP30") providing positive drivers for the whole renewable sector. The Board and the Company's Investment Adviser are working to unlock this opportunity for the Company notwithstanding capital markets being closed.

NESF continues to operate a resilient and actively managed portfolio. Despite the wet weather and lower-than-expected irradiation observed in the period, NESF's technical performance remained robust. Energy generation for the period was 830GWh, with a generation performance of 5.3% below budget.

Solar remains a steady, stable technology with variance in generation and irradiation being limited in comparison to other renewable generation technologies. We have seen a strong end to Q4 of the financial year, with irradiation levels hitting record highs; March 2025 was the sunniest March observed over the last 100 years. We also welcome the sunny start to Q1 of the new financial year, driving generation and cashflow from our high yielding portfolio.

Over the year, we advanced our Capital Recycling Programme, executing the in-period sale of Whitecross and Staughton at healthy premiums.

While the Board and I are pleased with the attractive premiums achieved on these sales, it must be noted that they were delivered at a slower pace than anticipated, primarily due to the observed volatility in the renewable energy M&A market. With that said, the timing of these sales allowed the Company to realise the higher values these assets attract, supporting our disciplined capital reallocation strategy and marking the continuation of our commitment to enhancing NAV per ordinary share, in turn narrowing the discount to NAV.

We Remain Committed To Narrowing The Share Price Discount And Returning Value To Shareholders

The Company's ordinary shares continue to trade at a discount to NAV, averaging c.27% over the full year period, and mirroring broader sector trends. While NESF's suppressed share price offers one of the highest dividend yields in the FTSE 350 and an attractive entry point for investors, we remain focused on narrowing the discount and returning the Company's ordinary share price to a premium to NAV.

The Board and I retain the view that the current share price is not reflective of NESF's intrinsic value, strong cash flows, or long-term prospects. A challenging macroeconomic backdrop continues to add volatility to the sector but the NESF portfolio continues to perform exactly as it should.

We took and continue to take decisive action to address all factors within our control: executing on the Company's announced Capital Recycling Programme by delivering Phases II and III, launching a £20m Share Buyback Programme, monthly strategy meetings between the Board and the Investment Adviser to align on future growth, paid down NESF Group's debt, and restructured and consolidated our Revolving Credit Facility. NESF has also received continued recognition through multiple investor relations awards, reinforcing confidence in our current and future approach.

We Continue To Repay Debt, Buy Back Ordinary Shares, And Invest In The Long-Term Future Of NESF

The Company's capital allocation strategy balances shareholder returns with prudent balance sheet management.

As at 31 March 2025, NESF repurchased 15,125,342 ordinary shares at a cost of £11,180,034 and continues to assess buyback opportunities on a value-accretive basis.

The Company remains committed to paying down debt. Throughout the financial year the Company paid down NESF Group debt by gross £59.5m. The short-term revolving credit facilities ("RCFs" and each an "RCF") debt were paid down by gross £46.8m from the proceeds of the Capital Recycling Programme. NESF Group's long-term amortising debt was paid down by £12.7m from operational cashflows. The remaining outstanding long-term debt of £147.2m is on track to fully amortise in line with the remaining subsidy life of the portfolio's inflation-linked government subsidies.

Alongside this repayment we have restructured and consolidated the RCF, which continues to strengthen the Company's financial position and operational flexibility.

A Strong Track Record Providing Investors With Attractive Dividends

In May 2025, NESF declared a fourth interim dividend of 2.11p per ordinary share, payable on 30 June 2025 to shareholders on the register as at 23 May 2025. This brings the total dividends for the financial year to 8.43p per ordinary share (2024: 8.35p), maintaining the Company's 100% track record of delivering a cash-covered dividend against target.

Since IPO, NESF has delivered a total shareholder return of 42%, paid out a total dividend per ordinary share of 74.2p, rewarding our long-term shareholders and offering significant upside for recent and prospective shareholders to benefit from long-term, stable, cash-covered returns.

In May 2025, the Board approved its twelfth target dividend of 8.43p per ordinary share for the year ending 31 March 2026. The dividend target is forecast to be covered 1.1x - 1.3x by earnings post-debt amortisation, supported by a high degree of visibility of the Company's revenues. The Board believes that this maintained dividend target appropriately balances the interests of the Company's shareholders and other stakeholders with the Company's available uses of capital. The Company's dividend target currently offers an attractive c.12% dividend yield.

Alignment With Shareholders' Interests Remains A Key Priority

As part of our ongoing detailed dialogue around the future strategy of the Company, we remain committed to fee transparency and the importance of alignment between shareholders' interests and the Company's Investment Manager and the Investment Adviser. Discussions around the structure of management fees are ongoing and form an important part of the Company's broader strategic plans. A further announcement in connection with this can be expected in due course.

Overwhelming Support From NESF Shareholders Against Discontinuation

I would like to thank our shareholders for their overwhelming support at last year's AGM, where c.94% of shareholders that cast their votes voted 'Against' the discontinuation of the Company - the strongest such vote in the sector during the 2024 calendar year.

While this outcome demonstrates a clear vote of confidence in the Board, our Investment Adviser, and our long-term strategy for NESF, we acknowledge that the Company will undergo another discontinuation vote this year at our AGM, due to the Company's ordinary shares trading at an average discount of over 10% to the Company's NAV over the financial year (as per the Company's Articles).

The Board reiterates its complete confidence that the Company can continue to deliver on its objectives and especially that it can and will deliver significant shareholder value over the medium and long term given the steps we are taking. **Therefore, we are once again unanimous in**

recommending that shareholders vote 'Against' the resolution to discontinue.

The Company's Annual General Meeting will be held in August 2025. Further details will be announced shortly in the Notice of AGM.

NESF Provides Best-In-Class Access To Sustainable Investing Without Sacrificing Attractive Returns

ESG and Sustainability are at the centre of what NESF does as a clean energy generator. For the year ended 31 March 2025, NESF's portfolio contributed to the avoidance of c.286,900 tonnes of CO_2e emissions (31 March 2024: c.279,300). This is equivalent to powering c.265,400 homes for one year (31 March 2024: c.301,000).. Since IPO, the NESF portfolio has led to the avoidance of c.2.7 megatonnes of CO_2e emissions, greatly accelerating the UK's journey to CP30 and Net Zero 2050.

Over the financial year, NESF has accomplished multiple ESG achievements ranging from releasing a comprehensive Taskforce on Nature-related Financial Disclosures-aligned materiality assessment, publishing its fourth Annual Sustainability & ESG Report (which can be found here), and releasing the sector's first dedicated nature strategy, the NESF Approach to Nature (which can be found here). NESF achieved these whilst continuing its strict alignment with International Sustainability Standards Board standards and reporting on its Article 9 EU Sustainable Finance Disclosure Regulation ("SFDR") requirements.

Continued Strong Independent Corporate Governance

Sound corporate governance remains a cornerstone of NESF's identity. In line with our succession plan, we welcomed Caroline Chan to the Board, who brings corporate legal expertise and a wealth of experience in investment funds. The Board also thanked Patrick Firth for his service as Audit Committee Chair. Jo Peacegood succeeded Patrick Firth as Chair of the Audit Committee. Jo is an experienced Non-Executive Director, was previously an Audit Engagement Leader at PwC, and also chairs Guernsey International Business Association.

Post the period end, I was appointed as Interim Chair while the Company concludes a formal process to confirm a permanent successor. With 12 years of solar industry sector experience alongside 10 years of chairing the Audit Committee for another listed solar fund, your Company remains in safe hands alongside the rest of the Board as we navigate through these markets towards the future.

To maintain the Board's high standards of governance, Josephine Bush, an experienced renewable energy consultant, has been appointed as Senior Independent Director of the Company. To ensure that Board and Chair succession and remuneration reviews are conducted independently of the Chair of the Board, the Company's Remuneration Committee and Nomination Committee have been combined into one Committee, to be known as the Remuneration & Nomination Committee, and is chaired by Caroline Chan, whilst I will chair the Market Disclosure Committee.

We remain committed to transparency, diversity, and ethical oversight as key enablers of long-term value.

Risk Management and Mitigation Remain Crucial for Success

Risk management is embedded throughout the business and 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 its Investment Policy that sets out the key components of its risk appetite.

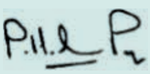
The Company's principal risks remain consistent with those outlined in the 2024 Annual Report (see page 74).

We Remain Confident In The Future Of NESF

The UK listed Renewables Sector has reached a half-way point in the transition from subsidised generation to unsubsidised generation. This transition will require Investment Companies such as NESF to consider new business models, funding and distribution strategies to maximise shareholder returns. Your Board is working with the Investment Adviser to ensure no stone is left unturned in our desire for both recovery and growth, and will ensure that shareholders are consulted on any future strategic proposals as soon as we are able to do so.

The solar sector is witnessing multiple favourable trends, with solar generating 11% of the EU's electricity in 2024, outperforming coal for the first time. The UK Government's ambition to triple solar capacity by 2030 provides a powerful tailwind for our strategy. Combined with our high-yielding, well-managed portfolio and active engagement with investors, NESF is well-positioned to deliver income, value, and positive environmental impact for years to come.

I would like to thank shareholders for your continued support and trust. I look forward to engaging with many of you over the next few months and continuing to build a bright and sustainable future for NESF.



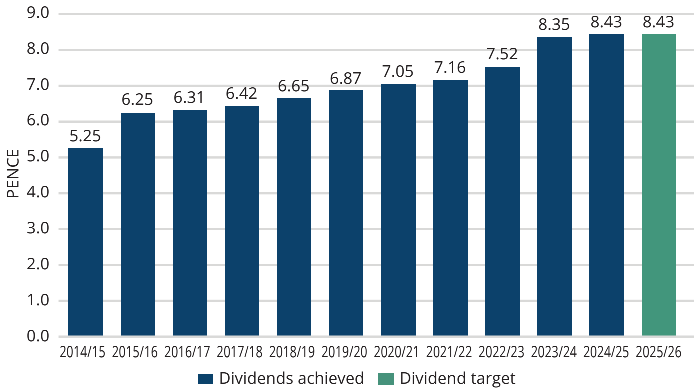
Paul Le Page
Interim Chair

13 June 2025

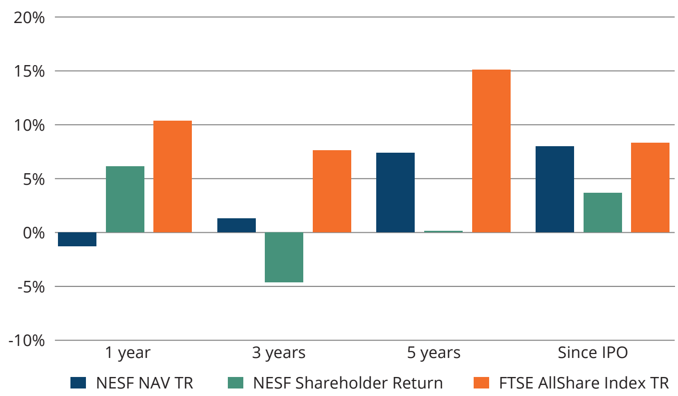
Financial Performance since IPO

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 £395m 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.

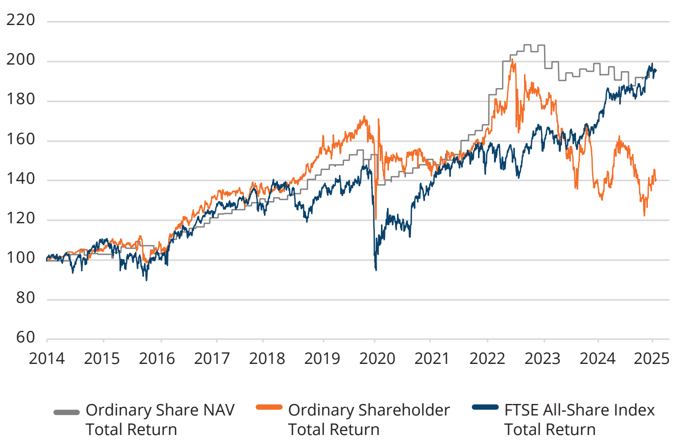
Dividends per share



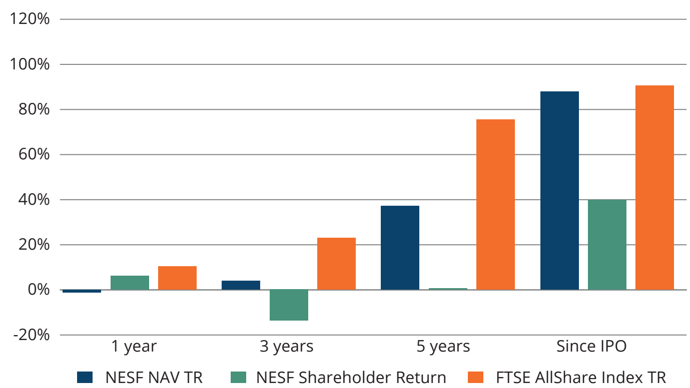
Compound annual return (NESF NAV TR, NESF Shareholder return, FTSE TR)[1, 2]



NESF total return vs FTSE all-share index total return[1, 2]



Cumulative performance (NESF NAV TR, NESF Shareholder return, FTSE TR)[1, 2]

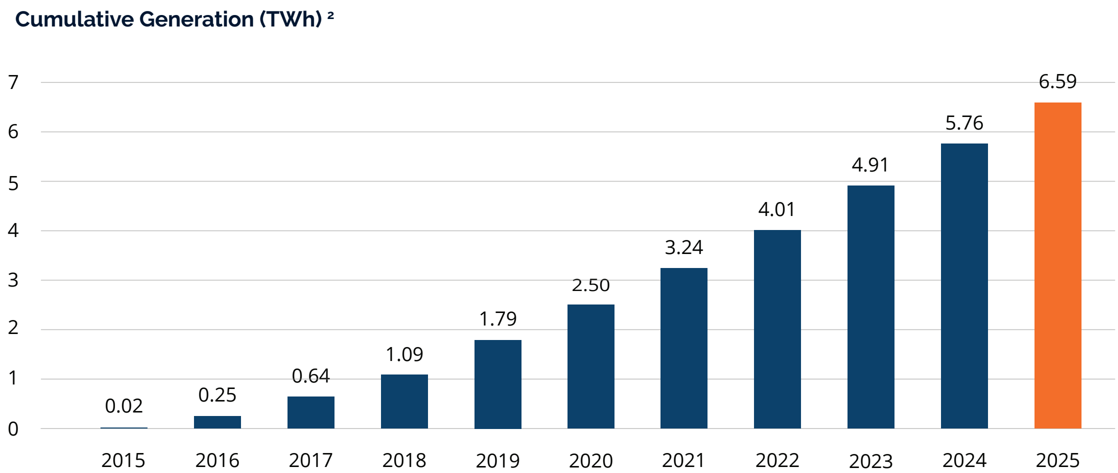


1 To ensure like-for-like comparisons, all the total returns in the charts assume dividends have been reinvested | Source: Morningstar
2 Data as at 31 March 2025

Technical Performance since IPO

Since its inception in 2014, NESF has generated c.6.6TWh of clean electricity which is equivalent to c.2.7 megatonnes of CO_2e emissions avoided since IPO. NESF has successfully grown its portfolio to 101[1] operational assets with an installed net capacity of 937MW.

Total Cumulative Generation since IPO[2]



1 Excluding the $50m commitment into private equity vehicle NPIII.
2 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 51GWh (2024: 41GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 14GWh (2024: nil GWh).

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 share issues

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 share issues

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**

Sells first development subsidy-free assets (115MW)

COVID-19 Pandemic led 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

150MW subsidy-free target reached

COP26 in Glasgow

2022

£200m JV with EelPower

250MW standalone battery

ESG Committee established

First standalone Sustainability & ESG report published

Article 9 status

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

Phase 1 of CRP complete

Energy storage strategy details released

UK produced 1 trillion kWh of electricity from renewables

2024

1,015MW total installed capacity

Camilla (BESS) energised

Phase 2 & 3 of CRP complete

NESF co-investments into NPIII 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

2025

Consolidation of the Company's two previously existing RCFs into **one RCF, leading to a reduced margin**

Dividend target of **8.43p per Ordinary Share** for the year ending 31 March 2026

Trump's worldwide tariffs lead to global market volatility and instability

Our Business Model

Structure

The Company is regulated by the Guernsey Financial Services Commission as a registered closed-ended investment company with an indefinite life.

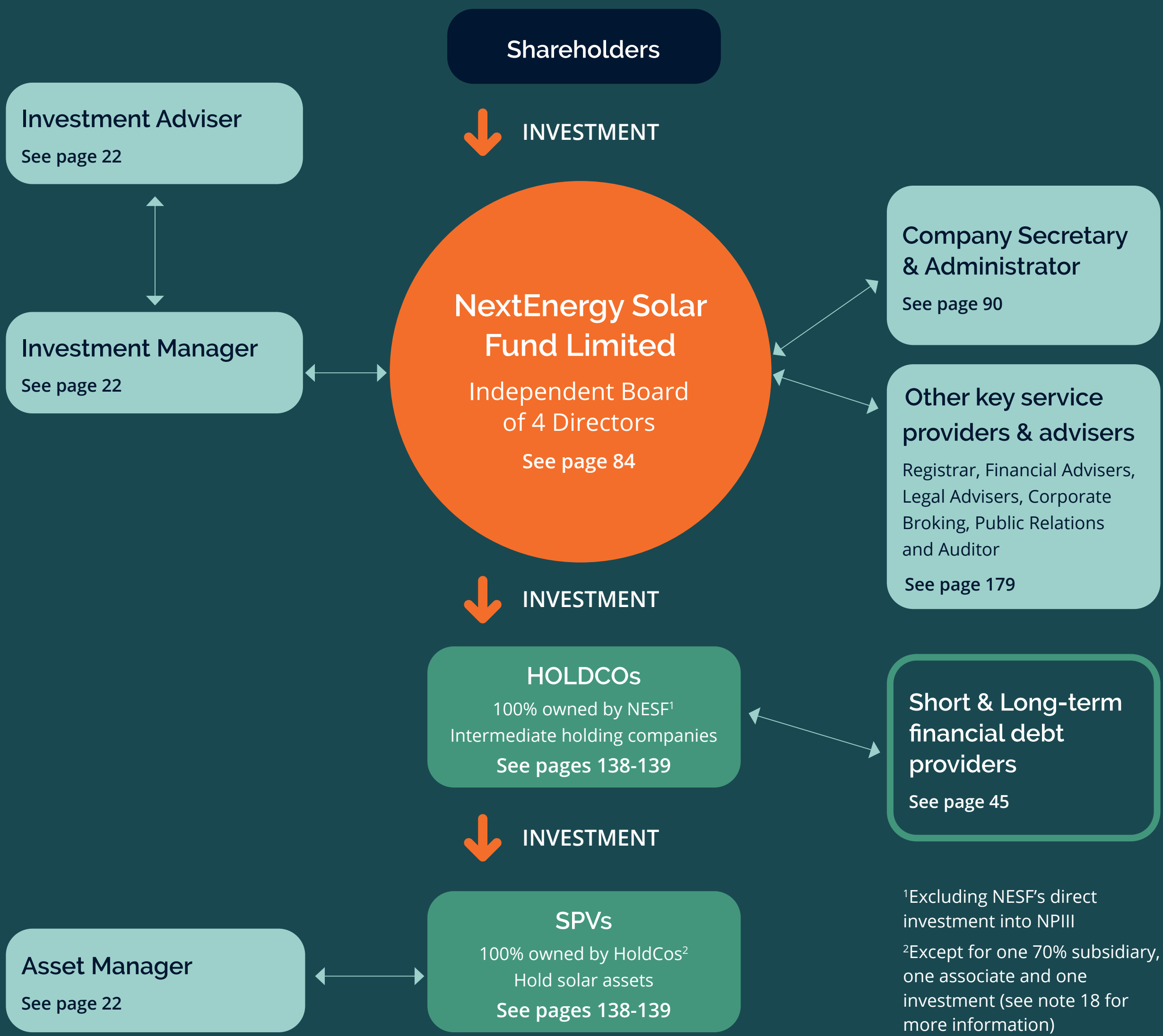
The Company's capital structure comprises ordinary shares and preference shares. The ordinary shares are listed and traded on the London Stock Exchange's Main Market in the FTSE 250 sector. The preference shares provide a fixed return of 4.75% and are not listed or traded on any public market. The rights attaching to each class of shares are summarised in note 13 to the Financial Statements on page 133.

The Company makes its investments through holding companies ("HoldCos") which, in turn, hold underlying special purpose vehicles ("SPVs"). The Company also has a single direct investment in NPIII which consists of a portfolio of international solar assets, and two co-investments in Agenor (50MW solar asset in Spain) and Santarém (250MW solar asset in Portugal). The NESF Group comprises the Company, the HoldCos and the SPVs. As explained in note 2(d) to the Financial Statements, as the Company is an investment entity as described by International Financial Reporting Standards ("IFRS") 10, the Company does not prepare consolidated Financial Statements and, instead, holds its investments at fair value.

The Company has the ability to use short- and long-term debt in the Company, HoldCos and SPVs. Debt at the HoldCos and SPV levels are non-recourse.

Operating Model

The Company's business model follows that of an externally managed investment company. Therefore, the Company does not have any employees and it outsources its activities to third-party service providers, including the Investment Manager, the Investment Adviser, the Asset Manager and the Administrator, which are the principal service providers. The Investment Manager outsources specific services to the Investment Adviser. These services include active portfolio management and disciplined capital allocation for the Company, in addition to management, due diligence and advisory activities. The Asset Manager provides technical, financial and administrative services to the Company's SPVs.



[1]Excluding NESF's direct investment into NPIII

[2]Except for one 70% subsidiary, one associate and one investment (see note 18 for more information)

Management of the Company

The independent Board is responsible to shareholders for the overall management of the Company, including strategy and strategic aims, corporate governance, risk management and financial reporting.

The Company has outsourced the management of its day-to-day activities to the Investment Manager and the Administrator, which operate within clearly defined terms of agreements that set out their roles, responsibilities and authorities. The Investment Manager, operating under guidelines determined by the Board, has direct responsibility for certain decisions relating to the day-to-day running of the Company and is accountable to the Board for the investment and operating performance of the Company. The Administrator provides the Company with company secretarial, fund accounting and administration services.

Further information on the division of responsibilities for the management of the Company can be found in the Corporate Governance Statement.

Administration of the Company

The Board has delegated administration, fund accounting and company secretarial services to the Administrator. Ocorian Administration (Guernsey) Limited is part of the Ocorian Group, which was established in Jersey in 1971 as Bedell Trust and is a global financial services provider. It operates in 20 key locations globally and has 4,000+ employees.

Further details on the Administrator's responsibilities can be found in the Corporate Governance Report.

Investment Adviser's Investment Committee

The Investment Adviser to NESF has a dedicated Investment Committee with over 75 years of combined industry experience. This Investment Committee at NextEnergy Capital is a crucial governance function within the NESF structure that is responsible for assessing all matters related to NESF's investment activities. Once reviewed by the Investment Committee, recommendations are made to the Investment Manager and NESF's Board of Directors for their consideration and approval.

The Investment Adviser's Investment Committee comprises Michael Bonte-Friedheim, Giulia Guidi, Ross Grier, Stephen Rosser and Andrew Newington.

Dividend Policy and Dividend Target for Financial Year Ending 31 March 2026

The Company's principal purpose is to provide ordinary shareholders with attractive risk-adjusted returns, principally in the form of dividends with a progressive annual dividend policy in place. In respect of each financial year, the Company pays quarterly interim dividends, with dividends declared in August, November, February and May and paid in or around September, December, March and June respectively.

The target dividend for the financial year ending 31 March 2026 is 8.43 pence per ordinary share.

Michael Bonte-Friedheim

Founding Partner and CEO of the NextEnergy Group

Michael has over 25 years' specialist experience in the power and energy sector.

Giulia Guidi

Head of ESG of the NextEnergy Group

Giulia has over 25 years' experience in ESG and risk management in the financial sector.

Ross Grier

Chief Investment Officer

Ross has deployed over £1.5bn of capital into UK solar and energy storage over the last 11 years, including c.1GW of transactions for NESF.

Stephen Rosser

Investment Director to NESF

Stephen oversees all NESF activity. He has over 20 years' experience in clean technologies and renewable generation.

Andrew Newington

Strategic Advisor and Chair of the Investment Committee

Andrew has over 10 years' experience in renewable energy investment and business.

The collective experience of the NextEnergy Group of investing in and managing renewables assets enables NESF to implement efficiencies at both the investment and operating asset levels. The technical and operating performance of the Company's portfolio against budget underlines the benefits of this comprehensive strategic relationship.

Investment Manager

Management Agreement with the Company see note 1 in the Financial Statements on page 125

NEXTENERGY CAPITAL

- Acting as the Company's Alternative Investment Fund Manager ("AIFM")
- Discretion to make investments in accordance with the Company's Investment Policy, subject to investment recommendations by the Investment Adviser
- Portfolio and risk management services as required by the EU's AIFM Directive
- Reporting to the Board on all operational, financial and technical issues and the valuation of the investments

Investment Adviser

Advisory Agreement with the Investment Manager

NEXTENERGY CAPITAL

- Provide investment and other advice and recommendations to the Investment Manager in respect of the Company's existing and potential investments
- Identify investment opportunities for the Company
- Evaluate investment opportunities and co-ordinate external due diligence activities
- Negotiate all project contracts with counterparties
- Prepare investment proposals and provide general advice and recommendations to the Investment Manager concerning the Company's portfolio, financing, strategy, market developments, etc
- Review performance of the Company's portfolio together with the Asset Manager
- Manage Investor Relations for the Company

Asset Manager

Asset Management Agreements with the HoldCos and SPVs

WISE ENERGY

- Asset management of solar power and energy storage assets
- Technical and financial analysis of each site to assess performance and identify potential improvements. Periodic site visits on each plant
- Ensure each SPV's suppliers perform in accordance with contracts
- Managing unexpected occurrences at assets and ensures prompt response to any asset management requirements of the Company
- Manage each SPV's administrative and financial functions and requirements
- Periodic financial, technical and administrative reports to the Investment Adviser

Five Year Record

	Year Ended 31 March				
Financial Key Performance Indicators	**2021**	**2022**	**2023**	**2024**	**2025**
Ordinary shares in issue	586.9m	589.1m	590.3m	590.8m	575.7m
Ordinary share price	99.6p	103.4p	104.8p	71.5p	67.7p
Market capitalisation of ordinary shares	£585m	£609m	£619m	£422.4m	£389.7m
NAV per ordinary share [1]	98.9p	113.5p	114.3p	104.7p	95.1p
Total ordinary NAV [1]	£581m	£668m	£674m	£618.6m	£547.4m
Premium/(discount) to NAV [1]	0.7%	(8.9%)	(8.3%)	(31.7%)	(28.8%)
Earnings per ordinary share	6.87p	21.69p	8.20p	(1.42p)	(1.86p)
Dividend per ordinary share	7.05p	7.16p	7.52p	8.35p	8.43p
Dividend yield [1]	7.1%	6.9%	7.2%	11.7%	12.5%
Cash dividend cover – pre scrip dividends [1]	1.1x	1.2x	1.4x	1.3x	1.1x
Preference shares in issue	200m	200m	200m	200m	200m
Financial debt outstanding at subsidiaries level	£246m	£283m	£345m	£338m	£316m
Financial debt (financial debt/GAV)[1]	24%	25%	28%	29%	30%
Gearing (financial debt + preference shares/GAV) [1]	43%	42%	45%	46%	48%
GAV	£1,025m	£1,150m	£1,225m	£1,155m	£1,061m
Weighted average cost of capital	5.4%	5.3%	5.7%	6.4%	6.6%
Ordinary shareholder total return – cumulative since IPO [2]	42.6%	53.6%	62.4%	37.2%	41.9%
Ordinary shareholder total return – annualised since IPO [2]	6.1%	6.7%	7.0%	3.7%	3.8%
Ordinary shareholder total return	5.1%	11.0%	8.6%	(23.8%)	6.5%
Ordinary NAV total return [1]	7.0%	22.0%	7.3%	(1.1%)	(1.1%)
Ordinary NAV total return – annualised since IPO [2]	6.0%	8.0%	8.0%	7.1%	6.3%
Ongoing charges ratio [1]	1.1%	1.1%	1.1%	1.1%	1.2%
Weighted average discount rate	6.3%	6.3%	7.3%	8.1%	8.0%
Operational Key Performance Indicators					
Invested capital[1]	£999m	£1,039m	£1,134m	£1,157m	£1,117m
Number of operating assets[5]	94	99	99	103	101
Total installed capacity	814MW	884MW[3]	889MW[3]	1015MW[3]	937MW[3]
Annual generation	735GWh	773GWh	899GWh[3]	852GWh[3]	830GWh[3]
Generation since IPO	3.2TWh	4.0TWh	4.9TWh[3]	5.8TWh[3]	6.6TWh[3]
Solar irradiation (delta vs. budget)	5.6%	3.5%	7.4%	2.6%	0.1%
Generation (delta vs. budget)[4]	6.9%	4.1%	5.5%	0.3%	(5.3%)
Remaining weighted average useful life	27.5 years	27.3 years	26.3 years	26.6 years	24.8 years

1 Alternative performance measures. More information can be found on page 151.
2 Return figures since IPO calculated based on dividends paid.
3 Includes share in private equity vehicle (NPIII) and co-investments. Inclusion of NESF's 6.21% share of NPIII on a look-through equivalent basis increases total capacity by 46MW (2024: 40MW) and increases generation by 51GWh (2024: 41GWh). Inclusion of NESF's 24.5% share of Agenor increases total capacity by 12MW (2024: 12MW) and increases generation by 14GWh (2024: nil GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases total capacity by 29MW (2024: 29MW).
4 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.
5 Excluding the $50m commitment into private equity vehicle NPIII.

Investment Strategy

Our strategy is straightforward:

Investment Focus

We seek to own a broad range of large-scale solar energy infrastructure assets, but may invest up to 10% of GAV in standalone energy storage systems. We target assets that we expect to generate reliable cash flows over their useful lives (typically, at least 25-40 years from energisation).

Geographical Focus

Our assets are primarily located in the UK but NESF can invest up to 30% of GAV in other OECD countries and 3% of GAV in non-OECD countries.

Asset Management

We seek to enhance the returns from our assets through pro-active effective asset management, including rigorously controlling costs, delivering operational efficiencies, extending their useful lives and executing short and medium-term electricity sales hedges to mitigate power price risk.

Financing

We seek to optimise the risk-adjusted returns to our ordinary shareholders by funding our activities through an appropriate mix of shareholder equity and debt, subject to debt being capped at 50% of GAV.

Risk management

We seek to actively manage potential risks, including maintaining a diversified exposure by location, third-party suppliers, service providers and other commercial counterparties to improve the resilience of the Company's portfolio and contribute to its long-term sustainable success.

Further details of our investment strategy are included in the Investment Adviser's Report.

Investment Policy

The Company seeks to achieve its investment objective by investing predominantly in solar PV assets.

The Company invests in solar PV assets primarily in the UK. Not more than 30% of the Company's GAV (calculated at the time of investment) may be invested in solar PV assets that are located outside the UK. Investments in solar PV assets outside the UK will be made in OECD countries that the Investment Manager and the Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and returns relative to investments in the UK, although the Company may acquire an interest in solar PV assets located in non-OECD countries where those assets form part of a portfolio of solar PV assets in which the Company acquires an interest, and where the Company's aggregate investment in any such assets is, at the time any such investment is made, not greater than 3% of the GAV.

The Company intends to continue to acquire solar PV assets that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire portfolios of residential or commercial building-integrated installations. The Company targets solar PV assets that are anticipated to generate stable cash flows over their asset lifespan.

The Company typically seeks to acquire sole ownership of individual solar PV assets through SPVs but may invest in solar PV assets through entering into joint ventures, acquiring minority interests or via private equity structures, provided that not more than 15% of the GAV may be invested in private equity structures (calculated at the time of investment). Where a controlling interest of less than 100% in a particular solar PV asset is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Where a non-controlling interest is being acquired (either directly in a solar PV asset or through a private equity structure) the Company intends to secure minority protection rights or protections through limited partnership agreements in line with typical private equity structures. Investments by the Company in solar PV assets may be either by way of equity or a mix of equity and shareholder loans.

The Company has built up a diversified portfolio of solar PV assets and its investment policy contains restrictions to ensure risk diversification. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV asset will constitute (at the time of investment) more than 30% of the GAV. In addition, the four largest solar PV assets will not constitute (at the time of investment) more than 75% of the GAV.

The Company will continue, primarily, to acquire assets, but may also invest in solar PV assets that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10% of the GAV in aggregate.

The Company may also agree to forward-fund by way of secured loans the construction costs of solar PV assets where it retains the right (but not the obligation) to acquire the relevant asset once operational. Such forward-funding will not fall within the 10% development restriction above but will be restricted to no more than 25% of the GAV (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees).

The right to forward-fund, subject to the above limitations, enables the Company to retain flexibility in the event of changes in the development pipeline over time. In addition, the Company will not employ forward funding and engage in development activity in relation to the same project or asset.

A significant proportion of the NESF Group's income is expected to result from the sale of the entirety of the electricity generated by the solar PV assets within the terms of PPAs to be executed from time to time. These are expected to include the monetisation of Renewable Obligation Certificates ("ROC") and other regulated benefits and the sale of electricity generated by the assets to energy consumers and energy suppliers (Merchant Power). Within this context, the Company expects to execute PPAs with creditworthy counterparties at the appropriate time.

The Company will continue to diversify its third-party suppliers, service providers and other commercial counterparties, such as developers, engineering and procurement contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage which, together with the aggregate subscription monies paid in respect of all Preference Shares in issue and including any unpaid or undeclared dividends thereon, will not exceed (at the time the relevant arrangement is entered into) 50% of the GAV in aggregate. Such leverage will be deployed for the acquisition of further solar PV assets in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the SPV, UK Holdco or Company level.

The Company invests with a view to holding its solar PV assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the best interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.

The Company will seek to optimise and extend the lifespan of its assets and may invest in their repowering and/or integration of ancillary technologies (e.g. energy storage) with its solar PV assets to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. The Company may also invest in standalone energy storage systems (not ancillary to or co-located with solar PV assets owned by the Company) up to an aggregate limit of 10% of the GAV (calculated at the time of investment). The Company expects to re-invest any cash surplus (in excess of that required to meet the Company's dividend target and ongoing operating expenses) in further investments, thereby supporting its long-term net asset value.

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds.

The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices.

Where investments are made in currencies other than sterling, currency hedging may be carried out to seek to provide protection to the level of sterling dividends and other distributions that the Company aims to pay on its shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of forward foreign exchange contracts to hedge the income from assets that are exposed to exchange rate risk against sterling and foreign currency borrowings to finance foreign currency assets.

Hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to protect or enhance returns from the Company's portfolio and will not be carried out for speculative purposes.

As required by the Listing Rules, any material change to the Investment Policy of the Company will be made only with the approval of the Financial Conduct Authority ("FCA") and of the Company's Ordinary Shareholders by ordinary resolution.

In the event of any breach of the Company's Investment Policy, shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered addresses in accordance with the Articles.

Emberton
Buckinghamshire
9.0MW
1.4 ROC

Camilla
Fife
50MW

Investment Adviser's Report

Introduction from Ross Grier, CIO at NextEnergy Capital, and Member of the Investment Committee for NESF

"Over the year, NESF made solid progress, including executing the Capital Recycling Programme, launching the share buyback programme, paying a fully covered FY dividend of 8.43p per ordinary share, re-investing back into the health of the portfolio and setting the stage for onward growth of the platform. The Board has approved a sustained dividend target of 8.43p per Ordinary Share for the year ending 31 March 2026 which it considers appropriately balances the interests of the Company, investors and other stakeholders in the current macroeconomic climate. Such a decision demonstrates continued discipline and will allow for continued access to NAV accretive opportunities, aiming to reduce the discount to NAV whilst providing shareholders with a total return via share price appreciation and a sector leading dividend yield in the FTSE 350 of c.12% as at 31 March 2025.

NESF has delivered an attractive, cash covered dividend in the face of operational challenges and continued macroeconomic pressures and volatility across the UK equity markets. The Company's ordinary share price continues to trade at a material discount to its NAV per share which is frustrating given this progress but with oversight from the Board, the team has taken action to narrow this discount through a combination of strategic activities and continues this work actively.

Having been part of the NESF journey since IPO in 2014, I am extremely proud of the impact, momentum and value the Company has provided since its listing on the London Stock Exchange eleven years ago. Having delivered a portfolio of 1GW capacity of solar energy and energy storage assets, against a total of c.18GW of solar currently deployed across the UK, NESF has been a key contributor to the progress made to date on energy security and net zero and is well positioned to play a key role in the next phase of this growth with CP30. We will continue to deliver long-term value via total return as we ramp up for growth, narrow the discount to NAV and continue to pay cash covered dividends. Thank you to all our shareholders, past, current, and prospective for supporting NESF and preparing for our next phase together."

Management of the Company's Investment Activities and Assets

NextEnergy Solar Fund is managed and advised by NextEnergy Capital, part of the NextEnergy Group. The NextEnergy Group was founded in 2007 and has evolved into a leading specialist investment and asset manager in the international renewable energy infrastructure and battery storage sector. Since its inception, it has been active in the development, construction and ownership of solar power and battery storage 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

over 18 years of specialist solar expertise, having invested in over 530 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®

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 1,600 utility-scale solar power plants with an installed capacity in excess of 3.5GW. More information is available at www.wise-energy.com.

Starlight

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's team of over 380 professionals has significant experience in energy and infrastructure transactions across international jurisdictions. Its asset management clients include listed solar funds (in addition to the Company), banks, private equity funds and other specialist investors. The Asset Manager has created a proprietary asset management platform which integrates technical, financial and commercial data to analyse clients' data and generate insights, all of which help to protect and enhance the long-term quality and performance of the relevant assets. This software, its systems and processes, together with specialist staff with extensive renewables experience, allows the Asset Manager to deliver long-term exceptional results.

As at 31 March 2025 the NextEnergy Group had funds under management of c.$4.4 billion. In addition to NESF, it manages three private equity funds:

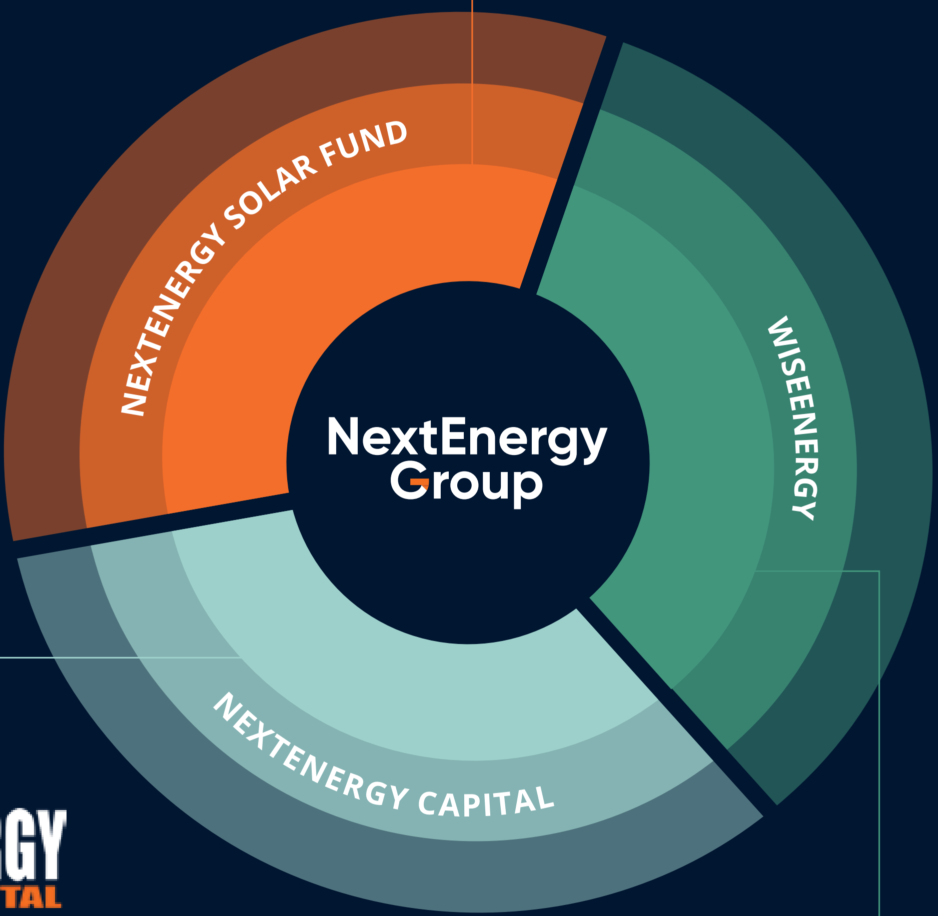
- **NextPower III LP ("NPIII"):** Raised $896m (including $90m co-investment) at final close and has acquired 1.4GW in capacity across 161 solar energy assets and 6 energy storage assets in the USA, Chile, Portugal, Spain, Greece, India and Poland. NESF has a fully drawn commitment of $50m in NPIII which it was able to access exclusively through NextEnergy Capital.
- **NextPower UK LP ("NPUK"):** A new build, subsidy-free solar plus strategy that has raised commitments of £733m, exceeding its target of £500m.
- **NextPower V SCSp ("NPV"):** An OECD solar plus strategy that has currently raised $775m, including $150m of co-investments and holds an international portfolio including assets in the USA, Poland and Spain. It is targeting capital commitments of $1.5bn.

NextEnergy Capital has a well-established track record of successfully exiting investments, with experience dating back to 2011. In 2022, NextEnergy Capital completed the divestment of NextPower II LP ("NPII"), a 2016 vintage fund, which had built an investment portfolio of 105 subsidised operating solar plants in Italy with an installed capacity of 149MW. The sale of NPII achieved an internal rate of return (IRR) exceeding 25% and a multiple of invested capital of 2.46x. NextEnergy Capital's expertise is actively leveraged by NESF through its Capital Recycling Programme. Notable recent transactions include the sale of Hatherden (60MW) at an exit IRR of 57%, Whitecross (35MW) at 14%, and Staughton (50MW) at 7%. NESF is also positioned to benefit from the anticipated exit of NPIII, which is targeting an IRR of 13–15%, thereby realising the value of its $50 million direct investment in the fund.

All NextEnergy Capital's private funds are classified as Article 9 under EU SFDR.

NEXTENERGY SOLAR FUND

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



NEXTENERGY CAPITAL

NextEnergy Capital 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, NextEnergy Solar Fund and the Investment Adviser which 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 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.

Introduction

Over the financial year ended 31 March 2025, NESF's underlying portfolio of 100 solar assets, 1 energy storage asset and its $50m investment into NPIII has continued to demonstrate its endurance. The Company paid its full-year target dividend of 8.43p per ordinary share underpinned by an inflation-linked revenue stream, leading to a 1.1x dividend cover for the year. The Company has worked closely with NextEnergy Capital, its Investment Adviser, over the period to advance long-term value-accretive opportunities whilst continuing to maintain robust asset performance and a disciplined capital structure.

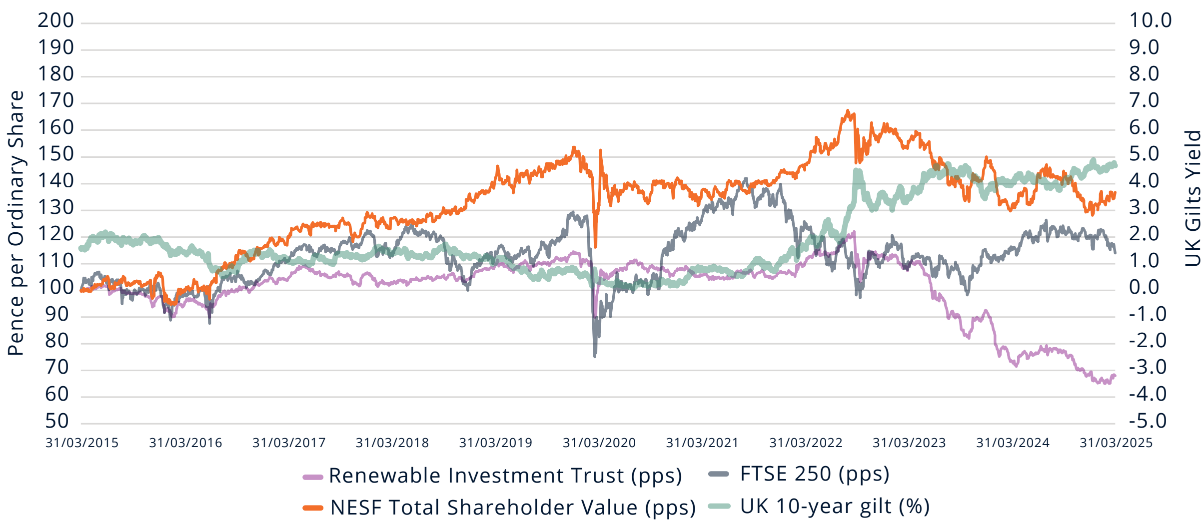
During the reporting year, the Company progressed its disciplined capital allocation via:

- Completed Phases II and III of the Capital Recycling Programme through the sale of two operational subsidy-free solar assets, Whitecross (35MW) and Staughton (50MW), which were NAV accretive of +1.62p per ordinary share;
- Repaid gross £46.8m of the NESF Group's short-term RCFs;
- Commenced a meaningful Share Buyback Programme of up to £20m. As at 31 March 2025, under the programme the Company had purchased 15,125,342 ordinary shares for a total consideration of £11,180,034, all of which are being held in treasury; and
- Received its first distributions from NPIII and one of its co-investments, Agenor, totalling £5.4m.

The Company's Investment Adviser is cognisant that the ordinary share price has remained significantly below the NAV for an extended period. This is largely due to ongoing macroeconomic challenges creating market volatility, which are outside the Company's control and have affected the broader alternative investment company sector and the renewable infrastructure sector. Despite this, the Company's portfolio continues to perform in line with expectations, delivering value to its shareholders and the Investment Adviser maintains the view that the current share price is not reflective of the Company's intrinsic value. The graph below illustrates the strong shareholder return that NESF has generated for shareholders since IPO, and continues to generate, despite the unfavourable macroeconomic conditions affecting the entire investment company sector. As at 31 March 2025, NESF had the highest liquidity as a percentage of Issued Share Capital in the renewables investment company peer group.

During the year ended 31 March 2025, solar irradiance was above budget at 0.1% whilst generation was below budget by 5.3%. This is largely attributable to the notable wet and warm year that the UK experienced in 2024 as reported by the Met Office leading to elevated humidity levels in the UK, which negatively impacted the portfolio's generation for the year. Nonetheless, solar energy remains a reliable and predictable renewable energy source, as fluctuations in solar irradiation are relatively minor compared to the variability seen in wind. The Company continues to optimise its assets and prioritise its proactive power price hedging strategy through its in-house Energy Sales desk. The Company also has a large geographically diversified

NESF Performance Comparison
(Rebased 31 March 2015)



NESF was awarded AJ Bell's 'Best Company for Shareholder Communication' in July 2024.


Michael Bonte-Friedheim, CEO and Founding Partner of NextEnergy Group, discussed NextEnergy Group's initiatives with King Charles III in July 2024.

portfolio of assets across the UK and abroad, mitigating against the UK's recently volatile weather conditions.

NESF's ordinary shareholders' NAV was £547.4 as at 31 March 2025 (31 March 2024: £618.6m), equivalent to 95.1p per ordinary share (31 March 2024: 104.7p). The decrease in NAV over the year reflects a decrease in power price forecasts (-4.2p per ordinary share) and lower generation performance. The NAV total return per ordinary share was -1.1% (31 March 2024: -1.1%) and the Ordinary Shareholder Total Return was 6.5% (31 March 2024: -23.8%).

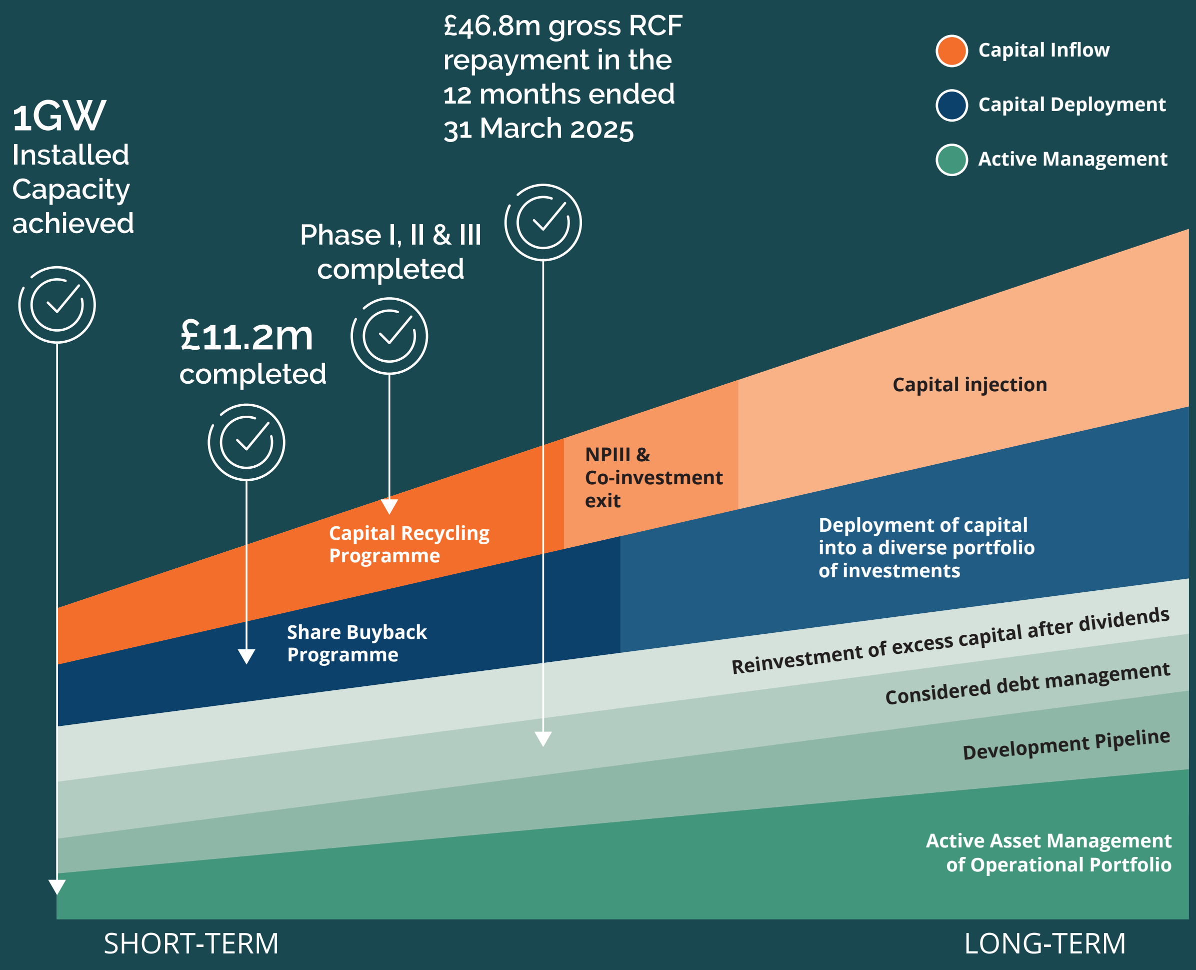
The Company and its Investment Adviser remain optimistic about the future. On 8 May 2025, the Bank of England ("BoE") reduced its base rate to 4.25%, with further UK interest rate cuts expected over the year. The UK Government's strong commitment to clean energy, aiming to increase solar capacity from approximately 18GW to 50GW by 2030, and its CP30, which targets a 95% renewable-powered electricity grid to enhance energy security, are also welcomed. These plans involve both public and private investment in solar and energy storage, along with planning reforms to streamline grid connections and infrastructure development. 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, NextEnergy Capital remains vigilant in monitoring political and economic developments across the UK and international markets via its global team.

NESF continues to benefit from the expertise and exposure of its Investment Adviser. The Company was awarded AJ Bell's 'Best Company for Shareholder Communication', attributable to NextEnergy Capital's dedicated NESF Investor Relations team, and the NESF Board. The Company was also shortlisted for several investment, communications and ESG awards during the year. Furthermore, Michael Bonte-Friedheim, CEO and Founding Partner of NextEnergy Group, was honoured to discuss NextEnergy Group's initiatives with King Charles III during His Majesty's visit to Guernsey in 2024 where he met a delegation of sustainable finance experts and NESF's advancements in the renewable energy sector since IPO were highlighted.

NESF's Sustainability and ESG activity continues to lead the market. The Company provides comprehensive disclosures on this activity in its standalone Annual Sustainability and ESG Report, and is proud to publish this in line with the standards of the International Sustainability Standards Board, of which NESF is an early and voluntary adopter. The standalone NESF Annual Sustainability and ESG Report to 31 March 2025, can be found on the Company's website (nextenergysolarfund.com).

Since its inception, NESF has delivered an Ordinary Shareholder Total Return of 42% (31 March 2024: 37%) through robust asset management, disciplined capital allocation and value-led investment strategies. The Company has deployed over 1GW capacity of solar energy and energy storage assets since IPO, generating a total of 6.6TWh of clean energy, supporting UK and global net zero goals whilst returning significant value to shareholders. The UK is 25 years away from net zero by 2050, and the Company remains well positioned to continue contributing to this goal whilst delivering returning long-term value to NESF shareholders.

Building Blocks of NESF's Growth



Positive Factors Supporting NESF's Growth

Capital Flows to Investment Companies:

Interest rate reductions are predicted in the short-term, increasing the attractiveness of under-priced asset-based infrastructure funds relative to the yields from UK Gilts.

UK Government Support for Renewables:

1. Clean Power 2030 Action Plan, targeting a 95% renewable-powered electricity grid.
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:

The UK needs rapid expansion in solar and energy storage to meet its net zero targets. The UK has c.18GW of solar currently deployed and a recent target of 50GW solar capacity by 2030.

NextEnergy Capital's key team and skill set responsible for the daily running of NESF

Michael Bonte-Friedheim
Founding Partner and CEO

Ross Grier
Chief Investment Officer

Stephen Rosser
Investment Director to NESF

Giulia Guidi
Head of ESG

Peter Hamid
Senior Vice President of Investor Relations

Ben Adams
Head of Fund Management

Dario Hernandez
Head of Energy Storage

Christopher McKaig
Head of Grid Connections

Paul Barwell
Head of Energy Sales

Kevin McLelland
Global Construction & Procurement Director

Hing Kin Lee
Global Lead on Nature

David Hawkins
Global Lead on Climate

Felice Basile
Global Head of Portfolio Management

Tracy Diamond
Chief Compliance & Legal Officer

Trang Tran
Vice President of UK Investments

Kevin McCann
Senior Associate of ESG

Charles Hadley
Investment Associate of UK Investments

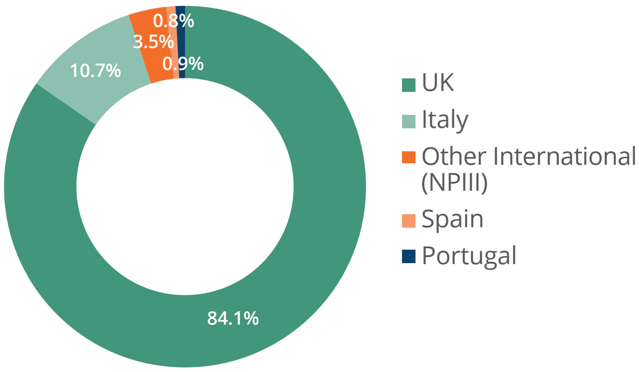
Peter Walsh
Analyst of Investor Relations

Operating Portfolio Breakdown

as at 31 March 2025[1]

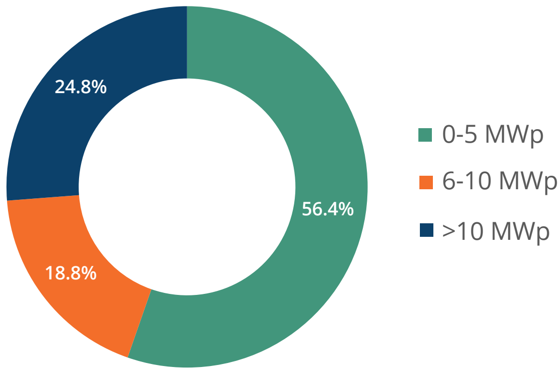
1 Figures are stated to the nearest 0.1% which may lead to rounding differences
2 Excluding energy storage assets
3 Including the $50m investment into private equity vehicle (NPIII)

By Location[3]



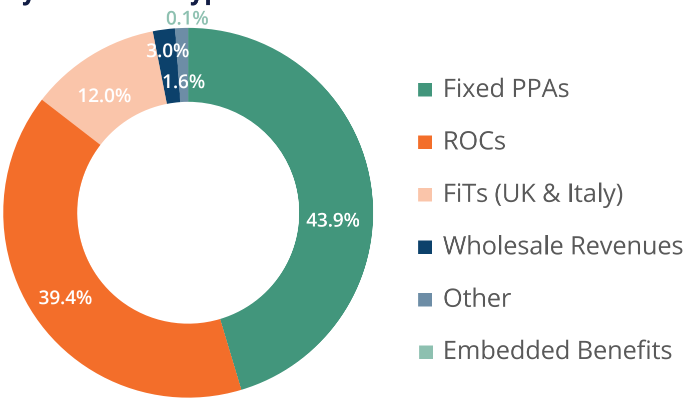
% of invested capital

By Installed Capacity



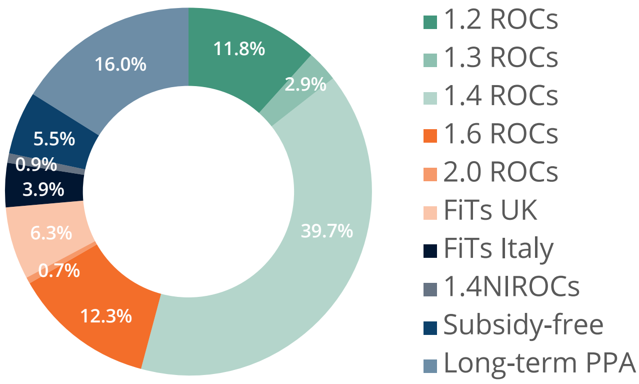
% of assets

By Revenue Type



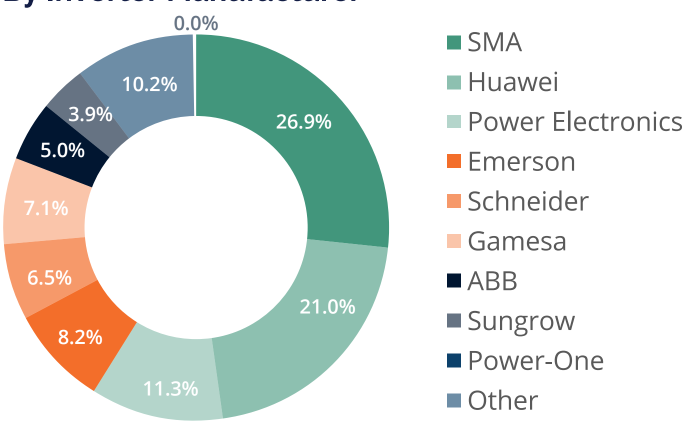
% of total revenue for the year ended 31 March 2025

By Subsidy/Regulatory Regime



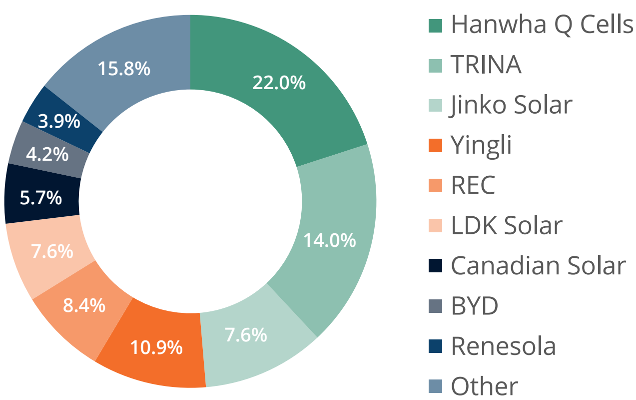
% of assets by MW capacity

By Inverter Manufacturer[2]



% of assets by MW capacity

By Solar Module Manufacturer[2]



% of assets by MW capacity

Operating Portfolio Overview

NESF has a well-diversified and high-quality portfolio of operating assets. As at 31 March 2025, NESF had a portfolio with an installed capacity of 936.9MW, on a look-through basis, from 101 operating assets and a $50m investment into NPIII, a private international solar private equity.

Portfolio Breakdown:

1. **Solar Assets:**

   Direct solar assets:

   - 90 UK solar assets totalling 780MW (100% owned by NESF)
   - 8 Italian solar assets totalling 35MW (100% owned by NESF)

   Co-investment solar asset:

   - 1 Spanish solar co-investment totalling 50MW (24.5% owned by NESF)
   - 1 Portuguese solar co-investment totalling 210MW (13.6% owned by NESF)

2. **Energy Storage Assets:**

   Standalone energy storage asset:

   - 1 standalone energy storage assets totalling 50MW (70% owned by NESF)

3. **Private International Solar Infrastructure Investment:**

   $50m investment into NPIII (6.21% owned by NESF)

   - Portfolio is fully invested with a total capacity of 1.4GW (744MW operational) across the USA, Chile, Italy, Portugal, Spain, India, Poland, Greece.

Portfolio Highlights

During the year, 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 last 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%.

   In the second half of the year, the Company announced the divestment of Staughton, a 50MW operational subsidy-free utility solar asset located in Bedfordshire. This divestment is part of the 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 equity solar infrastructure fund that invests in OECD markets globally. The direct investment in NPIII was announced in June 2021. It has a target gross IRR of between 13%-15% and a fund life of 10 years. As at 31 March 2025, NPIII has 1.4GW in capacity and 161 solar energy assets and 6 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 last year and are now fully operational: 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.

In the year ended 31 March 2025, NESF received the first distributions from NPIII and co-investments totalling £5.4m. NESF expects to continue to receive periodic distributions where these inflows will continue to support the existing asset portfolio, contributing meaningfully to dividend cover and providing strategic capital for future deployment.

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, NESF became the first solar investment company with an operating standalone energy storage asset named Camilla. It is the Company's first standalone 50MW energy storage asset and is located 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 battery 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 is owned 70% by NESF and 30% by Eelpower. Camilla was selected to provide energy storage capacity in the UK Government's latest 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

Through careful management of portfolio performance over the year by WiseEnergy, the Company successfully generated cashflow in line with its target range, providing healthy cash-coverage (1.1x) of the robust dividend paid to ordinary shareholders and demonstrating the resilience of the Company's portfolio despite adverse operating conditions.

Although solar irradiation across the entire portfolio was 0.1% in line with expectations for the year (2024: 2.6%), full-year generation, adjusted, where relevant for events outside of the Company's control, was 5.3% below budget (2024: 0.3% above budget).

Generation was affected by two principal factors:

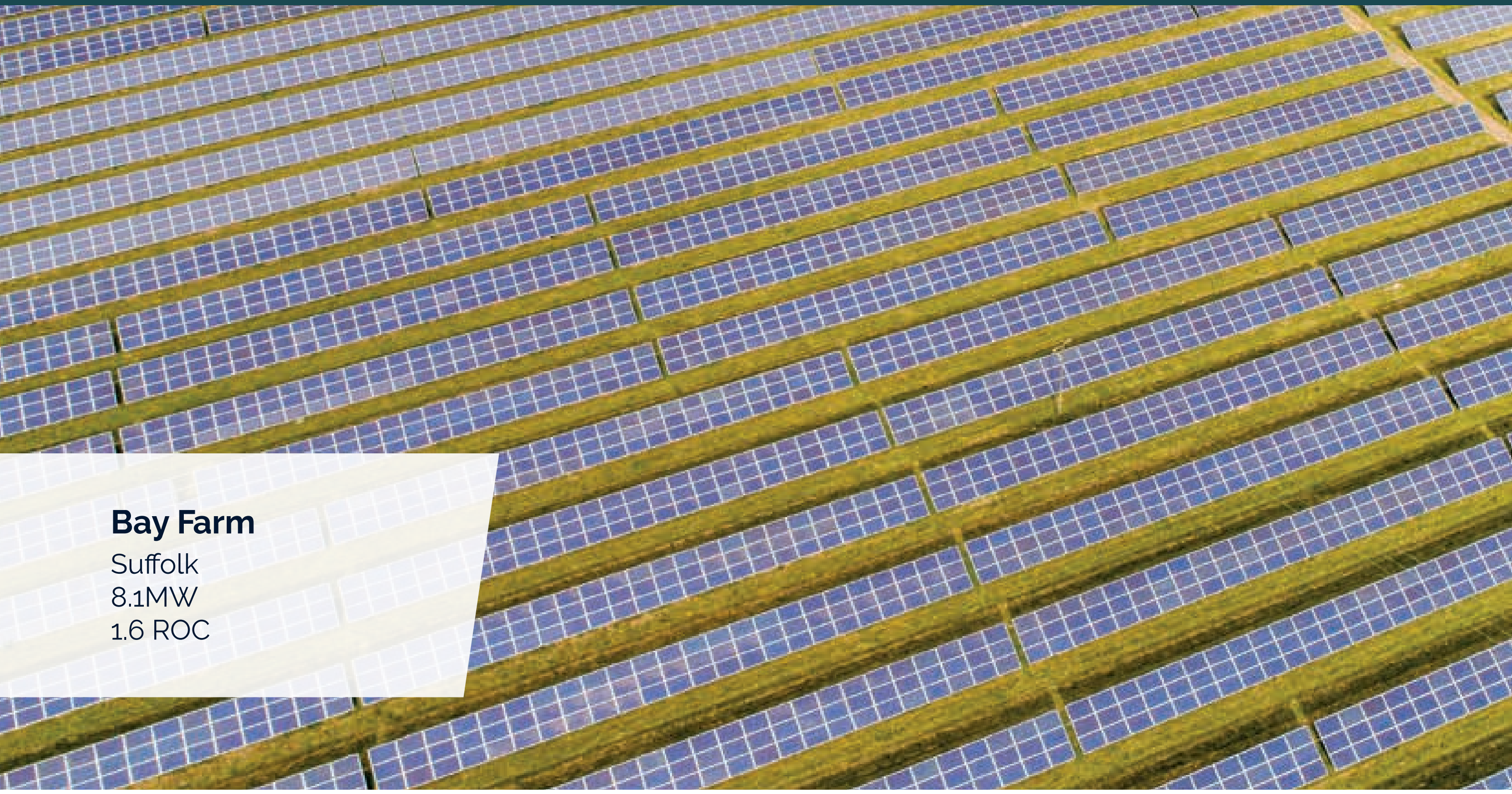
1. **Weather**
The UK recorded one of its wettest seasons on record during 2024. The Met Office reported that in England and Wales, where the vast majority of NESF assets are located, rainfall was 21% above 1991-2020 average. This created operational challenges for parts of the portfolio, including temporary flooding in isolated parts of assets, increased humidity (which can affect the performance of certain components) and component failure necessitating repair or replacement. The number of hours of sunshine was variable, but overall 10% below the long-term average, directly impacting the generation.

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, upgrade 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.

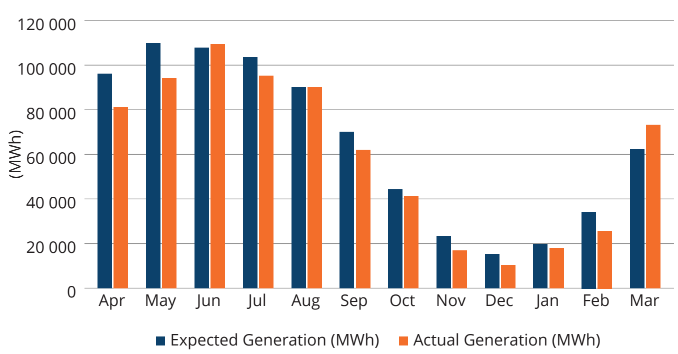
To further enhance the Company's portfolio performance, the Investment Adviser and the Asset Manager have a rolling strategic re-investment programme which regularly reviews the performance of the Company's portfolio to identify opportunities to support and enhance long-term asset health. Further details of this programme can be found in the 'Portfolio optimisation and enhancement activity' and 'Cost optimisation' sections on page 40.

FY2025[1]	Total Generation (GWh)	Irradiation delta[2]	Generation delta[2]
UK portfolio[3]	719	(0.1%)	(5.5%)
Italy portfolio	47	3.1%	(1.7%)
NPIII and co-investments[4]	64	n/a	n/a
Total	**830**	**0.1%[5]**	**(5.3%)[5]**

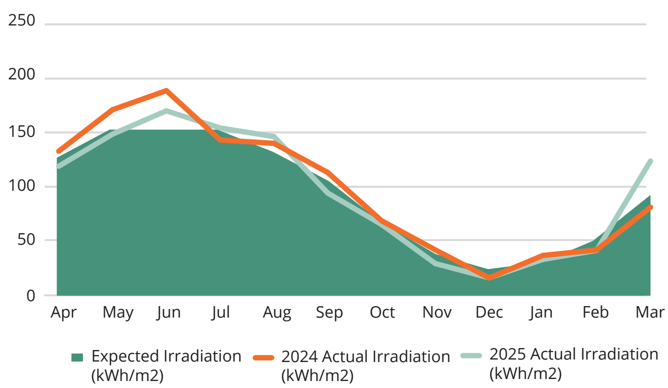
1 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.
2 Actual figures versus budget at point of acquisition. Figures have been adjusted, where relevant, for events outside of the Company's control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.
3 UK portfolio includes both ground mount and rooftop assets, and excludes standalone energy storage asset, co-investments and investment in NPIII.
4 NESF's share of NPIII's generation (6.21%) and Agenor's generation (24.5%). Santarém is yet to achieve PAC.
5 Figure represents delta across the NESF portfolio.



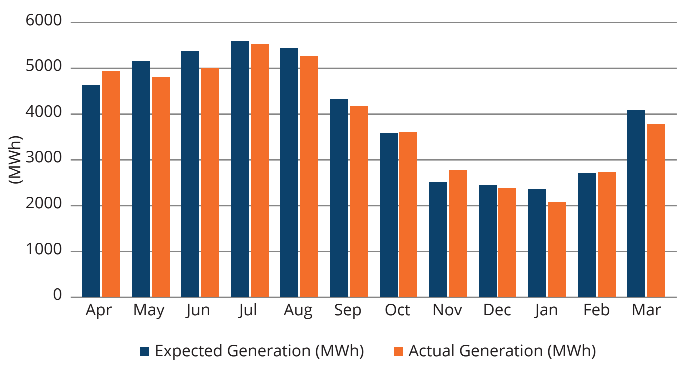
UK Monthly Generation vs Budget



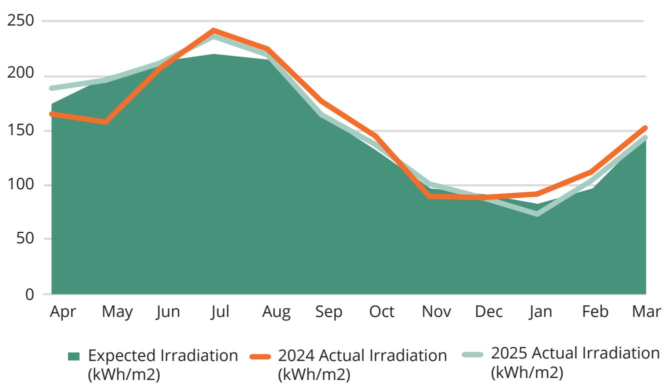
UK Monthly Irradiation vs Budget



Italy Monthly Generation vs Budget



Italy Monthly Irradiation vs Budget



12 months ended 31 March	No. of assets monitored[1]	Irradiation delta[2]	Generation delta[2]
2021	88	5.6%	6.9%
2022	90	3.5%	4.1%
2023	90	7.4%	5.5%
2024	100	2.6%	0.3%
2025[3]	100	0.1%	(5.3%)
5 Year Track Record		**3.7%**	**2.2%**

1 The Asset Manager continues to deliver dynamic monitoring and active performance management for assets that have successfully passed 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 Actual figures versus budget at point of acquisition. 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.
3 UK portfolio includes both ground mount and rooftop assets, and excludes standalone energy storage asset, co-investments and investment in NPIII. Whitecross' and Staughton's performance figures are included until their divestment in June 2024 and November 2024, respectively.

Portfolio Optimisation & Enhancement Activity

The Asset Manager focusses 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 year, 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:**
  Inverters were replaced at three sites to address systemic defects, restoring availability and improving generation performance. In April 2025, replacement of inverters at two more sites was initiated and is expected to be completed before the summer generating season. In addition, the Company currently anticipates replacing inverters for up to 8 assets (with a combined capacity of up to 80MW) over the next three years.
- **Targeted Improvements:**
  A total of 33 improvement plans were completed over the year, to enhance security, asset integrity and system reliability. Key actions included repairs and upgrades to perimeter fencing, CCTV assessments, and structural reinforcements following Storm Darragh. Preventative measures addressed issues such as rodent intrusion, fire risk, corrosion, and equipment degradation.
- **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 market leading tender aiming to drive down costs of Operating and Maintenance ("O&M") contracts. The approach facilitates cost reductions whilst helping to further drive the leading performance of the assets. 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, 66 contracts have been renewed covering 571 MWp, leading to an overall cost saving of 10.4%. This is equivalent to a total of £458.8k per year, or over £2.3m over the lifetime of the 5-year contracts. During the 12 months ended 31 March 2025, 9 contracts covering 57 MWp transitioned to this new approach.

During the period, insurance claims were successfully closed out for theft, fire and over voltage events in relation to three solar assets across UK. The Company received a combined total settlement of £100k.

Power Purchase Agreements Programme

Short/Medium-term Power Purchase Agreements

NESF runs a PPA 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 offtakers. 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.

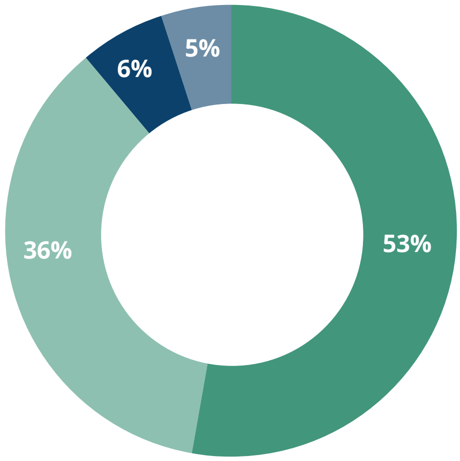
For the year ended 31 March 2025, the Italian portfolio (34.5 MW) derived c.70% of revenues from FiTs and c.30% of revenues from the sale of electricity to traders under PPAs and the sale of green certificates to traders under fixed price agreements. The weighted average power price achieved by the Italian portfolio over the year was €109.5MWh. PPAs at a weighted average price of €106MWh are in place from April 2025 until March 2026.

Boxted Airfield
Essex
18.8MW
1.4 ROC

Forecasted Total Revenue Breakdown[1,2]

NESF 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.

2025/2026
Fixed c. 89%

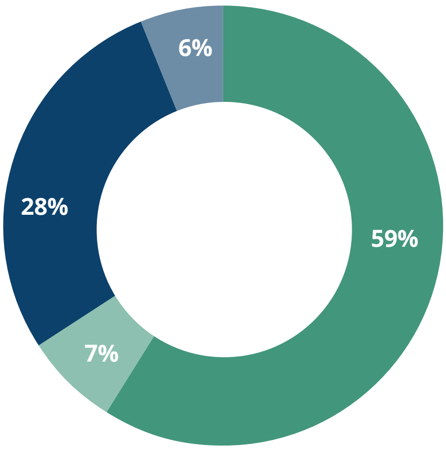


- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available For PPA Programme[3]
- Other Revenues

Hedged PPA Price: £80.30MWh[4]

% Hedged (by capacity): 80%[4]

2026/2027
Fixed c. 66%

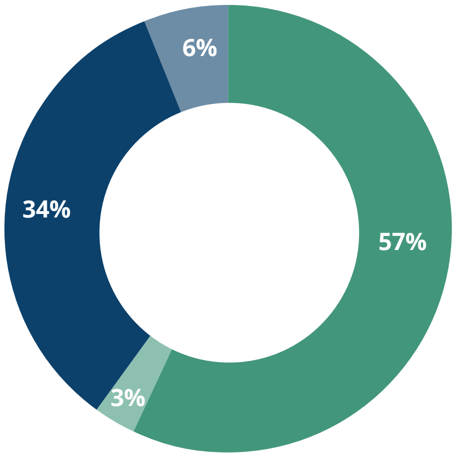


- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available For PPA Programme[3]
- Other Revenues

Hedged PPA Price: £56.03MWh[4]

% Hedged (by capacity): 24%[4]

2027/2028
Fixed c. 60%

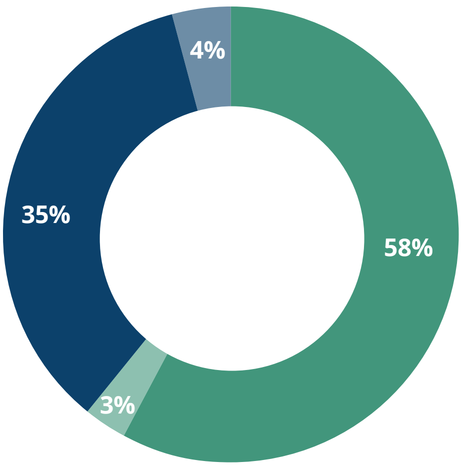


- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available For PPA Programme[3]
- Other Revenues

Hedged PPA Price: £50.05MWh[4]

% Hedged (by capacity): 10%[4]

2028/2029
Fixed c. 61%

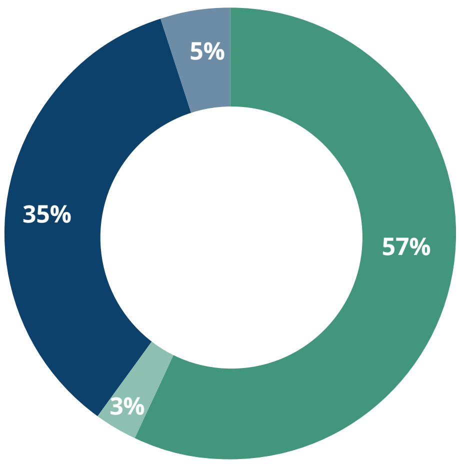


- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available For PPA Programme[3]
- Other Revenues

Hedged PPA Price: £51.80MWh[4]

% Hedged (by capacity): 10%[4]

2029/2030
Fixed c. 61%



- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available For PPA Programme[3]
- Other Revenues

Hedged PPA Price: £53.62MWh[4]

% Hedged (by capacity): 10%[4]

1 As at 31 March 2025, fixed revenues include subsidy income.
2 Figures are stated to the nearest 0.1% which may lead to rounding differences.
3 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.
4 Fixed prices (£/MWh) covers 83% (776MW) of the total portfolio as at 31 March 2025. Excludes Solis portfolio.

Capital Recycling Programme

Background

Having assessed changes in the wider macro-economic environment, the Company proactively announced its Capital Recycling Programme ("the Programme") in April 2023. The Programme involved the phased divestment of a 246MW portfolio of UK subsidy-free solar consisting of five high-quality assets. The Investment Adviser has helped pioneer subsidy-free solar assets in the UK, including in the NESF portfolio. The assets in the Programme are therefore unique in the market given their size and age, which has added value and been attractive to potential third-party buyers.

When considering the Programme, the Investment Adviser looked across NESF's entire portfolio to identify where it could maximise shareholder value. The five assets selected for the Programme were the most suitable due to the market environment at the time, by noting that buyers for these types of assets and, therefore, demand were far greater than those for UK subsidised assets, and by being aware of other large subsided solar portfolios for sale in the market at the time. The buying environment was an important aspect to consider when running a competitive sales process to drive maximum value for shareholders. The Investment Adviser notes that the Programme is progressing at a slower pace than anticipated, primarily due to the observed volatility in the renewable energy M&A market. Nonetheless, the Investment Adviser continues to progress the Programme, to unlock maximum shareholder value.

The proceeds of the Programme have been used to:

- **Reduce Short-Term Debt:** Pay down the NESF Group's short-term debt level, known as an 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.

Progress Update

During the financial year, the Company completed the second and third phase of the Programme. Proceeds from these sales were used to reduce the NESF Group's short-term debt via its RCFs and contribute towards the share buyback programme.

The second phase involved the divestment of Whitecross, a 35MW operational subsidy-free solar asset in Lincolnshire for £27m (excluding deferred consideration). The transaction 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.

The third phase involved the divested Staughton for £30.3m, the largest transaction in the Programme to date. 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 was NAV accretive to shareholders and generated an uplift of 0.92p per ordinary share to the Company's NAV. The transaction represents a 21.5% premium to its holding value (1.38x Multiple on Invested Capital) and an attractive 7.4% IRR.

To date, the Company's Capital Recycling Programme has raised £72.5m from the sale of c.145MW of solar assets. The table on page 44 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	36MW[2]	Operational	Lincolnshire, UK	Sold in Phase II	£27.0m[3]	0.57p[4]	14%
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 Realised in NAV as at 31 December 2024.

The Company continues to explore the possibility of additional capital recycling opportunities whilst it conducts a thorough analysis of each sub-section of its portfolio and how it could contribute to optimising shareholder return.

Further updates on the Company's capital recycling programme will be made to the market in due course.

Condover
Shropshire
10.2MW
1.4 ROC

Resilient Capital Structure

NESF has a disciplined balance sheet structure and continuously optimises financing costs, including through RPI linked subsidies.

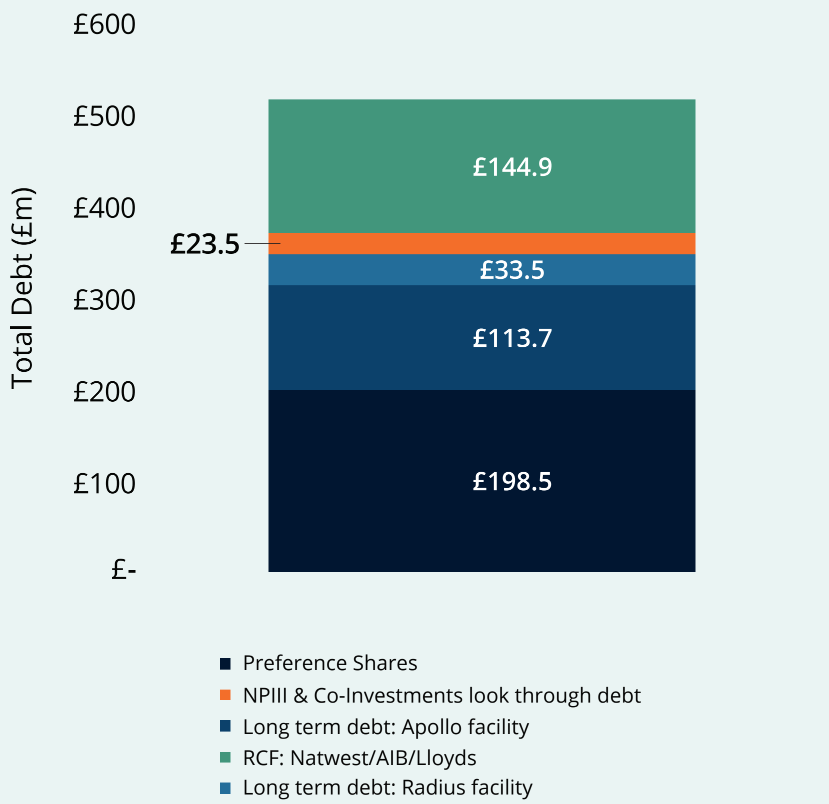
The Company's outstanding debt is split across three layers:

1. **Short-term RCF at the NESF Group level:**
Short-term RCF are financial arrangements that allow the Company's subsidiaries to borrow funds up to a predetermined credit limit. They do not have fixed repayment schedules, instead they have flexible repayment and borrowing terms. The aggregate drawn balance on NESF's RCF with AIB/Natwest/Lloyds was £144.9m as at 31 March 2025 (31 March 2024: £165.6m).

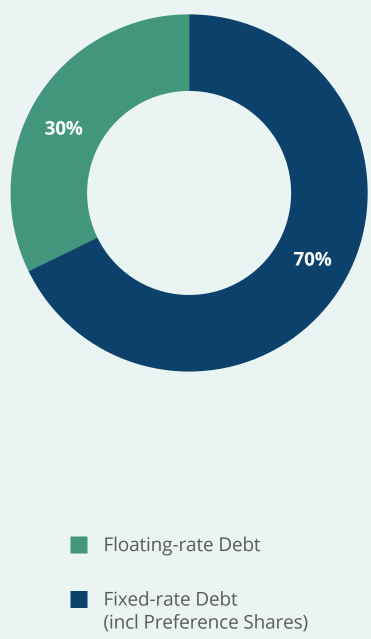
2. **Long-term amortising debt:**
Amortising debt is a type of debt which is gradually reduced over time through regular payments that pay off both the interest and principal amount owned.
NESF's subsidiaries held £147.2m of amortising debt as at 31 March 2025 (31 March 2024: £159.8m). The life of the amortising debt is in line with the remaining life of the subsidies within the NESF portfolio.

3. **Non-amortising debt (preference shares):**
NESF holds non-amortising debt via its preference shares. Non-amortising debt in the context of preference shares refers to shares that are not considered equity of the issuer. The holder of the preference shares receives predetermined quarterly fixed dividends. NESF has issued 200,000,000 preference shares at a fixed rate of 4.75%. The attractive fixed rate coupon on the preference shares provides the Company with long-term interest rate stability, which has proved particularly beneficial in the current volatile environment. The shares may only be redeemed by the Company from April 2030, which helps to deliver long-term funding with reduced refinancing risk. Furthermore, the Company is not required to use cash flow, or raise funds, to repay them at the end of their life.

NextEnergy Solar Fund: Debt Structure Chart



Interest Rate Risk



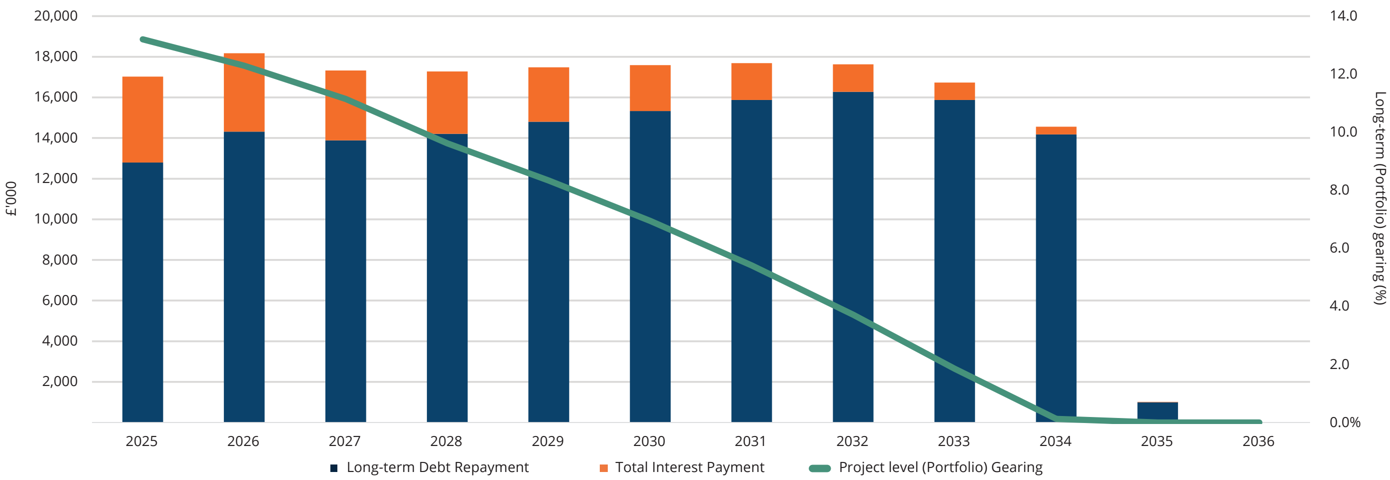
Financial Debt

As at 31 March 2025, the Company's subsidiaries, alongside look-through debt via the Company's investment in NPIII and its co-investments, had financial debt outstanding of £316m (2024: £338m), on a look-through basis, as shown in the table on page 47.

The Company has a protective financial debt structure due to its low debt levels and 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 financial year.

During the financial year, the NESF Group repaid gross £46.8m of its short-term RCF. Furthermore, the NESF Group consolidated its two existing short-term RCFs into one facility, leading to an overall reduction in margin by 40bps at attractive terms of 120bps over SONIA. The new consolidated facility combines the Company's existing RCF with Santander into its other RCF under a consortium of lenders AIB, NatWest, and Lloyds. The new combined RCF has the same aggregated commitment limit of £205m and includes two additional 12-month extension options at the Company's sole discretion to bring the maturity date up to June 2028.

Debt & Gearing



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 31 March 2025, the Company had £200m of preference shares outstanding (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. The absence of amortisation enhances the ability to pay the ordinary share dividend, and repayment in ordinary shares removes refinancing risk.

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

Benefits of the preference shares for NESF include:

- **Reduced Risk:** The preference shares simplify the capital structure by reducing the exposure to secured debt financing and refinancing risk;
- **Attractive Financial Terms:** The preference shares pay a fixed preferred dividend of 4.75p per preference share, which is a significantly lower all-in annual cash cost to the Company compared to issuing ordinary shares;
- **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; 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.

The investment management fee is calculated based on the ordinary share NAV and, accordingly, no 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 31 March 2025, the Company's financial debt gearing, measured by the aggregate of the NESF Group's financial debt relative to GAV, is 30% (2024: 29%). Together with the preference shares, the Company's total debt represented a gearing level of 48% (2024: 46%), which is below the maximum limit of 50% in the Company's Investment Policy.

NESF Group's debt structure as at 31 March 2025[1]

Provider / arranger	Type	Borrower	No. of power assets secured[2]	Loan to Value[3] (%)	Tranches	Facility Amount (£m)	Amount Outstanding as at 31 March 2024 (£m)[6]	Amount Outstanding as at 31 March 2025 (£m)[6]	Termination (including options to extend)	Applicable rate
MIDIS / CBA / NAB	Fully-amortising long-term debt[4]	NESH (Apollo)	21 (241MW)	44.1%	Medium -term	48.4	27.5	19.0	Dec-26	2.91%[5]
					Floating long-term	24.2	24.2	24.2	Jun-35	3.68%[5]
					Index-linked long-term	38.7	32.6	31.8	Jun-35	RPI + 0.36%
					Fixed long-term	38.7	38.7	38.7	Jun-35	3.82%
					Debt service reserve facility	7.5	-	-	Jun-26	1.50%
MIDIS	Fully-amortising long-term debt[4]	NextPower Radius	5 (84MW)	40.8%	Inflation-linked	27.5	16.6	14.9	Sep-34	RPI + 1.44%
					Fixed long-term	27.5	20.2	18.6	Sep-34	4.11%
Total long-term debt						**212.5**	159.8	**147.2**		
AIB/ NatWest/ Lloyds	Revolving credit facility	RRAM Energy	35 (340MW)	n/a	n/a	205.0	165.6 [9]	144.9	Jun-28	SONIA+ 1.20%
Total short-term debt						**205.0**	165.6 [9]	**144.9**		
NPIII look through debt[7]	n/a		n/a	n/a	n/a	n/a	8.1	10.2	n/a	n/a
Co-investment look through debt[8]	n/a		n/a	n/a	n/a	n/a	4.6	13.3	n/a	n/a
Total look through debt							12.7	**23.5**		
Total debt							338.1	**315.6**		

1 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.
2 NESF has 325MW under long-term debt financing, 340MW under short-term debt financing and 184MW without debt financing (excludes NPIII look through debt).
3 Loan to Value defined as 'Debt outstanding / GAV'.
4 Long-term debt is fully amortised over the period secured assets receive subsidies (ROCs and others).
5 Applicable rate represents the swap rate.
6 Represents the "real" outstanding debt balance. The "nominal" outstanding debt balances are included in the debt balances provided in Note 23b to the financial statements.
7 The total combined short and long-term debt in relation to NESF's commitment into NPIII and co-investments (on a look through equivalent basis).
8 The total combined short and long-term debt in relation to NESF's commitment into Agenor and Santarém (on a look through equivalent basis).
9 NESF consolidated its two RCFs into one RCF on 12 March 2025. Amount outstanding as at 31 March 2024 for the RCFs totalled £165.6m consisting of £30.6m with Banco Santander and £135m with NatWest/AIB.

Q&A with Stephen Rosser,
Investment Director to NESF

Q: Why should investors consider NextEnergy Solar Fund (NESF)?

There are several compelling reasons to invest in NESF:

- **Attractive Income:** NESF offers a strong income opportunity. Since IPO, NESF has paid out nearly £400 million in ordinary share dividends. With a current cash-covered dividend target of 8.43p of FY25/26, the Company offers a dividend yield of c.12% as at 31 March 2025. The current discount to NAV also presents significant potential for capital appreciation for investors.
- **Reliable Asset Class:** Solar is a proven, mature technology with stable, predictable cash flows. As of 15 May 2025, 94% of NESF's forecasted revenue for the financial year ending 31 March 2026 is fixed, supported by RPI-linked government subsidies and our active power hedging strategy.
- **Proven Track Record:** NESF has an 11-year operating history and is the first solar investment company to surpass 1GW of operational capacity.
- **Access to Renewable Infrastructure:** NESF democratises access to renewable energy investment, enabling shareholders to invest with impact and purpose.

Q: What differentiates NESF from its peers?

- **Expert Investment Adviser:** NESF is advised by NextEnergy Capital ("NEC"), part of the NextEnergy Group, a specialist solar and energy transition investor with c.$4.4bn funds under management and over 380 dedicated professionals. Our vertically integrated model – from development to asset management – gives us unmatched control and value creation across the value chain.
- **Diverse Investment Policy:** Our portfolio allows for up to 30% of GAV in OECD international assets, 15% in private equity-style renewables, and 10% in battery energy storage systems ("BESS").
- **Private Infrastructure Solar Investment:** NESF has a $50 million direct investment in NPIII, an OECD-focused private solar fund targeting 13–15% gross IRR. This strategic stake provides access to enhanced returns through a de-risked approach, co-investment opportunities and is targeting a portfolio exit from 2028 onwards which should provide a substantial liquidity event for NESF and ultimately its shareholders.
- **Co-Investments with Blue-Chip Institutions:** Due to its investment into NPIII, NESF can co-invest alongside top-tier institutional investors in international solar projects, diversifying the portfolio and enhancing cash flow stability whilst reducing risk and benefiting from separate management teams on the ground in those locations. Currently NESF has co-investments in Spain and Portugal.
- **Preference Shares:** NESF is unique in its peer group for issuing non-voting, non-redeemable preference shares. These offer NESF optional redemption rights from April 2030 and conversion rights for the holders from April 2036. With a 4.75% coupon, this £200 million issuance has proven an efficient capital solution in recent high-interest environments.

Q: Why is NESF's share price trading at a discount, and what does it mean for investors?

The current discount is not unique to NESF, it reflects a broader market dynamic affecting all investment companies ("ICs"). The discount indicates the ordinary share price is below NESF's Net Asset Value, which is calculated quarterly.

Several factors contribute to this:

- **Higher Interest Rates:** Rising rates have led investors to seek safer returns in gilts, drawing capital away from ICs.
- **Reduced Demand:** Institutional redemptions, wealth manager consolidation, and capital moving overseas have led to diminished demand for ICs' shares.
- **Regulatory Cost Disclosure:** FCA rules have led to double-counting of costs, artificially inflating perceived expenses for ICs. In reality, these costs are borne by the Company, not individual shareholders.

Q: How is NESF addressing the share price discount?

While there is no quick fix, we are actively leveraging multiple strategies:

- **Strategic Initiatives:** The Board and the Investment Adviser maintain a disciplined, well-informed approach to evaluating growth opportunities for NESF shareholders. Each opportunity is assessed for strategic fit, value creation, and alignment with NESF's portfolio and long-term goals, supported by independent external advice where appropriate. Despite closed capital markets due to NESF's share price to NAV discount, the Company remains focused on delivering long-term value through strategic rigour and pursuit of opportunities with strong synergies and shareholder return potential.
- **Capital Recycling Programme:** NESF was a first mover among peers in launching a Capital Recycling Programme. While the process has been deliberate, it has generated returns well above NAV.
- **Share Buyback Programme:** The Board launched a £20 million buyback programme in 2024. This has proven to be a NAV-accretive use of capital.
- **Portfolio Optimisation:** We continue to invest in the operational excellence and long-term value of our assets, ensuring their health and efficiency.
- **Sector-Leading Dividend:** NESF continues to offer one of the highest cash-covered dividends in the sector, reinforcing NESF's income appeal.

Q: What drives NESF's Net Asset Value?

NAV is calculated quarterly using a discounted cash flow ("DCF") model and is influenced by several factors, including:

- **Power Price Curves:** NESF uses a blended average of forecasts from four leading market advisers.
- **Discount Rates:** A weighted average discount rate of 8.0% is currently applied across the portfolio.
- **Inflation Assumptions:** These are sourced from HM Treasury forecasts and Bank of England implied long-term rates for UK assets.

NAV may rise or fall based on these assumptions and macroeconomic conditions (see 'Net Asset Value' section on page 53 for more information on NESF's NAV, including for NESF's directly owned Italian assets and energy storage asset).

Q: Are you comfortable with NESF's current debt levels?

Yes, NESF maintains a prudent and defensive capital structure:

- **Balanced Financing:** This includes long-term inflation-linked amortising debt, an RCF and preference shares.
- **Efficient RCF:** We recently consolidated our RCF structure at SONIA +1.20%, reflecting strong lender confidence in NESF.
- **Sustainable Leverage:** With a 50% debt-to-GAV cap, we are operating within our investment policy limits and feel confident given our contracted revenue profile.
- **Deleveraging Plans:** Proceeds from the Capital Recycling Programme will be used to reduce the RCF balance and overall gearing.

Q: What challenges and opportunities lie ahead for NESF?

Challenges and opportunities often come hand in hand. While trading at a discount, softening power prices, and potential regulatory changes such as the Review of Electricity Market Arrangement's ("REMA") zonal pricing proposal have created short-term uncertainty (see 'Regulatory Updates' section on page 58 for more information on REMA's zonal pricing proposal), we remain optimistic. At a recent Clean Power Investment event in the UK Parliament, senior National Energy System Operator ("NESO") representatives reassured us that REMA reforms are unlikely to be implemented soon (see 'Solar' section on page 51 for more information on NESO).

Looking ahead, we see significant tailwinds:

- **Clean Power 2030 Action Plan:** The UK government is targeting 50GW of solar capacity by 2030 – three times current levels – requiring £5 billion of investment annually.
- **Falling Interest Rates:** Further rate cuts would support NAVs and investor sentiment.
- **Grid Reform:** Policy changes are accelerating renewable project connections, enhancing long-term growth prospects.

NESF is well positioned to capture these opportunities and contribute to the UK's energy transition – advancing security, sustainability, and affordability.

Bay Farm
Suffolk
8.1MW
1.6 ROC

Future Market Outlook

Solar

Solar is one of the cheapest and most sustainable forms of energy generation which can be deployed at speed. BloombergNEF's 2025 report highlights that solar PV has one of the lowest levelised costs of electricity ("LCOE") of all renewable generation technologies. Furthermore, the report indicates that the LCOEs for solar PV and battery technology will respectively fall by approximately 31% and 50% by 2035, even with potential international trade barriers. 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, growing by 7% to c.18GW over the 2024 calendar year. The UK 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.

In December 2024, the UK Government announced its CP30 which aims to stabilise the UK's energy security, targeting a 95% renewable-powered electricity grid. CP30 focuses on expanding solar energy, energy storage, grid infrastructure, and planning reforms, in collaboration with various stakeholders. This complements Allocation Round 7 ("AR7"), the UK's auction for awarding long-term contracts to low-carbon electricity generation projects. AR7 is scheduled to begin in summer 2025. Estimates suggest that achieving CP30's goals will likely require tripling the UK's current solar and energy storage capacity. The Company welcomes CP30 and 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. For example, the establishment of NESO to streamline the UK's grid connection processes and facilitate the integration of renewables to the grid. The UK Government's commitment to a clean energy transition is strongly evident, 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 CIO 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 UK National Grid's Future Energy Scenarios' ("FES") recent 2024 report continues to illustrate the critical importance of solar generation across all four of its scenarios in achieving net zero by 2050. At a global scale, the IEA Renewables 2024 Report predicts that solar PV will account for 80% of the growth in renewables capacity by 2030.

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 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. Solar Energy UK predicts that the UK will need 30GW of energy storage by 2030 to meet net zero. 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. This scheme will support CP30's target of a five-fold increase in the UK's existing BESS capacity to 23GW.

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, both of whom have a combined total of 30 years' experience.

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 the 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 Price

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 year, 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.

On a global scale, President Trump's trade policies are having multifaceted impacts on global markets causing extreme market volatility and affecting investor confidence, particularly global energy prices. There are no expectations of a material long-term impact on the UK solar energy industry, with minimal supply chain disruption. The Company's is well protected from such volatility in energy prices through its PPA strategies where for the year ended 31 March 2025, 95% of the Company's revenues were derived from government subsidies and long-term PPAs.

The Company remains vigilant of ongoing international conflicts 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 41-42.

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 from both the renewables sector and the broader UK market, driven by redemptions for reasons which are unrelated to the Company. This has put constant, but otherwise unjustified, downward 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 BoE's base rate has decreased slowly over the year from 5.25% to 4.50% in March 2025, influencing interest rates and inflation to follow a similar trajectory. Recent announcements on 8 May 2025 saw a further cut in interest rates to 4.25%. 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.

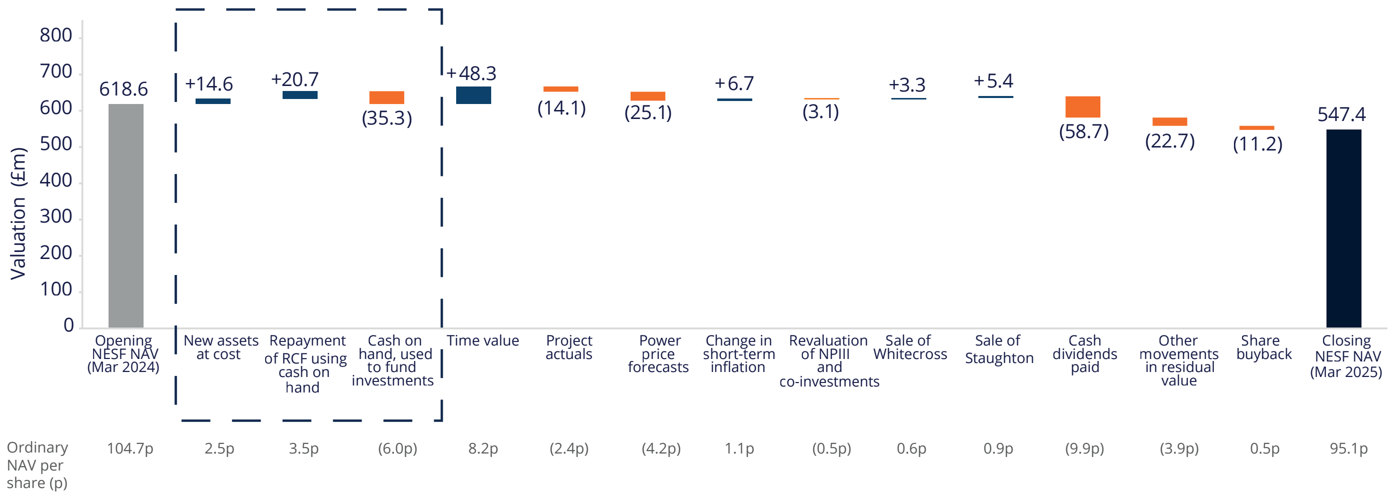
Recent geopolitical upheaval and market volatility following President Trump's trade policies, suggests that interest rates may be lowered to support economies through a potential downturn amidst an exceptionally volatile global market. The Company continues to closely monitor the geopolitical situation and its impact on equity markets.

Net Asset Value

The Company's NAV is calculated quarterly and based on the valuation of the investment portfolio as provided by the Investment Adviser, and the other assets and liabilities of the Company calculated by the Administrator. The NAV is reviewed and approved by the Investment Manager and the Board. All variables relating to the performance of the underlying assets are reviewed and incorporated in the process of identifying relevant drivers of the 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 2d to the Financial Statements). The change in fair value of its assets during the financial year is taken through the Statement of Comprehensive Income.

NAV Bridge March 2024 - March 2025

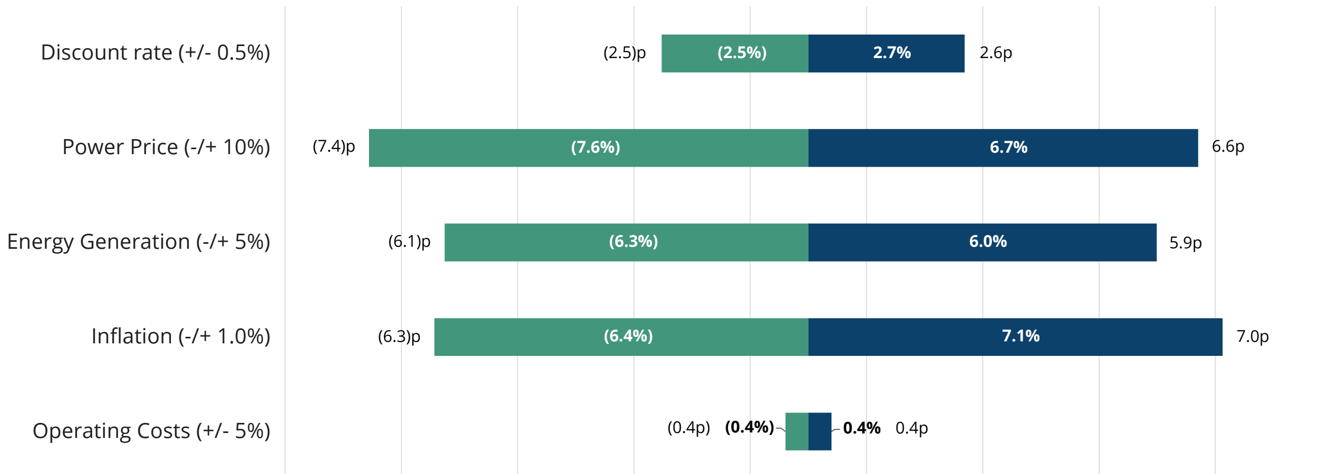


The movement in the NAV was driven primarily by the following factors:

Item	31 Mar 2024 to 31 Mar 2025	Description
Time value	£48.3m	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	(£25.1m)	A decrease in short-term (2025-2030) 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	£6.7m	The valuation incorporates revisions to short-term inflation forecasts from external third parties.
Revaluation of NPIII and co-investments	(£3.1m)	The revaluation of NPIII and co-investments.
Sale of Whitecross	£3.3m	Divestment of Whitecross, 35MW subsidy-free utility scale solar asset.
Sale of Staughton	£5.4m	Divestment of Staughton, 50MW subsidy-free utility scale solar asset.
Cash dividends paid	(£58.7m)	The dividends paid during the period, this includes both ordinary and preference share dividend payments.
Other movements in residual value	(£22.7m)	Other movements in residual value include changes to OPEX assumptions, FX movements, incremental CAPEX forecasts, planned outages, extraordinary refinance fees, changes to reflect actual performance ratios, and other non-material movements.
Share buyback	(£11.2m)	Cash on hand used to purchase 15,125,342 ordinary shares in the period driving an increase in the NAV per ordinary share of 0.5p 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 £563.4m (2024: £657.4m). Additional information can be found in note 19b to the Financial Statements.

NAV per share



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 an ad hoc basis, a specialist third-party modelling company conducts a detailed review and validates the Company's model, to provide assurance of its structural integrity and confirms it is correctly updated and maintained. The Board reviews the operating and financial assumptions used in the valuation of the Company's underlying portfolio.

Portfolio valuation – key assumptions	As at 31 March 2025	As at 31 March 2024
UK long-term inflation	2.25%	2.25%
UK short-term inflation (1 year horizon)	3.8%	3.1%
Weighted average discount rate	8.0%	8.1%
Remaining weighted average useful life	24.8 years	26.6 years
UK short-term power price average (2025-2029, real 2025)[1]	£64.5/MWh	£69.5/MWh
UK long-term power price average (2030-2044, real 2025)[1]	£58.8/MWh	£57.6/MWh
Italy short-term power price average (2025-2029, real 2025)[1]	€83.6/MWh	€92.5/MWh
Italy long-term power price average (2030-2044, real 2025)[1]	€64.6/MWh	€65.5/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 will therefore be 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;
  - Project Capital expenditures (actual costs incurred and changes to expected milestone dates); and
  - 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 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 Quantitative evaluation of the offers in terms of risk and reward and devise optimal project-specific solutions Individual view of market price risks and opportunities and delivery obligations in order to find the optimal PPA structure	Measure, monitor and manage merchant exposure by entering into short-term, medium-term and long-term PPAs Constant dialogue with market experts, our advisors and off-takers on developing new and innovative structures for risk diversification to enable us to increase portfolio returns	NEC provides pricing for NESF projects, supported by multiple independent short and long-term third-party power price forecasts Undertake rigorous analysis and monitoring of the main drivers for power prices in target markets Monitor policy/regulatory developments in the UK and other OECD target markets to obtain a holistic energy market overview

Forecast Power Price Methodology

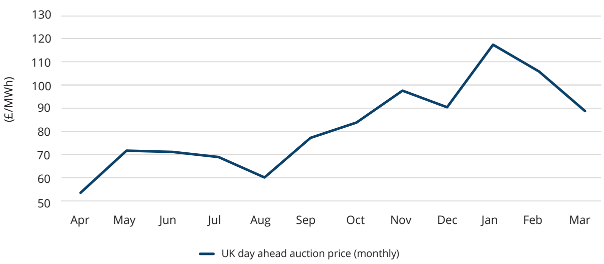
For the UK portfolio, the Company uses multiple sources for UK power price forecasts. Where PPAs are in place, contracted PPA prices are used. For periods where no PPA hedge is in place, short-term market forward prices are used. After two years, the Company integrates a rolling blended average of leading independent energy market consultants' ("Consultants") long-term central case projections. Recognising the increased potential for power price uncertainties driven by policy developments such as CP30, the ongoing REMA and other factors influencing the forward price projections produced by independent consultants generally, the Company has incorporated the projections of a fourth independent, industry-leading consultant within its long-term central case methodology. The blend of forecasts reduces volatility, presenting a fair and balanced outlook consistent with pricing methodologies used for successfully divested assets and power price assumptions across the broader peer group.

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

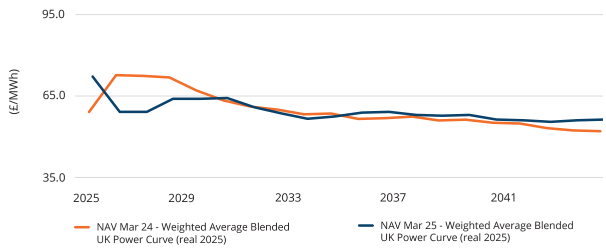
Historic – UK power prices

UK electricity day ahead prices increased from £53.7/MWh in April 2024 to £89.1/MWh in March 2025. (Source: N2EX - UK baseload – day ahead).



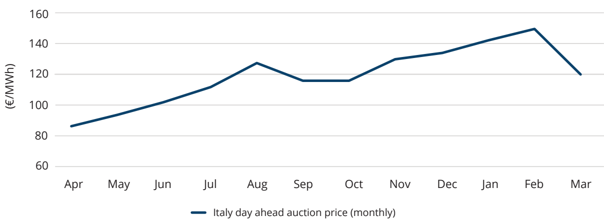
Forecast UK power prices (real 2025)

*The Company's current UK 20 year average power price forecast represents a **decrease** of 0.6% compared to that used at the end of the previous financial period (and 51.0% below the average price used at IPO).*



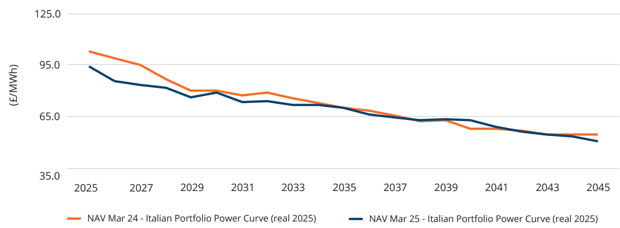
Historic - Italian power prices

Italian electricity day ahead prices increased from €86.8/MWh in April 2024 to €120.6/MWh in March 2025. (Source: Gestore Marcati Energetici – purchasing price).

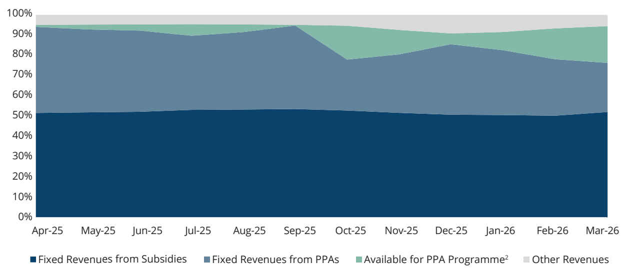


Forecast Italian power price (real 2025)

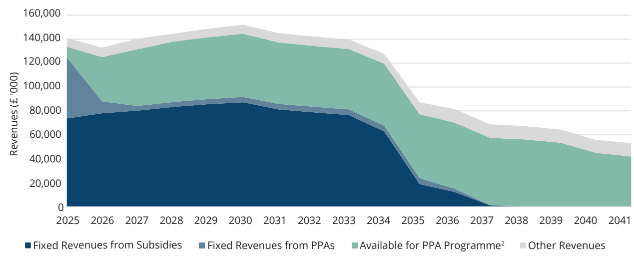
*On average, the Company's current Italian long-term power price represents a **decrease** of 0.4% compared to that used at the end of the previous period.*



NESF fixed revenues until 31 March 2026



NESF 10 year 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.

2 NESF 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.

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.

Discount Rate

The UK rate of inflation has fallen over the year, prompting the BoE to adjust interest rates accordingly. As at 8 May 2025, the BoE reduced its Base Rate from 4.5% to 4.25%. During the year, the Company's discount rate for unlevered operating UK solar assets remained at 7.5% (31 March 2024: 7.5%). This decision is in line with the discount rates observed by the Investment Adviser in the sector in which the Company operates and continues its robust approach to valuing the portfolio.

Discount rate assumptions	Premium	As at 31 March 2025	As at 31 March 2024
UK unlevered	-	7.50%	7.50%
UK levered	0.7-1.0%	8.20-8.50%	8.20-8.50%
Italy unlevered[1]	1.5%	9.0%	9.0%
Subsidy-free (uncontracted)[2]	1.0%	8.50%	8.50%
Life extensions[3]	1.0%	8.50-9.50%	8.50-9.50%

1 Unlevered discount rate for Italian operating assets implying 1.5% country risk premium.
2 Unlevered discount rate for subsidy-free uncontracted operating assets implying 1.0% risk premium.
3 1.0% risk premium for unlevered and levered assets' cash flows after 30 years where leases have been extended.

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 31 March 2025 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.

Asset Life and Technologies

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

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

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

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 31 March 2025, 81 solar assets (totalling 753MW) have achieved FAC and their actual PR was used in the discounted cash flow valuation.

FAC timeline for remaining assets	Capacity (MW)
Financial quarter ending December 2025	14.66
2026 onwards	4.99
Total	**19.65**

Regulatory Updates

During the year, no material adjustments to the NAV were made as a result of Office of Gas and Electricity Markets ("OFGEM") audits. Since IPO, 60 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 Asset Manager has identified and mapped contractual recourse associated with identified risk of loss for ongoing audits.

The UK Government held its second consultation on the evolution of electricity markets, through the REMA in 2024. 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 CfD has been announced for the 2025 rounds.

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

Cash Flow Generation

The Company 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 KWh of energy generated), which is mainly driven by the solar irradiation, technical performance and the 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.

The Company also generates revenue in the form of distributions from its investment holdings in NPIII and related co-investments. The first of these returns was received in the year ended 31 March 2025.

Operating Results

Loss before tax was £10.9m (2024: £8.4m loss) with earnings per ordinary share of -1.86p (2024: -1.42p). During the year, 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 year.

Operating Expenses and Ongoing Charges

The operating expenses, excluding preference share dividends paid by the Company, for the year amounted to £7.3m (2024: £7.7m). The Company's ongoing charges ratio ("OCR") was 1.18% (2024: 1.14%). The OCR has been calculated in accordance with the Association of Investment Companies recommended methodology, and is an Alternative Performance Measure (see pages 151-154).

Cash Flow Analysis

As at 31 March 2025, the Company held cash of £3.2m at an A+ credit rated financial institution (2024: £8.9m).

Cash received from assets in the year covered the operating expenses, the preference share dividends, dividends declared to ordinary shareholders in respect of the year ended 31 March 2025 and part of the investment into HoldCos.

Cash flows of the Company	Year end 31 March 2025 £'000	Year end 31 March 2024 £'000
Company cash balance at 1 April	**8,860**	**14,354**
Net cash movement in HoldCos[1]	71,281	58,927
Purchase of ordinary shares held in treasury	(11,180)	-
Directors' fees	(244)	(253)
Investment Management fees	(4,888)	(5,234)
Administrative costs	(1,895)	(1,990)
Ordinary share dividend paid during the year in cash	(49,211)	(47,444)
Preference share dividends	(9,500)	(9,500)
Company cash balance at 31 March	**3,223**	**8,860**

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

NESF Group Operating SPVs

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

	Year end 31 March 2025 (unaudited) £'000	Year end 31 March 2024 (unaudited) £'000
Total NESF Group revenue	129,972	131,983
EBITDA	94,169	99,572
EBIT	38,981	40,956

Cash Dividend Cover

Year ended 31 March 2025	£'000	Pre-scrip dividends £'000
Cash income for year[1]	73,175	
Net operating expenses for year	(7,304)	
Preference shares dividend	(9,500)	
Net cash income available for distribution	56,371	
Ordinary shares dividend paid during year		49,211
Cash dividend cover[1]		**1.1x**

1 Alternative Performance Measures

Larinho (NPIII)
Portugal
12.0MW
Long-term PPA

Pipeline and Opportunity

In the near-term the Company is focused on advancing the Company's capital recycling programme and reducing outstanding RCF balances, though remains committed to maintaining and advancing its existing pipeline to ensure the long-term health of the Company. The Company has identified an exclusive pipeline of solar power and energy storage opportunities that offer potential for future accretive growth in the NAV and enhanced revenue returns.

NESF currently has access to an exciting pipeline of energy storage opportunities through two joint venture partnership vehicles with Eelpower. The Company continues to make progress on Project Lion, a 250MW energy storage project, via its JVP2 with Eelpower, though it will not engage in its construction until such time as this becomes appropriate under NESF's disciplined capital allocation policy.

Additionally, 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. Emerson inverters have been replaced in 7 assets (42MW) and, in April 2025, replacement of inverters at 2 more sites (21 MW) was initiated and is expected to be completed before the summer generating season. In addition, the Company anticipates replacing inverters for up to 8 assets (with a combined capacity of up to 80MW) over the next three years. The Investment Adviser and Asset Manager regularly review portfolio performance to identify opportunities for long-term asset support and enhancement, as part of a rolling strategic reinvestment programme.

Furthermore, NESF benefits from its association with NextEnergy Group's development company, Starlight Energy LP ("Starlight"). Through a 'Right Of First Offer' ("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.

Health and Safety

Health and safety ("H&S") continues to be of the highest priority and the focus over the reporting period has been on developing clearer insight into the health and safety risks across all assets, combined with enhanced understanding of any incidents or events which occur.

As a result of improved connectivity between the Health and Safety Incident Tracker and the operational Asset Management Platform, substantial advancements have been made in both the quantity and quality of incident reporting data. This in turn has allowed the development of proactive tools which allow trend identification at both an asset and contractor level.

Solar plants have relatively straightforward designs, and risks are generally common issues like slips, trips and falls, alongside electrical safety concerns. The newly created tools provide clear visualisation of incident patterns and provides the opportunity for proactive preventative measures to be taken.

Towards the end of the reporting period, the recruitment of a Health and Safety Co-ordinator role to support the NextEnergy Group's H&S team is already enabling increased focus on the practical verification of H&S standards being implemented by our contractors.

Given the integral role of contractors throughout the asset life cycle, our systematic contractor prequalification process ensures that the contractors engaged have the required H&S processes and competencies to address risk adequately. Recent updates have enabled a transition from a diversified approach to a centralised one, aiming for improved consistency across the asset lifecycle.

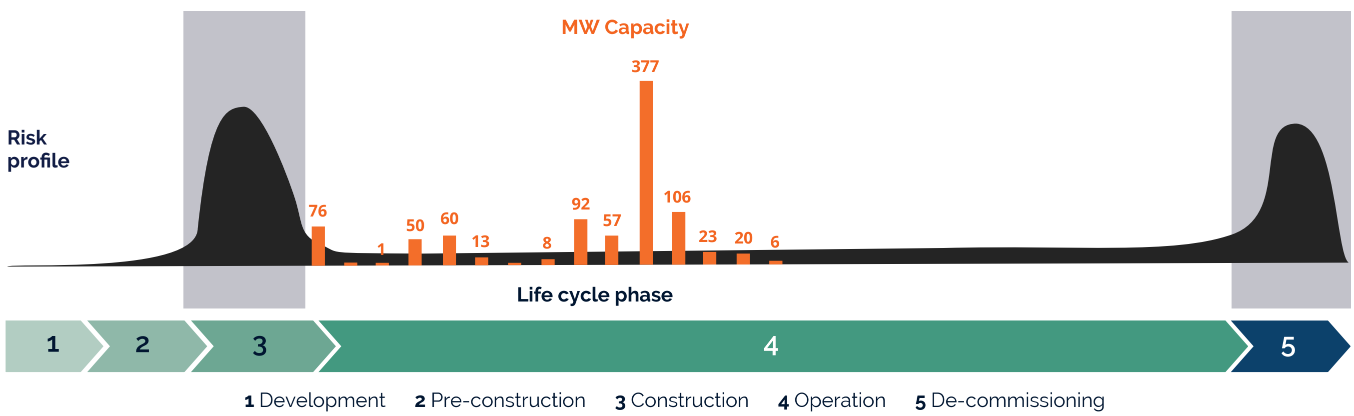
Key focusses for the coming year are:

- H&S site visits/inspections;
- Obtaining enhanced contractor data;
- Increased integration of H&S into contracts and project proposals.

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 31 March 2025, presents a relatively low H&S risk.

Health and Safety 31 March 2025 [1]



1 Excluding investment in NPIII.

Further information on the Company's H&S initiatives can be found in the Company's dedicated Sustainability and ESG report for 2025, linked here.

Alignment of Interest

As at 13 June 2025, NextEnergy Group employees held 2,106,138 ordinary shares in NESF.[1]

Events After the Balance Sheet Date

On 15 May 2025, the NESF Board approved a dividend of 2.11 pence per ordinary share for the quarter ended 31 March 2025 to be paid on 30 June 2025 to ordinary shareholders on the register as at the close of business on 23 May 2025.

On 15 May 2025 the Board approved a maintained dividend target of 8.43p per Ordinary Share for the financial year ending 31 March 2026.

1 This figure includes shareholdings of staff who may not be directly involved in the daily management or investment decision-making of the Company. The aggregate holding is for information purposes only and should not be relied on to make investment decisions.

During the period from 1 April 2025 up to and including 13 June 2025, the Company purchased 495,800 ordinary shares at a total cost of £0.3m.

NextEnergy Capital Limited

13 June 2025

Barnby Moor
Nottinghamshire
5.0MW
1.2 ROC

Operating Portfolio[12]

	Power Plant	Location	Acquisition date	Subsidy/PPA[1]	Installed capacity (MW)	Cost (£m)	Remaining life of plant (Years)[7]
1	Higher Hatherleigh[3]	Somerset	Apr-14	1.6	6.1	7.3	13.0
2	Shacks Barn[3]	Northamptonshire	May-14	2.0	6.3	8.1	12.2
3	Gover Farm[3]	Cornwall	Jan-15	1.4	9.4	10.7	14.7
4	Bilsham[3]	West Sussex	Jan-15	1.4	15.2	18.6	19.2
5	Brick Yard[3]	Warwickshire	Jan-15	1.4	3.8	4.0	14.6
6	Ellough[3]	Suffolk	Jul-14	1.6	14.9	19.6	23.9
7	Poulshot[3]	Wiltshire	Apr-15	1.4	14.5	15.4	13.9
8	Condover[3]	Shropshire	May-15	1.4	10.2	11.7	14.6
9	Llwyndu	Ceredigion	Jul-15	1.4	8.0	8.9	24.7
10	Cock Hill Farm	Wiltshire	Jul-15	1.4	20.0	23.0	14.4
11	Boxted[3]	Essex	Apr-15	1.4	18.8	21.2	14.9
12	Langenhoe[3]	Essex	Apr-15	1.4	21.2	25.0	30.0
13	Park View[3]	Devon	Jul-15	1.4	6.5	7.5	29.8
14	Croydon[3]	Cambridgeshire	Apr-15	1.4	16.5	17.8	14.7
15	Hawkers Farm[3]	Somerset	Jun-15	1.4	11.9	14.6	14.9
16	Glebe Farm[3]	Bedfordshire	May-15	1.4	33.7	40.5	24.6
17	Bowerhouse[3]	Somerset	Jul-15	1.4	9.3	10.8	29.9
18	Wellingborough[3]	Northamptonshire	Jun-15	1.4	8.5	10.4	14.2
19	Birch[3]	Essex	Sep-15	FiTs UK	5.0	4.7	15.2
20	Thurlestone - Evo	Leicestershire	Oct-15	FiTs UK	1.8	2.3	8.0
21	North Farm[3]	Dorset	Oct-15	1.4	11.5	14.5	29.7
22	Ellough Phase 2[3]	Suffolk	Aug-16	1.3	8.0	7.8	30.5
23	Hall Farm[3]	Leicestershire	Apr-16	FiTs UK	5.0	4.8	35.4
24	Decoy Farm[3]	Lincolnshire	Mar-16	FiTs UK	5.0	5.2	31.1
25	Green Farm	Essex	Dec-16	FiTs UK	5.0	5.8	15.9
26	Fenland[2,4]	Cambridgeshire	Jan-16	1.4	20.4	24.3	15.3
27	Green End[2,4]	Cambridgeshire	Jan-16	1.4	24.8	29.4	15.4
28	Tower Hill[2,4]	Gloucestershire	Jan-16	1.4	8.1	8.8	14.9
29	Branston[2,5]	Lincolnshire	Mar-16	1.4	18.9	21.8	30.9
30	Great Wilbraham[2,5]	Cambridgeshire	Mar-16	1.4	38.1	44.2	29.9
31	Berwick[2,5]	East Sussex	Mar-16	1.4	8.2	9.5	16.4
32	Bottom Plain[2,5]	Dorset	Mar-16	1.4	10.1	11.7	30.2
33	Emberton[2,5]	Buckinghamshire	Mar-16	1.4	9.0	10.4	35.1
34	Kentishes	Essex	Jul-17	1.2	5.0	4.3	35.0
35	Mill Farm	Hertfordshire	Jul-17	1.2	5.0	4.0	31.8
36	Bowden[2,4]	Somerset	Sep-17	1.2	5.0	5.4	31.9
37	Stalbridge	Dorset	Sep-17	1.2	5.0	5.2	31.7
38	Aller Court	Somerset	Sep-17	1.2	5.0	5.3	31.9
39	Rampisham	Dorset	Sep-17	1.2	5.0	5.6	17.4
40	Wasing	Berkshire	Aug-17	1.2	5.0	5.3	21.7
41	Flixborough	South Humberside	Aug-17	1.2	5.0	5.1	22.8
42	Hill Farm	Oxfordshire	Mar-17	1.2	5.0	5.4	31.9
43	Forest Farm	Hampshire	Mar-17	FiTs UK	3.0	3.1	41.9
44	Birch CIC[4]	Essex	May-17	FiTs UK	1.7	1.6	17.1
45	Barnby Moor	Nottinghamshire	Aug-17	1.2	5.0	5.0	17.3
46	Bilsthorpe Moor	Nottinghamshire	Aug-17	1.2	5.0	5.2	17.6
47	Wickfield	Wiltshire	Mar-17	1.2	4.9	5.4	18.1
48	Bay Farm	Suffolk	Sep-17	1.6	8.1	9.3	29.9
49	Honnington	Suffolk	Sep-17	1.6	13.6	15.8	29.8
50	Macchia Rotonda	Apulia	Dec-17	FiTs Italy	6.6	22.8	10.8
51	Iacovangelo[2,6]	Apulia	Dec-17	FiTs Italy	3.5	12.1	11.0

52	Armiento[2,6]	Apulia	Dec-17	FiTs Italy	1.9	6.6	11.0
53	Inicorbaf[2,6]	Apulia	Dec-17	FiTs Italy	3.0	10.4	10.9
54	Gioia[2,6]	Campania	Dec-17	FiTs Italy	6.5	22.4	11.5
55	Carinola[2,6]	Apulia	Dec-17	FiTs Italy	3.0	10.3	11.5
56	Marcianise[2,6]	Campania	Dec-17	FiTs Italy	5.0	17.3	11.4
57	Riardo[2,6]	Campania	Dec-17	FiTs Italy	5.0	17.2	11.4
58	Gilley's Dam	Cornwall	Nov-17	1.3	5.0	6.0	30.7
59	Pickhill[2,3]	Clwyd	Dec-17	1.2	3.6	3.6	32.4
60	North Norfolk	Norfolk	Dec-17	1.6	11.0	15.3	19.5
61	Axe View	Devon	Dec-17	1.2	5.0	5.5	22.3
62	Low Bentham	Lancashire	Dec-17	1.2	5.0	5.4	21.0
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	13.5
65	Salcey Farm	Buckinghamshire	May-18	1.4	5.5	6.3	14.5
66	Thornborough	Buckinghamshire	Jul-18	1.2	5.0	5.7	16.7
67	Temple Normanton	Derbyshire	Jul-18	1.2	4.9	5.7	16.3
68	Fiskerton	Lincolnshire	Jul-18	1.3	13.0	16.6	24.9
69	Huddlesford House	Staffordshire	Jul-18	1.3	0.9	0.9	15.7
70	Little Irchester	Northamptonshire	Jul-18	1.2	4.7	5.9	16.8
71	Balhearty	Clackmannanshire	Jul-18	FiTs UK	4.8	5.5	30.9
72	Brafield	Northamptonshire	Jul-18	1.2	4.9	5.8	31.1
73	Huddlesford Park	Staffordshire	Jul-18	1.2	0.9	0.9	15.9
74	Sywell	Northamptonshire	Jul-18	1.2	5.0	5.9	16.0
75	Coton Park	Derbyshire	Jul-18	FiTs UK	2.5	1.1	16.1
76	Hook Valley [2,4]	Somerset	Aug-18	1.6	15.3	24.4	28.9
77	Blenches[2,4]	Wiltshire	Aug-18	1.6	6.1	10.2	13.6
78	Whitley[2,4]	Somerset	Aug-18	1.6	7.6	12.9	28.8
79	Burrowton[2,4]	Devon	Aug-18	1.6	5.4	8.6	28.4
80	Saundercroft[2,4]	Devon	Aug-18	1.6	7.2	12.5	28.9
81	Raglington[2,4]	Hampshire	Aug-18	1.6	5.7	8.9	28.7
82	Knockworthy[2,4]	Cornwall	Aug-18	FiTs UK	4.6	7.6	12.9
83	Chilton Cantello[2,4]	Somerset	Aug-18	FiTs UK	5.0	8.5	27.3
84	Crossways[2,4]	Dorset	Aug-18	FiTs UK	5.0	8.5	27.3
85	Wyld Meadow[2,4]	Dorset	Aug-18	FiTs UK	4.8	8.6	28.4
86	Ermis	Rooftop Portfolio	Jul-18	FiTs UK	1.0	2.9	11.5
87	Angelia	Rooftop Portfolio	Jul-18	FiTs UK	0.2	0.6	11.5
88	Ballygarvey	County Antrim	Jul-19	1.4 NIROCs	8.2	8.7	22.8
89	Hall Farm II	Leicestershire	Aug-19	Subsidy-free	5.4	2.7	34.3
90	High Garrett	Essex	Oct-20	Subsidy-free	8.4	4.5	35.1
91	Marham WW	Norfolk	Jan-21	Long-term PPA	1.0	0.7	35.8
92	Sutterton Reservoir	Lincolnshire	Mar-21	Long-term PPA	0.4	0.4	20.8
93	Grange	Nottinghamshire	Feb-21	Long-term PPA	50.0	32.3	21.0
94	South Lowfield	Yorkshire	Jun-21	Long-term PPA	50.0	28.2	36.2
95	JSC (NZ)	Worcestershire	Mar-19	FiTs UK	0.0	0.0	14.5
96	Karcher (NZ)	Oxfordshire	Nov-19	Subsidy-free	0.3	0.2	20.0
97	Dolphin (NZ)	East Sussex	Jul-21	Subsidy-free	0.2	0.2	21.7
98	Holiday Inn (NZ)	Northamptonshire	Apr-22	Long-term PPA	0.2	0.2	22.2
Solar Subtotal					**814.8**	**985.8**	**23.9**
99	Camilla[11]	Scotland	Mar-24	Subsidy-free	35.0	27.2	44.8
Energy Storage Subtotal					**35.0**	**27.2**	**44.8**
100	NPIII LP[8]	OECD Markets	Jun-21	Multiple long-term PPAs	46.2	39.3	N/A
101	Agenor[9]	Spain	Jan-24	Long-term PPA	12.2	9.4	N/A
102	Santarém[10]	Portugal	Mar-24	Long-term PPA	28.6	9.8	N/A
Energy Storage Subtotal					**87.0**	**58.5**	
Total					**936.8**	**1,071.5**	**24.8**

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 46.2MW represents the proportion of NPIII operational assets owned by NESF on a look through equivalent basis as at 31 March 2025. NPIII is a portfolio of assets at different stages of their project life cycle.
9 12.2MW represents the proportion of Agenor owned by NESF as at 31 March 2025.
10 28.6MW represents the proportion of Santarém owned by NESF as at 31 March 2025.
11 35.0MW represents the proportion of Camilla owned by NESF as at 31 March 2025.
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)	Year Ended 31 March 2025 Irradiation delta (%)	Year Ended 31 March 2025 Generation delta (%)[4]	Since acquisition Irradiation delta (%)	Since acquisition Generation delta (%)[4]
1	Higher Hatherleigh	Apr-13	3.8	-5.0	-32.7	1.9	-6.9
2	Shacks Barn	Mar-13	5.0	-3.6	-8.4	1.9	4.6
3	Gover Farm	Oct-14	7.5	1.5	-14.6	4.3	-2.3
4	Bilsham	Nov-14	13.6	0.4	-9.1	5.8	2.4
5	Brick Yard	Nov-14	2.2	-1.6	-32.7	3.2	-3.9
6	Ellough	Mar-14	13.0	2.0	-7.1	2.4	0.2
7	Poulshot	Mar-15	10.6	-3.4	-13.7	1.1	1.6
8	Condover	Mar-15	9.0	-2.4	-1.8	1.1	2.9
9	Llwyndu	Feb-15	7.3	-7.9	-0.2	-2.4	6.3
10	Cock Hill Farm	Mar-15	19.0	-1.7	2.6	2.7	6.4
11	Boxted	Mar-15	15.5	1.7	-9.1	3.9	3.8
12	Langenhoe	Mar-15	21.1	5.7	7.9	7.6	11.2
13	Park View	Mar-15	6.1	-3.0	-2.8	0.8	2.5
14	Croydon	Mar-15	15.3	3.4	8.0	7.1	10.9
15	Hawkers Farm	Mar-15	11.3	-4.4	1.2	1.2	5.6
16	Glebe Farm	Mar-15	31.8	1.8	7.0	7.8	12.1
17	Bowerhouse	Mar-15	8.0	0.1	-8.0	4.0	-5.2
18	Wellingborough	Mar-14	7.1	-1.4	-6.1	3.5	5.6
19	Birch	Jun-15	4.9	2.7	5.7	5.7	7.4
20	Thurlestone - Evo[1]	Apr-13	1.2	-5.5	-14.4	-36.1	-4.5
21	North Farm	Mar-15	9.8	-6.5	-8.0	-2.2	-7.2
22	Ellough Phase 2	Jan-16	8.2	6.7	11.6	7.9	12.8
23	Hall Farm	Aug-16	3.6	-2.3	-8.0	3.6	3.1
24	Decoy Farm	Nov-15	4.8	0.4	6.6	5.4	10.8
25	Green Farm	Mar-16	4.6	2.8	-3.7	3.5	0.3
26	Fenland	Feb-15	19.6	0.1	7.3	4.4	9.0
27	Green End	Mar-15	24.0	2.5	4.7	5.0	5.6
28	Tower Hill	Mar-15	7.8	-1.2	4.9	2.2	7.6
29	Branston	Mar-15	17.7	1.9	3.2	6.0	8.8
30	Great Wilbraham	Mar-15	33.6	1.2	-4.9	5.3	2.9
31	Berwick	Mar-15	8.2	-3.0	-2.4	2.4	5.2
32	Bottom Plain	Dec-14	8.7	-3.6	-13.6	2.5	-2.6
33	Emberton	Mar-15	7.9	-0.5	2.0	4.2	5.4
34	Kentishes	Dec-16	5.0	4.3	4.0	5.5	5.8
35	Mill Farm	Dec-16	3.7	5.7	-15.0	8.4	5.4
36	Bowden	Mar-17	4.4	-6.3	-2.6	-1.0	-0.4
37	Stalbridge	Mar-17	5.0	-6.4	-1.0	-0.9	3.7
38	Aller Court	Mar-17	4.8	-4.6	-1.6	1.8	3.8
39	Rampisham	Mar-17	3.9	-8.8	-7.4	-4.0	-2.1
40	Wasing	Mar-17	4.9	-1.2	2.6	3.5	6.6
41	Flixborough	Mar-17	4.7	0.1	2.4	3.9	6.7
42	Hill Farm	Mar-17	5.0	1.5	6.6	4.5	8.9
43	Forest Farm	Mar-17	3.0	-1.4	2.9	3.2	7.6
44	Birch CIC	Jun-15	1.7	2.0	3.2	5.3	4.7
45	Barnby Moor	Mar-17	4.5	-0.9	-0.2	2.9	3.0
46	Bilsthorpe Moor	Mar-17	3.4	-3.1	-26.4	2.6	-2.2
47	Wickfield	Mar-17	4.1	-0.1	-11.6	3.5	0.8
48	Bay Farm	Mar-14	6.3	3.8	-11.0	5.5	5.8
49	Honnington	Mar-14	11.6	4.0	-7.2	4.5	4.3
50	Macchia Rotonda	Feb-11	8.7	4.7	-5.5	6.3	-2.0

51	Iacovangelo	Apr-11	4.5	2.6	-8.9	4.3	0.9
52	Armiento	Apr-11	2.8	3.5	3.8	5.2	6.4
53	Inicorbaf	Mar-11	4.4	2.8	1.7	5.7	5.7
54	Gioia	Oct-11	8.8	1.4	-1.3	2.7	2.0
55	Carinola	Oct-11	4.1	-1.2	2.9	1.4	2.6
56	Marcianise	Sep-11	6.9	5.8	2.6	3.6	3.7
57	Riardo	Sep-11	6.7	3.5	-3.3	3.0	-0.5
58	Gilley's Dam	Mar-16	4.5	-7.6	-10.7	-5.6	-7.9
59	Pickhill	Mar-17	3.4	-0.5	3.5	3.3	7.0
60	North Norfolk	Jan-14	5.4	2.3	-47.1	5.0	-12.9
61	Axe View	Mar-17	4.8	-1.0	1.2	4.4	6.0
62	Low Bentham	Mar-17	3.6	-5.3	-17.7	0.8	-2.7
63	Henley	Mar-17	4.5	-4.3	-0.8	1.2	3.9
64	Pierces Farm	Mar-15	1.5	-2.8	-5.1	1.4	3.2
65	Salcey Farm	Sep-14	4.2	0.1	-15.5	4.4	0.5
66	Thornborough	Mar-16	4.7	-3.2	0.7	0.0	-4.4
67	Temple Normanton	Mar-16	3.7	-4.0	-16.4	0.9	-9.5
68	Fiskerton	Mar-15	11.9	0.7	-3.2	4.4	-1.0
69	Huddlesford House	Mar-16	0.8	-0.4	-1.9	3.5	3.1
70	Little Irchester	Mar-16	3.4	-3.5	-25.8	0.9	-11.1
71	Balhearty[3]	Mar-16	0.8	-5.3	-81.1	-1.3	-18.7
72	Brafield	Mar-16	4.4	2.8	-4.0	6.0	-0.7
73	Huddlesford Park	Mar-16	0.8	-1.0	-3.5	2.8	0.2
74	Sywell	Dec-15	4.6	-0.5	-2.0	3.3	4.5
75	Coton Park	Dec-15	2.0	-4.7	-4.6	-1.0	1.4
76	Hook Valley	Mar-14	6.9	-4.6	-54.5	1.2	-15.4
77	Blenches	Mar-14	1.7	-3.0	-69.8	2.2	-14.3
78	Whitley	Mar-14	5.0	2.2	-26.6	7.0	-6.9
79 80	Burrowton Saundercroft	Mar-14	9.4	-3.0	-11.8	2.9	-6.9
81	Raglington	Mar-13	5.6	-2.3	-6.3	1.8	-10.1
82	Knockworthy	Mar-13	2.8	-4.5	-40.0	0.1	-25.3
83	Chilton Cantello	Jul-12	4.7	-3.8	-8.0	4.4	-3.3
84	Crossways	Jul-12	3.3	-2.1	-29.7	2.2	-12.3
85	Wyld Meadow	Jul-12	4.7	-6.4	-6.7	-1.7	-11.6
86	Ermis[1]	Oct-11	0.8	-1.8	-4.8	-16.7	0.8
87	Angelia[1]	Oct-11	0.1	4.2	-6.3	-11.8	-1.1
88	Ballygarvey	Mar-18	5.7	-7.1	-7.9	-0.3	1.8
89	Hall Farm II	Aug-19	4.1	5.1	0.0	9.9	11.0
90	Staughton[7]	Dec-19	39.9	6.8	9.0	11.5	11.7
91	High Garrett	Oct-20	8.1	6.2	13.9	7.8	10.5
92	Marham WW	Jan-21	0.9	-5.0	-2.4	-2.4	-2.4
93	Sutterton Reservoir	Mar-21	0.4	-0.9	2.5	1.6	0.6
94	Grange	Jan-21	46.9	1.1	-1.5	4.8	0.9
95	South Lowfield	Jun-21	39.2	-1.5	-4.4	-2.5	-4.0
96	JSC (NZ)[1]	Mar-19	0.0	-4.0	-1.9	-1.4	-2.3
97	Karcher (NZ)[1]	Nov-19	0.2	-0.4	-8.0	1.6	-6.2
98	Dolphin (NZ)[1]	Jul-21	0.1	1.1	-36.8	8.9	-13.0
99	Holiday Inn (NZ)[1]	Apr-22	0.2	1.0	-7.5	3.8	-3.7
100	Whitecross[6]	Jul-23	11.2	-2.7	-1.8	0.0	0.0
Subtotal			**765.9**	**0.1%**	**-5.3%**	**3.7**	**2.2**
101	NPIII LP	Multiple	50.7	-	-	-	-
102	Agenor[5]	Jan-24	13.8	-	-	-	-
103	Santarém[2]	Mar-24	-	-	-	-	-
Total			**830.4**	**0.1%**	**-5.3%**	**3.7**	**2.2**

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 Balhearty was taken offline due to damage caused by Storm Arwen in November 2021 and Storm Eunice in February 2022. During the year, Balhearty was successfully rebuilt and is now fully operational.
4 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.
5 Agenor's performance figures are from July 2024 onwards when it passed PAC.
6 Whitecross' performance figures are until its divestment in June 2024.
7 Staughton' performance figures are until its divestment in November 2024.
8 Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences

Sustainability and ESG

The deployment of solar PV and battery storage continues to grow, despite challenges in the global economy including geopolitical tensions, a backlash against ESG, and policy uncertainty. This reflects the structural benefits of the technology, which provides a low-cost, low carbon and highly versatile source of power. Together, solar and battery storage are making a significant contribution to the energy transition, and NESF is proud of the contribution that its portfolio of 937MW of solar PV and battery storage makes to that transition. The economic benefits are clear, enabling NESF to remain steadfast in its approach, generating risk-adjusted returns while proactively identifying and managing Sustainability and ESG issues which are material to its operations and value chain.

In the year ended 31 March 2025, NESF made significant progress on key Sustainability and ESG topics, including:

- Adopting a new Sustainability and ESG Framework;
- Publishing its Approach to Nature, which provides a strategic framework for the Company to engage with nature-related issues;
- Supporting industry work on responsible sourcing, via the NESF Investment Adviser and the Solar Stewardship Initiative (SSI), which launched solar-specific ESG and Traceability Standards; and
- Continuing the development of climate targets and initiatives, intended to culminate in the year ending 31 March 2026 with the release of a Transition Plan Taskforce (TPT) aligned Transition Plan.

Reflecting its commitments and progress, the Company is pleased that in the year ended 31 March 2025 it became a voluntary and early adopter of the Recommendations of the **Taskforce on Nature-related Financial Disclosures** ("**TNFD**"). The purpose of the TNFD is to enable financial market participants to understand the impact of specific investments on nature, and the impact of nature on those investments. NESF's TNFD alignment builds on the work it undertook in the previous financial year to align with related standards on climate change disclosures, and the Company's commitment to developing its reporting reflects increasingly sophisticated market understanding of how climate, nature and financial performance interact.

NESF's forward-thinking approach to Sustainability and ESG also means it is well placed to respond to potential regulatory change. Sustainability and ESG initiatives are subject to complex policy development processes that reflect evolving international priorities. NESF's work to identify, monitor and standardise its Sustainability and ESG impacts means it is well placed to meet current and future disclosure and other requirements, however they are implemented. This will also help ensure investors have access to the highest quality information possible on which to base their continued participation in NESF.

NESF continues to be classified as an Article 9 Fund under the EU Sustainable Finance Disclosure Regulation (SFDR). The SFDR came into force in 2021, and requires financial market participants to disclose their Sustainability and ESG policies and practices. NESF has sustainable investment as its objective, and its investments are fully aligned with the EU Taxonomy. The Company makes appropriate disclosures in its Annual Report and on its website under Annexes I, III and V of the Regulation.

NESF continues to meet its investment objective of providing ordinary shareholders with an attractive dividend yield, while driving action to support people, nature and prosperity. The Company monitors and takes action on material risks and opportunities relevant to achieving these goals, and I would like to thank the Investment Adviser for continuing to excel and innovate in its approach to Sustainability and ESG.

Josephine Bush

ESG Committee Chair
13 June 2025

NESF ESG at a Glance as at 31 March 2025

Environmental Performance

GWh clean energy generated for one year[1]

830

tCO_2e avoided for one year[2]

c.286,900

Equivalent number of homes powered for one year[3]

c.265,400

Equivalent fossil fuel cars removed from the road[4]

c.68,300

Nature Performance

Total area rehabilitated or restored, as a proportion of NESF's land use footprint

23%

Proportion of assets located in sensitive landscapes covered by a nature management plan with conservation or restoration measures

92%

Percentage of land footprint managed as either (1) productive land use or (2) natural areas

78%

Social Performance

Community funding (through SPVs)

c.£155k

Donated to the NextEnergy Foundation

£99k

Lost time injuries

0

Governance Performance

Board Meetings, including Committee of Board and ad-hoc meetings

19

Gender diversity at Board level

80% female
20% male

ESG Board Committee meetings

3

1 Including share in NPIII and Agenor. Inclusion of NESF's 6.21% share of NPIII on a look-through equivalent basis increases generation by 51GWh (2024: 41GWh). Inclusion of NESF's 24.5% share of Agenor increases generation by 14GWh (2024: nil GWh).
2 Emissions avoided figure is adjusted to reflect the NESF's proportion of capital interest (debt and equity). NESF's avoided emissions have been calculated in line with the United Nations Framework Convention on Climate Change's working group on International Financial Institutions.
3 NESF's equivalent number of homes powered figure is based on OFGEM 2025 research and Enerdata 2024 research.
4 NESF's equivalent fossil fuel cars off the road figure is calculated using the total emissions avoided of NESF's solar PV projects and standard emission factors from the US Environmental Protection Agency where a typical fossil fuel passenger vehicle emits c.4.2 metric tonnes of CO_2e per year. We divide NESF's total emissions avoided by this emission factor to derive the equivalent number of fossil fuel cars taken off the road.

Strategy

NESF's dedicated Sustainability and ESG Framework structures its approach to ensuring that Sustainability and ESG are integrated at every stage of its investment process. This is based on four key steps:

- Identifying and assessing Sustainability and ESG issues from the initiation of a potential transaction.
- Managing and acting on any risks and opportunities presented by the Sustainability and ESG due diligence process.
- Reporting on Sustainability and ESG matters through the NESF website and other disclosures.
- Engaging continuously on issues of material concern to NESF.

Risk Management

The Sustainability and ESG risk management process is implemented by the Investment Adviser's ESG team. The team has extensive experience across climate, nature, and social issues relating to energy infrastructure and investment management. The team continues to be led by Giulia Guidi, the NextEnergy Group Head of ESG and a member of the Investment Adviser's Investment Committee to NESF. The Board of Directors of NESF provides oversight of the Company's Sustainability and ESG strategy, activities, and performance through the ESG Committee.

Further details on NESF's Sustainability and ESG risk management and disclosures are included in its standalone Sustainability and ESG Report.

Risk Summary

Sustainability and ESG risks for NESF and its portfolio include physical and transition risks linked to climate change, impacts on and from nature, and social-related issues including health and safety, human rights, community engagement, and diversity, equity and inclusion. NESF considers these topics where relevant in terms of both its direct operations and its upstream value chain, and fully integrates Sustainability and ESG related risks and opportunities in its overall risk management process. This includes the risk register which forms parts of the Company's enterprise risk management framework.

NESF discloses its governance, strategy, risk management and performance metrics for Sustainability and ESG issues in its standalone 2025 Sustainability and ESG Report. This Report is fully aligned with the General ("S1") and Climate ("S2") Standards of the International Sustainability Standards Board ("ISSB") and the Recommendations of the TNFD.

No new material sustainability or climate-related risks were noted for the reporting period, and no financially material climate or nature-related risks were identified.

Highlights during the year

Significant progress has been made on the following initiatives, on which work will continue during the next reporting period.

Strategy, policy and disclosures:

In the year ended 31 March 2025, NESF adopted a new Sustainability and ESG Framework. This was developed as part of a strategic review by the NextEnergy Group, conducted with the support of an independent adviser. The Sustainability and ESG Framework structures NESF's approach to ensuring that its Sustainability and ESG priorities are fully integrated in its development, investment and asset management activities. NESF also implemented its own Sustainable Investment Policy, where previously it had adopted the Investment Adviser's Policy.

Building on these developments and its previous early adoption of the General (S1) and Climate (S2) standards of the ISSB, NESF's Sustainability and ESG report for the year ended 31 March 2025 is also aligned with the recommendations of the TNFD. The Company does so as a voluntary early adopter, and for the first period for which it is possible. NESF's commitment to developing its reporting reflects increasingly sophisticated market understanding of how climate, nature and financial performance interact, and means it is well placed to respond to potential regulatory and policy change.

Nature strategy:

In November 2024, NESF launched its 'Approach to Nature' report, the first of its kind within the renewable infrastructure investment company sector. The Approach to Nature report outlines NESF's strategic plan for nature and nature targets, which is designed to avoid or manage nature-related risks, while opening opportunities to create and capture value from evolving nature markets. The Approach to Nature report reinforces NESF's continued leadership on action to combat climate change, protect biodiversity, and help curb nature loss, while ensuring it is strategically positioned for emerging opportunities aligned with nature-positive investments.

Supply chain management:

The Solar Stewardship Initiative (SSI) continued its work to develop a more responsible and transparent solar supply chain. This included launching the first solar-specific ESG standard in April 2024, and the first solar-specific raw material traceability standard in December 2024. These Standards will help companies including NESF to drive the highest levels of sustainability in their supply chain. The Investment Adviser has supported the development of the SSI since inception, and is currently represented on the SSI Board by Giulia Guidi, NextEnergy Group Head of ESG. NESF continues to develop its approach to supply chain Sustainability and ESG, and representatives of the Investment Adviser's ESG and Procurement teams conducted an extensive supplier engagement trip to China in 2024.

ESG team visiting Berwick
East Sussex
8.2MW
1.4ROC

Stakeholder Engagement

We recognise the importance of maintaining a high standard of business conduct and strong and constructive relationships with our key stakeholders in order to deliver the Company's strategic objectives over the longer term.

As the Company has no employees and given the nature of its services, the Investment Adviser (in addition to the Board) has significant dealings with our other stakeholders and, therefore, is an integral point of contact between the Company and our stakeholders. The Company's Corporate Brokers, Cavendish Corporate Finance and RBC Capital Markets Ltd, are also an integral point of contact between the Company and our shareholders and, together with the Investment Adviser, ensure that any shareholder feedback or observations are collated.

Our key stakeholders are shown in the table below, in no particular order. The table explains why those stakeholders are important to the Company and how we seek to engage with them, which we may do either directly or through the Investment Adviser or our Corporate Brokers, as appropriate.

Key Stakeholders	Why they are important to us	How we engage with them
Shareholders (All investors in the Company– institutional investors, wealth managers and retail investors (including private individuals))	A well-informed and supportive shareholder base is crucial to the long-term sustainability of our business. Understanding the views and priorities of our shareholders is, therefore, fundamental to retaining their continued support and to having the potential to access equity capital in order to continue to expand the Company's portfolio over time and to further diversify the investment portfolio and create economies of scale.	• Annual and Interim Reports • Quarterly factsheets • Market announcements, including quarterly NAV announcements • Website • Institutional investor meetings (one-to-one and group), primarily through our Investment Adviser and Corporate Brokers, to keep communications open (including annual and interim results presentations) and to gauge their opinions on specific matters (e.g. strategy and capital raisings) • Regular institutional investor feedback received from our Investment Adviser and Corporate Brokers • Chair meetings and other communications with substantial shareholders • Research analyst presentations • Dialogue with research analysts through our Investment Adviser, as and when required • AGM • Rothschild & Co shareholder perception study in April 2021
Investment Adviser	The Investment Adviser's performance is critical for the Company to deliver its investment strategy successfully and meet its investment and strategic objectives. Accordingly, the Company relies on the Investment Adviser's expertise, and needs to ensure the quality and sustainability of its services, to deliver the necessary performance. The Investment Adviser's culture and reputation is also important when it is representing the Company and its subsidiaries.	• Board and Committee meetings • Ad hoc meetings and calls with the Board • External Board evaluation, which includes feedback from the Investment Adviser • Informal meetings
Investment Manager	The Investment Manager's role is important to ensure all acquisitions and divestments meet the Company's investment and strategic objectives.	• Quarterly reports to the Board • Annual evaluation by the Management Engagement Committee • Ad hoc meetings and calls with Directors

Key Stakeholders	Why they are important to us	How we engage with them
Administrator	As the Company has no employees, we rely on the Administrator to provide us with administrative, fund accounting and company secretarial services. In particular, we rely on the Administrator maintaining the accuracy of our accounting records and ensuring our compliance with applicable laws, rules and regulations.	• Board and Committee meetings • Ad hoc meetings and calls with the Board • Quarterly reports to the Board • Annual evaluation of the Administrator by the Management Engagement Committee and the Audit Committee • Interim and annual debrief by the Audit Committee
Other Key Service Providers and Advisers (Registrar, Financial Advisers, Legal Advisers, Corporate Brokers, Public Relations and Auditors)	A strong and constructive working relationship with our other key service providers and advisers ensures that we receive high quality services to help deliver our investment and strategic objectives.	• Board and Committee meetings • One-to-one meetings and calls • Provision of relevant information to or by • the Company • Annual evaluation of key service providers and advisers by the Management Engagement Committee and by the Audit Committee of the Auditors
Lenders (Provider of the NESF Group's credit facilities)	An appropriate amount of gearing is required to achieve our target returns. It is important to maintain a strong working relationship with our existing lenders in case we may need, at some point, their consent for, e.g., strategic initiatives. We also look to build strong relationships with lenders, including our existing lenders, who may provide debt facilities in the future.	• Provision of information to lenders in accordance with the terms of the relevant facility agreements • Consultation in advance on matters which may require their consent under the relevant facility agreements
Local Communities	Ensuring our investment creates a positive social impact is core to our sustainability approach.	• See the Annual Sustainability and ESG Report • Review and challenge by the Board's ESG Committee
Asset Manager	The Asset Manager's performance is critical for the operating solar assets to deliver operational outperformance versus the budget. The Asset Manager also provides the administration and fund accounting for the Company's subsidiaries, as well as providing an energy sales desk to manage our electricity price and sales strategy.	• Monthly and ad-hoc meetings with the Investment Adviser • Monthly reports to the Investment Adviser • Quarterly reports to the Investment Manager, which is reported to the Board

Risks and Risk Management

We recognise that effective risk management is important to the Company's long-term sustainable success.

Approach to Managing Risk

Our risk management process is designed to identify, evaluate, manage and mitigate (rather than eliminate) the significant risks we face. The process can therefore only provide reasonable, and not absolute, assurance. The Audit Committee formally reviews, on the Board's behalf, the approach to and effectiveness of our risk management and internal control systems bi-annually as a minimum.

Risk Appetite

The Board is ultimately 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 its Investment Policy that sets out the key components of its risk appetite.

The Company's risk appetite is considered in light of the emerging and principal risks that the Company faces, including having regard to, amongst other things, the level of exposure to power prices, gearing and financing risk and solar resource risk.

Principal and Emerging Risks

Details of the emerging and principal risks we face that have the potential to materially affect our business are set out 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.

Aller Court
Somerset
5.0MW
1.2 ROC

Portfolio Management and Performance Risk

Changes in risk level compared to prior period: *No changes*

Risks	Summary	Mitigation
Electricity generation falling below expectation	Solar is an intermittent energy source compared to traditional energy resources such as coal and gas. The volume of solar irradiation available on a given day is out of the Company's control and this is a risk on the performance of the assets.	There is a level of predictability for solar irradiation compared to other renewables, in that solar irradiation levels tend to follow a set trend throughout the year and exhibit low inter-year volatility. The geographical location of the asset has an impact on solar irradiation levels, due to climate variations and small differences in day lengths across regions. Assets are chosen with this in mind. The Asset Manager has value-enhancing tools that optimise the Company's portfolio generation and resolve interruptions efficiently. The diversity of the underlying solar module and inverter manufacturers and O&M suppliers.
Portfolio valuation	Valuation of the Company's assets is dependent on financial models based on several drivers, principally: discount rates and rates of inflation. For solar PV assets, drivers also include power price curves and the amount of electricity the solar assets are expected to produce. For the Company's energy storage asset, drivers also include forecast revenue streams. Certain assumptions may prove to be inaccurate, particularly during periods of volatility.	The Company's model and the internal controls thereon are reviewed in detail on a periodic basis by a third-party modelling specialist to ensure the Company's model is robust and compliant with the latest modelling standards and controls. Documentation supporting the fair values model is presented to the Board quarterly for approval and adoption. To manage the impact of the power price volatility, the Investment Adviser uses an average of the power price curves from four Consultants. For the Company's energy storage asset, Camilla, the Company uses a market leading independent advisor to forecast the energy storage's revenue streams.
Share price discount to NAV	As at 31 March 2025, the Company's ordinary shares traded at an average discount of over 10% to the Company's NAV over the financial year due to a number of external factors, including interest rate increases, market perceptions of investment companies, and institutional investor redemptions. As a result, the Board is required to propose a special resolution at the AGM to consider discontinuation of the Company. If that resolution was approved, the Board would consider a number of proposals.	The Company is well-placed to continue delivering value for investors over the long term and is taking steps to close the discount to NAV over time through the Company's Capital Recycling Programme, a focus on reducing short-term debt and a share buyback programme of up to £20m, alongside consideration of other strategic initiatives.

Operational and Strategic Risks

Changes in risk level compared to prior period: *No changes*

Risks	Summary	Mitigation
A decline in the price of electricity	Revenues of solar assets are dependent on the electricity market. Exposure to the wholesale energy market impacts the prices received for energy generated by and revenues forecast for the operating assets of the Company. The recent supply chain issues associated with the regional and international conflicts, alongside wider macroeconomic and geopolitical uncertainty has led to volatile power prices.	The Investment Adviser uses the most recent quarterly reports from the Consultants to be kept informed of long-term electricity prices, and uses this information to formulate the Company's electricity sales and hedging strategies. **Short-term:** The Company enters into PPAs and forward contracts to fix electricity prices for up to a 36-month period with varying contract lengths. The NextEnergy Group has an Energy Sales desk which is responsible for hedging generation produced in the short-term. As at 31 March 2025, the Company had secured fixed price agreements covering 89% of its electricity generation for the 2025/26 financial year and 66% for the 2026/27 financial year. **Long-term:** Wholesale power prices are beyond the control of the Company. Factors that could increase the price of electricity include the roll-out of electric vehicles and the electrification of domestic heating and transportation networks. The Investment Adviser reviews wholesale electricity price forecasts and enters into long-term PPAs where appropriate. **Subsidy-free assets:** The Investment Adviser will plan for short-term and long-term contracts before the asset is operational.
Counterparty risk	This is the risk of counterparty failure. The Company has entered into O&M contracts and PPAs, which affect the costs and revenues of the Company. The Company has also contracted with various EPCs for construction of the subsidy-free assets. If the counterparty becomes insolvent there is a risk of disruption and financial loss until the counterparty is replaced.	The Asset Manager continuously monitors NESF's contracts in line with the market. There are contractual arrangements in place that have warranties in case of defaults. The Asset Manager ensures that counterparties are of an acceptable financial and reputational standing to minimise risk.
Plant operational risk	The Company relies on third-party contractors to provide corrective and preventative maintenance through O&M contracts. The O&M contractor could fail to fulfil its obligation and the solar asset's performance could deteriorate. Degradation of the solar modules reduce the performance of the plant over time. An increase in the rate of degradation may lead to under performance.	The Company can seek legal recourse against failure by an O&M contractor. The Asset Manager monitors and ensures that each O&M contract maintains a detailed preventative schedule, with contract warranties and penalty payments in the event of failure. NESF looks at technological improvements on an ongoing basis to reduce the effect of degradation. Also, NESF has contract warranties to secure the design performance of the assets.

External and Market Risks

Changes in risk level compared to prior period: *Increase in 'adverse changes in government policy and political uncertainty'*.

Risks	Summary	Mitigation
Adverse changes in government policy and political uncertainty (principal or emerging)	International conflicts, geopolitical tensions, and changes in government and their policies may impact trade of commodities, such as oil and gas, which have subsequent downstream impacts on power price volatility. These factors may also impact supply chain stability for solar and storage assets. The regional and international conflicts have led to global volatility in supply chains and power prices. Supply chain shortages in solar equipment could prohibit construction of new projects and drive-up acquisition prices of existing assets. The Company remains vigilant amid the evolving international tariff landscape, continuously assessing potential impacts on key imports, global supply chains, and trade flows. The introduction of zonal pricing, currently under consideration by the UK government, is expected to reshape electricity prices by aligning more closely with local supply and demand, in an effort to enhance grid efficiency.	The Investment Adviser closely monitors the impact of the policies of key political parties in jurisdictions where the Company operates and assesses geo-political developments affecting regions of significance for the Company's operations (including supply chain and wholesale power markets). The Investment Adviser also engages regularly with the UK government and opposition parties on matters relevant to the Company and its investments. The global consequences of international conflict on power prices emphasises the importance of national energy independence, which the Company believes it is well placed to facilitate. The Investment Adviser has a wealth of experience and a strong network built through its global presence that enables it to source valuable projects and contracts for the NESF portfolio. The geopolitical expectations known at the time of acquisition of an asset are built into the Company's strategy and projected financial returns for the asset. The Investment Adviser is actively monitoring the international tariff landscape to identify and manage potential implications for NESF. Given the operational status of the Company's portfolio and current inventory of spare parts, direct short-term impacts are expected to be limited. The Asset Manager regularly monitors the supply chain for spare parts and works closely with the Investment Manager to ensure a responsive and resilient procurement strategy is in place. NESF's diversified portfolio is well-positioned to adapt to the potential zonal pricing transition and the Company continues to closely monitor updates and developments.
Adverse changes to regulatory framework for solar PV (principal or emerging)	Uncertainty for the future regulatory framework for solar PV creates a risk that further planned acquisitions do not take place. This would affect the Company's growth potential, valuation and profitability.	The Company, through the support of the Investment Adviser, actively monitors regulatory changes within the industry and participates in contributing towards government discussions on the industry in the UK, Italy and other countries in which investments are located.
Changes to tax legislation and rates (principal or emerging)	Changes to the existing rates and rules could have an adverse effect on the valuation of the portfolio and levels of dividends paid to shareholders. As a result of the elevated power prices exhibited during 2022, the UK government announced the Electrical Generator Levy ("EGL"), which is a temporary 45% charge on exceptional receipts generated from the production of wholesale electricity. Exceptional receipts will be defined as wholesale electricity sold at an average price in excess of £75 per MWh over an accounting period. Changes to current subsidies based on findings of the regulator, OFGEM, would impact the Company's revenue streams.	NESF has tax advisers to ensure constant awareness of any upcoming changes to tax legislation and rates, to implement the necessary changes as required. Investment in multiple jurisdictions diversifies exposure to individual country regulations and hence risk. An increase in subsidy-free assets in the portfolio reduces exposure to regulated revenues, supported by the hedging strategy.

External and Market Risks

Risks	Summary	Mitigation
Health and Safety (principal or emerging)	The physical location, maintenance and operation of a solar power plant may pose health and safety risks to those involved.	Health and safety practices are in place that conform to local governmental standards. The Investment Manager, the Investment Adviser and the Asset Manager monitor adherence to the standards. Insurance policies are in place and reviewed to increase cover where necessary.
Climate-related risks (emerging risk)	These are detailed in NESF's dedicated Annual Sustainability and ESG report which is aligned with the Climate Related S2 Standard of the International Sustainability Standards Board.	

Hill Farm
Oxfordshire
5MW
1.2 ROC

Going Concern and Viability

Going Concern

This Strategic Report describes the Company's business activities, together with the factors likely to affect its future performance, position and prospects. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are referred to in the Chair's Statement, Investment Adviser Report and notes to the Financial Statements.

The Company's cash balance as at 31 March 2025 was £3.2m, all of which was readily available. NESF also had immediately available but undrawn amounts under the NESF Group's debt facilities of a further £60.1m. The NESF Group had capital commitments totalling £11.4m at the financial year end. A significant portion of the NESF Group's revenues is derived from government subsidies. A large portion of the NESF Group's borrowings is on a non-recourse basis. The Company's portfolio is diversified by geography, components, plant size, subsidy schemes and revenue streams.

A thorough evaluation of the cash flow impact, for the going concern period to 13 June 2026, of the following individual and combined two scenarios were reviewed by the Directors:

- Sale of Assets as part of the Capital Recycling Programme
- Sale of Assets and alternative share buyback scenarios as part of the Capital Recycling Programme.

The above scenarios highlight that the Company is, and will highly likely remain, cash flow profitable and is in a net asset position.

In accordance with the Company's Articles of Incorporation, the Board is required to propose a special resolution at the Company's AGM in August 2025 to consider discontinuation of the Company due to its ordinary shares trading at an average discount of over 10% to the Company's NAV over the financial year ended 31 March 2025. The Directors of the Company have considered the potential outcome of the vote on the ability of the Company to continue as a going concern and deem it highly likely that Shareholders will vote against the discontinuation of the Company. 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 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 Annual 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 Annual Report. The Board is of the opinion, therefore, that the going concern basis adopted in the preparation of the Financial Statements is appropriate.

Assessment of Viability

In accordance with the AIC Code of Corporate Governance (February 2019) ("AIC Code") and the UK Listing Rules, the Directors have assessed the prospects of the Company over a longer period than the 12 months required when preparing financial statements on a going concern basis. The Board has also carried out a robust assessment of the emerging and principal risks.

In reviewing the Company's viability, the Directors have assessed its viability for the period to 31 March 2030. The Board believes this period, being approximately five years, is an appropriate period over which to assess the Company's viability as it is consistent with the five-year period used by the Board when considering the Company's investment strategy and medium-term business plans, including cash flows, and is considered reasonable having regard to the long-term nature of the Company's investment strategy.

The Company owns a portfolio of solar energy infrastructure assets in the UK, Italy, Portugal and Spain that are predominantly fully constructed, operational and generating renewable electricity. The Company is also in the energy storage asset market in the UK. As a result of both of these markets, the Company benefits from predictable and reliable long-term cash flows and is subject to a set of risks that can be identified and assessed. Each solar and energy storage asset is supported by a detailed financial model at acquisition and incorporated into the Company's valuation model for quarterly valuations. The Directors believe that the diversification within the Company's portfolio of solar assets helps to withstand and mitigate the emerging and principal risks the Company is most likely to face. The Company's revenues from investments provide substantial cover to the operating expenses of the SPVs, HoldCos and the Company and any other costs likely to be faced by any of them over the viability assessment period.

NESF prepares a five-year cash flow forecast annually and the Investment Adviser and the Board review this as part of their business planning and to assess the sustainability of the Company's dividends. This forecast is based on the Investment Adviser's and the Investment Manager's expectations of future asset performance, income and costs, and is consistent with the methodology applied to provide the valuation of the investments. The forecast considers the Company's cash balances, cash flows, dividend cover, other financial ratios, compliance, investment policy and key operational and financial indicators over the period. Furthermore, the forecast also considers the terms of the NESF Group's borrowing facilities (mainly interest payable, amortisation and financial covenants) and the terms of the preference shares and their limited redemption rights. Apart from any drawings under the revolving credit facility for an aggregate of up to £205m, there are no borrowings by the Company or any of the HoldCos or SPVs that are expected to be refinanced.

The viability assessment assumes continued government support for existing subsidy arrangements for the assets within the portfolio.

The key assumptions underpinning the cash flows and covenant compliance forecasts are subject to sensitivity analysis to explore and evaluate the Company's resilience to the potential impact of those emerging and principal risks summarised above that, both individually and in aggregate, could prevent the Company from delivering on its investment strategy. The emerging and principal risks have been subject to stress cases including P90 irradiation, availability at 95% and power prices falling to £30/MWh as these could have a material negative impact on valuations and cash flows and give rise to a reduction in the availability of finance. The remaining emerging and principal risks, whilst having an impact on the Company's business model and future performance, position and prospects, are not considered by the Directors to have a reasonable likelihood of impacting the Company's viability over the five-year period to 31 March 2030.

The sensitivities performed were designed to be severe but plausible; and to take full account of the availability and likely effectiveness of mitigating actions that could be taken to reduce or avoid the impact or occurrence of the underlying risks.

Viability Statement

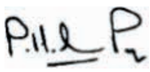
Having considered the five-year forecast cash flows and covenant compliance, the impact of the sensitivities in combination, and the emerging and principal risks facing the Company, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2030.

International Conflicts

Neither the Company nor the Company's portfolio has direct exposure to global conflict zones. The Board and the Investment Adviser continue to monitor the situation closely and consider the wider consequences on power prices and energy affordability.

Approval

This Strategic Report was approved by the Board on 13 June 2025 and signed on its behalf by:



Paul Le Page
Interim Chair

13 June 2025

Hook Valley
Somerset
15.3MW
1.6 ROC

Governance

Introduction from the Chair

I am pleased to present the Company's Corporate Governance Report for the year ended 31 March 2025.

We believe that strong corporate governance gives the Company's shareholders and other key stakeholders confidence in the Company's trustworthiness, fairness and transparency. The practice of good governance is, therefore, an integral part of the way we manage the Company and plays an important role in shaping the Company's long-term sustainable success and achieving our strategic objectives.

Corporate Governance Regime

This Corporate Governance Report explains how we apply the principles and provisions of the AIC Code. It provides details of the key aspects of our corporate governance framework and seeks to demonstrate how the Board and its Committees have operated during the year, and how we exercise effective stewardship over the Company's activities for the benefit of our shareholders as a whole, whilst having regard to the interests of wider stakeholders. The Board also considers other updated guidance and best practice.

Board Composition and Evaluation

We continued to keep the Board's composition under review and appointed Caroline Chan to the Board on 1 April 2024 where her wealth of experience in investment funds, alongside her legal background, has added to the skillset of the Board. More information on the Board's diversity and skillset can be found on pages 93 and 85, respectively.

The AIC Code requires us to undertake externally facilitated Board evaluations at least every three years and the most recent review was undertaken by CoSteer in 2025. The next external Board Evaluation is due to be undertaken as part of the 2028 process. Further information on this year's evaluation process and its findings can be found under 'Annual Performance Evaluations' on page 96.

Audit Committee

Jo Peacegood is the appointed Chair of the Audit Committee. Further information on the Audit Committee can be found on pages 105-108.

Remuneration Committee

I acted as the appointed Chair of the Remuneration Committee for the year ended 31 March 2025. Further information on the Remuneration Committee can be found on page 83.

Nomination Committee

Helen Mahy acted as the appointed Chair of the Nomination Committee for the year ended to 31 March 2025. Further information can be found within the Remuneration & Nomination Committee Report on pages 100-104.

Management Engagement Committee

Caroline Chan is the appointed Chair of the Management Engagement Committee. Further information on the Management Engagement Committee can be found on page 83.

ESG Committee

Josephine Bush is the appointed Chair of the ESG Committee. Further information on the ESG Committee can be found on page 83.

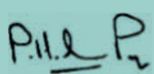
Market Disclosure Committee

Helen Mahy acted as the appointed Chair of the Market Disclosure Committee for the year ended 31 March 2025. The Committee considers the requirements for timely and accurate disclosure of information to be disclosed in line with legal and regulatory obligations arising from the Company's listing on the London Stock Exchange. Meetings of the Board have satisfied these obligations to date, so the Committee has not been required to meet.

Engagement with Our Key Stakeholders

We recognise the importance of engaging with our key stakeholders and information on how we do this can be found under 'Stakeholder Engagement' on page 72. We continue to look at how we engage with all of our key stakeholders to ensure that our engagement is both appropriate for the Company's business, and dynamic, so that we can respond as the business and our key stakeholders' views evolve. The Board and I look forward to maintaining an ongoing dialogue with investors over the next few months.

Post the year end, Helen Mahy stepped down as a director of the Company. In line with the Nomination Committee's established succession plans, the Board has appointed me, previously Senior Independent Director, as Interim Chair while the Company concludes a formal process to confirm a permanent successor. As such, Josephine Bush has been appointed as Senior Independent Director of the Company. The Company's Remuneration Committee and Nomination Committee have been combined into one Committee, the Remuneration & Nomination Committee, which is chaired by Caroline Chan. I now chair the Market Disclosure Committee.



Paul Le Page
Interim Chair

13 June 2025

Governance Framework

Our governance framework reflects the fact that, as an investment company, the Company has no employees; its directors are all non-executive and its day-to-day activities, including investment management and administration, are outsourced to external service providers.

BOARD
(All independent of the Investment Manager, the Investment Adviser and the Administrator)

Independent Chair: Paul Le Page (appointed 15 May 2025) (Helen Mahy stepped down from the Board on 15 May 2025)
Principal Responsibilities: To lead the Board; to ensure the Board's overall effectiveness in directing NESF

Senior Independent Director: Josephine Bush (appointed 22 May 2025) (Paul Le Page stepped down from this role on 15 May 2025)
Principal Responsibilities: To provide sounding board for the Chair and serve as an intermediary for the other directors and shareholders

Non-executive Directors:
Paul Le Page (appointed 3 October 2023)
Joanna Peacegood (appointed 20 February 2020)
Josephine Bush (appointed 1 January 2022)
Caroline Chan (appointed 1 April 2024)
Patrick Firth (retired on 12 August 2024)
Helen Mahy (stepped down on 15 May 2025)

SCHEDULED BOARD MEETINGS: 4 p.a.

PRINCIPAL RESPONSIBILITIES:
To promote the long-term sustainable success of NESF, generating value for shareholders whilst having regard to the interests of wider stakeholders
To set NESF's strategic objectives and ensure that the necessary resources are available for it to meet its objectives
To establish a framework of prudent and effective controls that enable risk to be assessed and managed
To ensure effective engagement with shareholders and other key stakeholders
To robustly scrutinise and constructively challenge all matters that come before the Board

A — AUDIT COMMITTEE

MEMBERSHIP
All Directors
(excluding the Chair who is an invited attendee only)

CHAIR
Jo Peacegood
(since 2024)

SCHEDULED MEETINGS:
4 p.a.

PRINCIPAL RESPONSIBILITIES
To oversee the quality of financial reporting

To review and monitor the risks the Company is exposed to, its risk appetite and the effectiveness of its risk management framework

To review the effectiveness of the external audit process and independence of the external auditor

M — MANAGEMENT ENGAGEMENT COMMITTEE

MEMBERSHIP
All Directors

CHAIR
Caroline Chan
(since 2024)

SCHEDULED MEETINGS:
1 p.a.

PRINCIPAL RESPONSIBILITIES
To evaluate, at least annually, the performance and continuing appointment of the Investment Manager and other key service providers and advisers

R — REMUNERATION & NOMINATION COMMITTEE

MEMBERSHIP
All Directors

CHAIR
Caroline Chan
(since 2025)

SCHEDULED MEETINGS:
1 p.a.

PRINCIPAL RESPONSIBILITIES
To keep under review the Directors' remuneration policy

To review and evaluate regularly the Board's composition and succession planning and lead the process for new Board appointments

To lead the annual evaluation of the Board and Committees

E — ESG COMMITTEE

MEMBERSHIP
All Directors

CHAIR
Josephine Bush
(since 2022)

SCHEDULED MEETINGS:
2 p.a.

PRINCIPAL RESPONSIBILITIES
To provide strategic advice to the Board on ESG matters

Support and challenge NEC with respect to ESG matters including investment, divestment and asset management activities

M — MARKET DISCLOSURE COMMITTEE

MEMBERSHIP
All Directors

CHAIR
Paul Le Page
(since 2025)

SCHEDULED MEETINGS:
0 p.a.
(meeting obligations are satisfied through Board meetings)

PRINCIPAL RESPONSIBILITIES
To consider the requirements for timely and accurate disclosure of information in line with legal and regulatory obligations arising from the Company's listing on the London Stock Exchange

Board of Directors

Paul Le Page
Interim Chair

Resident:
Guernsey

Appointed:
15 May 2025 (appointed as a Non-Executive Director on 3 October 2023)

Independent:
Yes

Relevant Skills and Experience:
Over 21 years' Audit & Risk Committee experience within the closed-ended investment fund sector.

Qualified as a Chartered Electrical Engineer.

Obtained an MBA from Heriot Watt University in 1999 and switched from industrial R&D to investment fund research with a specialisation in alternative assets.

A broad-based knowledge of the global investment industry, fund governance, reporting and product structures and holds non-executive directorships of several investment funds.

Previous Audit Committee Chair of UK Mortgages Limited, Thames River Multi Hedge PCC Limited, Cazenove Absolute Equity Limited and Bluefield Solar Income Fund Limited.

Principal External Appointments:
Audit Committee Chair of RTW Biotech Opportunity Fund Limited, Non-executive Director of Sequoia Economic Infrastructure Income Fund Limited and Twentyfour Income Fund Limited.

Josephine Bush
Non-Executive Director

Resident: UK

Appointed:
1 January 2022

Independent:
Yes

Relevant Skills and Experience:
Over 21 years of experience in the renewable energy sector, 14 years of which were as a Senior Partner in Ernst & Young's global renewable practice.

Qualified Solicitor, Chartered Tax Adviser and CFA ESG investing qualification.

Previously a member of the Ernst & Young LLP Power and Utilities Board and UK&I Governance Board.

Principal External Appointments:
Non-executive Director and Chair of the Audit, Risk and ESG committee of Vulcan Energy Resources Limited (ASX and FSX listed).

Joanne Peacegood
Non-Executive Director

Resident:
Guernsey

Appointed:
20 February 2020

Independent:
Yes

Relevant Skills and Experience:
Over 26 years of experience in the Investment Management sector including Listed Funds and Alternative assets.

Qualifications include Chartered Accountant (FCA), Institute of Directors Diploma and BA honours degree in Accounting.

Worked for 'Big Four' accounting firms in the Channel Islands, UK and Canada for 20 years, where primary role was Audit Engagement Leader.

Skills and expertise lie in Valuations, Accounting, Auditing, Risk, Controls, Corporate Governance and Regulations.

Principal External Appointments:
Audit Committee Chair of Volta Finance Limited and Chair of Castelnau Group Limited.

Caroline Chan
Non-Executive Director

Resident:
Guernsey

Appointed:
1 April 2024

Independent:
Yes

Relevant Skills and Experience:
Over 31 years' experience as a Corporate Lawyer across London, Hong Kong and Guernsey, specialising in investment funds, mergers and acquisitions, financing and financial services regulatory work.

A Guernsey Advocate; qualified as an English solicitor with Allen & Overy; and was admitted as a Hong Kong solicitor (all non-practising).

Retired from private practice in 2020, having been a Guernsey partner at Ogier and Mourant, two offshore law firms.

Previously a non-executive director of Round Hill Music Royalty Fund Limited.

Principal External Appointments:
Non-Executive Director of BH Macro Limited (LSE listed), including Chair of the Remuneration and Nomination Committee.

Board Skill Set

The below table summarises the key skills of the Company's Board of Directors, the Investment Manager, the Investment Adviser and the Asset Manager.

Skill Set	Investment Management including Guernsey	Finance including Accounting, Audit & Valuation	Sustainability & ESG	Energy Sector	Law	Health & Safety and Engineering
NextEnergy Solar Fund Board of Directors						
Paul Le Page	Expertise	Expertise	Experience	Expertise	Experience	Expertise
Josephine Bush	Expertise	Expertise	Expertise	Expertise	Expertise	Limited
Jo Peacegood	Expertise	Expertise	Experience	Expertise	Experience	Experience
Caroline Chan	Expertise	Expertise	Experience	Experience	Expertise	Limited
NextEnergy Capital (Investment Manager)						
Charlotte Denton	Expertise	Expertise	Experience	Expertise	Experience	Experience
Jeremy Thompson	Expertise	Expertise	Experience	Expertise	Experience	Expertise
Joseph D'Mello	Expertise	Expertise	Experience	Expertise	Experience	Experience
NextEnergy Capital (Investment Adviser)	Expertise	Expertise	Expertise	Expertise	Expertise	Expertise
WiseEnergy (Asset Manager)	Experience	Expertise	Expertise	Expertise	Expertise	Expertise

Key:

- Expertise
- Experience
- Limited

Whilst the Board may not have experience or expertise in certain areas, they take the opportunity to elicit expert advice from the Investment Adviser and various third-party providers as they deem appropriate.

The above table has been completed by each individual Director. Should the Directors have similar experience, they may self-rate differently.

Corporate Governance Statement

Statement of Compliance

The AIC Code

The Board is committed to the highest standards of corporate governance and functions under the applicable framework for corporate governance for a listed investment company. The Board considers that reporting against the principles and provisions set out in the AIC Code, which have been endorsed by the Financial Reporting Council ("FRC") and Guernsey Financial Services Commission ("GFSC"), is the most appropriate framework for the Company's governance and reporting to shareholders. The AIC Code addresses the principles and provisions set out in the UK Corporate Governance Code (July 2018) as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies. The AIC Code was updated in August 2024, with the updates applying to accounting periods beginning on or after 1 January 2025. This is with the exception of Provision 34 which will apply to accounting periods beginning on or after 1 January 2026. The AIC Code includes an explanation of how it adapts the principles and provisions set out in the UK Corporate Governance Code to make them relevant for investment companies. The AIC Code is available on the AIC's website (theaic.co.uk).

By reporting against the AIC Code, the Board is meeting its obligations in relation to:

- the UK Corporate Governance Code (and associated disclosure requirements under the UK Listing Rule 6.6.6R(10)) and, accordingly, the Company does not need to report further on issues contained in the UK Corporate Governance Code which are irrelevant to it; and
- the Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance (July 2023).

By reporting against the AIC Code, as explained by the AIC guide, the Company meets its obligations and has complied with the principles and provisions of the AIC Code during the year ended 31 March 2025.

The GFSC issued a Guernsey Code which came into effect on 1 January 2012. The introduction to the Guernsey Code states that "Companies which report against the UK Code or the AIC Code of Corporate Governance are also deemed to meet this Code". Therefore, AIC members which are Guernsey domiciled and which report against the AIC Code are not required to report separately against the Guernsey Code.

Board Leadership and Company Purpose

Board Leadership

The role of the Board is to promote the long-term sustainable success of the Company, generating value for our shareholders whilst having regard to the interests of wider stakeholders.

The Investment Manager, the Investment Adviser, and the Administrator are responsible for implementing the Company's strategy and managing the Company's day-to-day activities and operations. The Company's success is based on such implementation and management being effective. The Board leads and provides direction for the Investment Manager, the Investment Adviser, and the Administrator by setting the Company's strategic objectives within a robust framework of risk management and internal controls. The Board oversees the execution of the Company's strategy and implementation of its key investment, financial, operational and compliance policies, enabling it to scrutinise robustly and challenge constructively the performance of each of the Investment Manager, the Investment Adviser and the Administrator.

Company Purpose, Values and Strategy

The Company's principal purpose is 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-based solar energy and energy storage infrastructure assets managed in accordance with its Investment Policy. Details of the Company's investment and strategic objectives and its investment strategy are set out in 'NextEnergy Solar Fund's Purpose' (p.2) and 'Investment Strategy' (p.24) respectively. In setting the Company's strategic objectives, the Board had regard to the interests of the Company's key stakeholders.

The Strategic Report describes:

- how the Company seeks to generate and preserve value over the long-term (see 'Portfolio Optimisation & Enhancement Activity' on page 40 in the Investment Adviser's Report);
- the key considerations relating to new investment opportunities (see 'Portfolio Highlights' in the Investment Adviser's Report);
- the emerging and principal risks to the future success of the Company and how we seek to manage and mitigate them (see 'Risks and Risk Management' in the Strategic Report); and
- the sustainability of the Company's business model (see 'the Going Concern and Viability' section in the Strategic Report).

We aim to ensure the Company is run in a manner that is consistent with our belief in integrity, fairness and transparency and responsive to the views of the Company's shareholders and wider stakeholders.

Board Culture

Our culture is based on openness, trust and candour between Board members; respect for differing opinions and areas of expertise; and individual and collective accountability. We believe that this culture encourages constructive and robust challenge and debate, generates strong collective wisdom, and ultimately leads to good decision-making, all of which are important to the successful implementation of the Company's strategy.

We strive to ensure that our culture aligns with the Company's purpose, values, and strategy through continuous and regular dialogue and engagement with the Investment Manager, the Investment Adviser, and the Administrator. Their collective efforts are dedicated to delivering returns to shareholders in accordance with the Company's objectives and monitoring the performance and management of the Company.

Section 172 Statement

Section 172 of the Companies Act 2006 ("Section 172") applies directly to UK domiciled companies. Nonetheless, the intention of the AIC Code is that the matters set out in Section 172 are reported on by all companies, irrespective of domicile, provided this does not conflict with local company law. Under Section 172, directors have a duty to promote the success of their company for the benefit of its members as a whole, whilst having regard to (amongst others) the likely consequences of their decisions in the long-term and the interests of the Company's wider stakeholders.

Information on how we have acted in accordance with the requirements of Section 172 is included throughout the Strategic Report and this Corporate Governance Statement.

In particular:

- information on the Company's values and business model and our culture can be found under 'Our Business Model' and under 'Company Purpose, Values and Strategy' on page 86;
- details of how the Company seeks to generate and preserve value over the long term can be found in the Investment Adviser's Report;
- information on the emerging and principal risks that could disrupt the long-term success of the Company and how we seek to manage and mitigate them are considered under 'Risks and Risk Management' on page 74;
- details of the Company's key stakeholders, why they are important to us and how we engage with them can be found in 'Stakeholder Engagement' on page 72;
- in relation to the Company's solar assets, the Asset Manager and the Investment Adviser have day-to day responsibility for the Company's dealings with suppliers, contractors, customers and others and information on how they foster these relationships is included in the Investment Adviser's Report;
- information on how the Company's operations impact on the environment and the communities in which its solar and energy storage assets are located is included in the 'Sustainability and ESG' section on page 68; and
- a summary of the Board's principal activities during the year under review is included in the 'Board and Committee Meetings and Activities' section.

In making decisions, our aim is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In relation to the decisions we took during the year under review, we acted in the way we considered, in good faith, would be most likely to promote the Company's long-term sustainable success and achieve its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in Section 172.

Conflicts of Interest

The Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests ('conflict situations'). A Director must inform the Chair (or, in the absence of the Chair, the Senior Independent Director) as soon as they become aware of the possibility of a conflict situation. In accordance with Provision 9 of the AIC Code, the appointment of any Director has included consideration of the time they have available to the role. The Board consider the external appointments of any Director prior to being appointed.

Where it is deemed appropriate, the Board may approve conflict situations. In deciding whether to approve a conflict situation, the Board will act in a way it considers, in good faith, to be the most likely to promote the Company's long-term sustainable success. The Board can impose limits or conditions when giving approval, if it considers this appropriate. We believe that our arrangements for approving and monitoring potential conflict situations is operating effectively.

The Board reviewed the potential for conflicts to arise throughout the year and was satisfied that no conflict situations arose during the financial year under review.

Division of Responsibilities

Board

The Company is led and controlled by an independent Board of Directors. The Board's non-executive independent Directors, whose biographies are on page 84, provide a wealth and breadth of knowledge, skills and business experience. The non-executive directors provide independent challenge and review, bringing specific expertise and a fresh objective perspective.

The Board's principal responsibilities include:

- promoting the Company's long-term sustainable success, generating value for our shareholders whilst having regard to the interests of wider stakeholders;
- setting the Company's strategic objectives and ensuring that the necessary resources are in place for the Company to meet its objectives;
- establishing a framework of effective controls that enable risk to be managed and continually assessed;
- establishing a framework of high standards of corporate governance;
- overseeing the execution of the Company's strategy and implementation of its key investment, financial, operational and compliance policies;
- overseeing the performance of each of our Investment Manager, Investment Adviser, Administrator and other key service providers and advisers;
- ensuring effective engagement with shareholders and other key stakeholders; and
- robustly scrutinising and constructively challenging all matters that come before the Board.

The Board has overall responsibility for the Company's activities. However, it has delegated or outsourced various matters to its standing Committees, and day-to-day activities to the Investment Manager and the Administrator (with some responsibilities of the Investment Manager delegated by it to the Investment Adviser). All of which operate within clearly defined terms of reference or agreements that set out their roles, responsibilities and authorities. All other matters are reserved for consideration and approval by the Board (including those matters listed in a formal schedule of reserved matters approved by the Board), thus enabling the Board to maintain full and effective control over appropriate strategic, financial, operational and compliance issues. The reserved matters include:

- the overall management and leadership of the Company, including setting of the strategic objectives;
- changes to the Company's equity and debt capital structures;
- the Company's dividend policy and declaration of dividends;
- the Company's financial reporting and controls;
- ensuring that appropriate systems of internal control and risk management strategy are in place;
- approval of material contracts and agreements entered into, varied or terminated;
- approval of related party transactions;
- approval of quarterly and any ad hoc net asset value and related announcements;
- the Company's operating and marketing budgets;
- Board and Committee memberships; and
- all corporate governance matters.

To enable the Board to fulfil its responsibilities, the Directors are expected to provide strategic guidance, constructive challenge, offer specialist advice and hold each of the Investment Manager, the Investment Adviser, the Administrator and other service providers and advisers to account.

The Directors have access to the advice and services of the Administrator. Where necessary, in carrying out their duties, the Directors may also seek independent professional advice and services at the expense of the Company.

The AIC Code requires that Directors be subject to an annual re-election by Shareholders, and the Directors comply with this requirement. The current non-executive directors will offer themselves for re-election at the forthcoming AGM. Following consideration of contribution to Board deliberations, commitment to the role, and attendance at meetings, the Board approves the nomination for re-election of all existing Directors at the forthcoming 2025 AGM.

Chair

During the reporting year, Helen Mahy, as Chair, was independent and was appointed in accordance with the Articles. Her primary role as Chair was to provide leadership and guidance to the Board. The principal responsibilities of the Chair included:

- the overall effectiveness of the Board in directing the Company;
- taking a leading role in setting the Company's strategic objectives;
- promoting behaviours and attributes that make up the Board's culture (details of which can be found under 'Board Culture');
- ensuring the Company is meeting its responsibilities to shareholders and wider stakeholders; and
- engaging with shareholders to ensure that the Board has a clear understanding of their views.

The effectiveness and independence of the Chair is evaluated on an annual basis as part of the Board's performance evaluation (information on the 2025 appraisal of the Chair can be found under 'Annual Performance Evaluations' on page 96).

Senior Independent Director

During the reporting period, Paul Le Page acted as Senior Independent Director. His primary role as such was to serve as a sounding board for the Chair, act as an intermediary for other Directors, and be available to respond to shareholders' concerns if they could not be resolved through the normal channels of communication (i.e. through the Chair). The Senior Independent Director led the annual evaluation of the Chair (see 'Annual Performance Evaluations' on page 96 for information on the 2025 annual evaluation).

Board Committees

As at 31 March 2025, the Board had six standing committees: Audit, Management Engagement, Environmental Social and Governance, Remuneration, Nomination, and Market Disclosure Committees (although to date the Market Disclosure Committee has not been required to meet as its obligations have been satisfied at Board meetings). Post the year ended 31 March 2025, the Company's Remuneration Committee and Nomination Committee have been combined into one Committee, the Remuneration & Nomination Committee.

A copy of the terms of reference of each Committee is available on the Company's website (nextenergysolarfund.com).

The Committees review their terms of reference at least annually, with any proposed changes recommended to the Board for approval.

The Board also establishes additional Committees from time to time to take operational responsibility on specific matters following 'in principle' approval from, or with subsequent ratification by the Board. These Committees ensure that key matters are dealt with efficiently.

Investment Manager and Investment Adviser

An Investment Management Agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority and responsibility. Under the Management Agreement, but subject to the overall control and supervision of the Board, the Investment Manager has full discretion to make investments in solar PV and energy storage assets that have been recommended by the Investment Adviser and meet the requirements of the Company's Investment Policy.

The Investment Manager is also the Company's AIFM for the purpose of the EU's AIFM Directive. As the AIFM, the Investment Manager also has responsibility for all risk management and portfolio management activities. In addition, the Investment Manager has been granted powers by the Company as regards its HoldCos, SPVs and NPIII in order to facilitate the performance of its obligations.

The Investment Adviser's role primarily entails the origination, evaluation, co-ordination and recommendation of investment opportunities for the Company and the related provision of investment advice to the Investment Manager in respect of strategy, acquisitions and disposals, portfolio efficiencies, financing, market developments and other matters that may affect the Company's portfolio or the Company's ability to meet its investment or strategic objectives. In addition, the Investment Adviser is responsible for overseeing the performance of the Company's portfolio.

Both the Investment Adviser and the Investment Manager participate in the Company's valuation process. 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. Subsequently, the valuation is then presented to the Investment Manager with explanations for movements in the portfolio valuation and the NAV during the period. Following scrutiny and approval by the Investment Manager, the Investment Adviser presents the valuation to the NESF Board of Directors together with supporting explanatory information.

In advance of Board meetings, the Investment Manager provides regular reports, which include operating updates on the Company's solar assets, information on potential new investment opportunities, cashflow forecasts and other financial information, industry updates and other relevant information. The Investment Adviser attends the Board meetings on behalf of the Investment Manager. In addition, there is regular contact between the Board, the Investment Manager and the Investment Adviser, including informal meetings between Board meetings. Our active engagement and supportive working relationship with the Investment Manager and the Investment Adviser create an open and collaborative culture that ensures that we have a thorough understanding of the Company's business and facilitates our robust scrutiny and constructive challenge of the activities and performance of the Investment Manager and the Investment Adviser.

In accordance with the Listing Rules, the Directors confirm that the continued appointment of the Investment Manager and the Investment Adviser under the current terms of the respective Investment Management Agreement and the Investment Advisory Agreement are in the interest of the shareholders. The Board considers the performance of the Investment Adviser and the Investment Manager on an ongoing basis, whilst consideration of performance is also discussed during the Company's annual service provider review.

The Investment Manager's appointment is terminable by the Investment Manager or the Company on not less than 12 months' notice. The Investment Adviser's appointment is terminable by the Investment Manager or the Company on not less than 12 months' notice.

Administrator

The Company has appointed the Administrator to provide company secretarial, fund accounting, and administration services. The Administrator's responsibilities include:

- ensuring that the Company complies with applicable Guernsey laws, rules and regulations, the FCA's rules and regulations applicable to closed-ended investment companies with a listing and the London Stock Exchange's rules and regulations;
- advising on all governance matters;
- supporting the Board to ensure that it has the policies, processes and information it needs in order to function effectively and efficiently;
- under the direction of the Chair, facilitating the flow of information between the Board, the Committees, the Investment Manager, the Investment Adviser and other service providers and advisers; and
- ensuring that Board procedures are followed.

In advance of Board meetings, the Administrator provides regular reports, which include financial and other operational information, details of any breaches or complaints and relevant legal, regulatory, corporate governance and other technical updates. There is also regular contact between the Directors and the Administrator between Board and Committee meetings. Our working relationship and dialogue with the Administrator provide us with a thorough understanding of the Company's operational activities, ensure we comply with relevant legal, regulatory, corporate governance and other technical requirements and facilitate our effective oversight and scrutiny of the activities and performance of the Administrator.

Board and Committee Meetings and Activities

Meetings

The Board and its standing Committees hold regular scheduled meetings and additional meetings as required. The agenda for each meeting is prepared by the Administrator and approved by the Chair of the relevant meeting. Representatives of the Investment Adviser and the Administrator attend all scheduled meetings, although the Directors may meet without all or some of them being present.

Agendas, along with reports and other papers containing relevant, concise and clear information, are circulated to the Board and the Committees in a timely manner to enable review and consideration prior to scheduled and ad hoc meetings. This ensures that the Directors can contribute to and make informed decisions. The Board or a Committee may also seek, as required, further clarification of matters from the Investment Manager, the Investment Adviser, the Administrator and other service providers or advisers by means of additional reports and/or in-depth discussions.

The primary focus at the quarterly Board meetings is:

- a review of the Company's investments, including their performance and any operational issues and asset management initiatives;
- any investment/divestment opportunities and how they fit within the Company's strategy;
- legal, regulatory and market developments that may impact the Company or its investments;
- valuation of investments and NAV calculation;

- the Company's financial performance;
- the Company's financial and regulatory compliance;
- investor relations, shareholder analysis and marketing; and
- peer group benchmarking and other relevant sector information.

Board Activities

In addition to routine business at the quarterly Board meetings, matters considered by the Board during the year under review included:

- consideration of the Company's dividend policy (see 'Dividend Policy and Dividend Target for Financial Year Ending 31 March 2026' in the Strategic Report);
- the Company's strategy and strategic aims, including in respect of UK subsidy-free solar, international assets, the Share Buyback Programme, and the Capital Recycling Programme (see 'Portfolio Highlights' on page 36 in the Investment Adviser's Report);
- assessment of key service providers;
- approving the Annual and Interim Reports;
- the Board and Committee composition and evaluation (see 'Board Composition and Evaluation' above); and
- recommendations from its Committees.

Committee Activities

Information on the activities of the Audit Committee during the year under review can be found under 'Responsibilities and Activities' in the Audit Committee Report. The Management Engagement Committee completed the annual evaluation of the Company's key service providers, including the Investment Manager, the Investment Adviser, and the Administrator in Q1 2025.

Matters considered by the Nomination Committee during the year under review included:

- **Board Composition**: The Committee will continue to keep the Board's composition under review. Details of the Board's composition are discussed under 'Board Composition, Independence and Succession' on page 92.
- **Annual evaluation of the effectiveness of the Board and its Committees:** Details of the evaluation process and the outcomes can be found in the 'Annual Performance Evaluations' section on page 96.
- **Succession planning:** Details of the intended succession plan can be found under 'Succession Planning' on page 96.

Meeting Attendance

The number of scheduled Board and Committee meetings during the year under review which each Director was entitled to attend, and the attendance of the individual Directors at those meetings, is shown in the table below.

In addition to the four scheduled Board meetings (see table on page 92), there were 11 ad hoc Board meetings, 1 ad hoc meeting of the Audit Committee, 1 ad hoc meeting of the Remuneration Committee, 2 ad hoc meetings of the Nomination Committee, and 2 ad hoc meetings of the ESG Committee. These meetings were convened to conclude a number of matters previously discussed at scheduled meetings and to deal with administrative and process matters. Ad hoc meetings are typically convened at relatively short notice and are held in Guernsey. It is not always feasible or necessary, therefore, for all the Directors to attend the ad hoc meetings. However, Directors who are unable to attend an ad hoc meeting communicate their views on any matters to be discussed to their fellow Directors ahead of the meeting.

Director	Board	Audit Committee	Management Engagement Committee	Remuneration Committee	Nomination Committee	Environmental, Social & Governance Committee
Helen Mahy[2]	4/4	4/4	1/1	1/1	1/1	1/1
Paul Le Page	4/4	4/4	1/1	1/1	1/1	1/1
Patrick Firth[1]	1/1	1/1	n/a	1/1	n/a	1/1
Joanne Peacegood	4/4	4/4	1/1	1/1	1/1	1/1
Josephine Bush	4/4	4/4	1/1	1/1	1/1	1/1
Caroline Chan	4/4	4/4	1/1	1/1	1/1	1/1

1 Mr Firth retired from the Board on 12 August 2024 following the Company's AGM.
2 Ms Mahy stepped down from the Board on 15 May 2025 following her notice to the Board of her desire to step down as a director of the Company.

The Market Disclosure Committee has held no meetings since being established in November 2023. A quorum comprises any one Director from time to time, to attend a Committee of the Board to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose from time to time.

Board Composition, Independence and Succession

As at 31 March 2025, the Board was comprised of five Directors, all of whom were non-executive and independent of the Investment Manager and the Investment Adviser. Details of the Directors' skills, experience and principal external appointments are included in their biographies.

Jo Peacegood has held her position since 20 February 2020, Josephine Bush has held her position since 1 January 2022, Helen Mahy held her position since 1 April 2023 (though she stepped down from the Board on 15 May 2025), Paul Le Page has held his position since 3 October 2023, and Caroline Chan has held her position since 1 April 2024. During the year, Patrick Firth retired from the Board at the Company's 2024 AGM. None of the Directors have had any relationships or circumstances that may create a conflict of interest between their interests and those of the shareholders.

Post the year end, Helen Mahy stepped down as a Director of the Company. In line with the Nomination Committee's established succession plans, the Board has appointed Paul Le Page, previously Senior Independent Director, as Interim Chair while the Company concludes a formal process to confirm a permanent successor.

Board Commitments

Prior to taking on any new listed board, time consuming, conflicted or otherwise significant appointments, a Director must seek the prior approval, on behalf of the Board, of the Chair (or, in the absence of the Chair, the Senior Independent Director). If the Chair (or Senior Independent Director) believes the relevant appointment causes a conflict or potential conflict of interest, they will refer the appointment for consideration and, if appropriate, approval of the Board. A Director must promptly notify the Administrator of any new board appointments that they take on.

When considering whether to recommend the election or re-election of a Director at any AGM, the Board assesses the Director's continuing ability to meet the time requirements of the role by considering, amongst other things, their attendance at Board, Committee and other ad hoc meetings held during the year as well as the nature and complexity of their other external roles.

The Directors' attendance at all scheduled Board and Committee meetings held during the year is shown in the table above. None of the Directors took on any other new appointments that would impact their ability to meet their board responsibilities to the Company during the year under review (or since the end of the year). The Board believes all the Directors have sufficient time to meet their Board responsibilities.

Diversity and Inclusion

The Board of NESF is committed to nurturing an environment where diversity and inclusion is at the heart of all engagements. The Board partners with external parties, including the Investment Manager, the Investment

Adviser and the Asset Manager, to ensure that business is conducted in an ethical, respectful and inclusive manner for all stakeholders involved. Such business conduct is integral in achieving NESF's mission of responsible investing and ethical stewardship.

Board Diversity

The Board acknowledges the importance of all aspects of diversity for an effective and functioning Board, and is committed to supporting diversity within the Boardroom. In 2023, the Board approved a Company-specific Diversity Policy which will be reviewed at least once a year. The Board is committed to ensuring the Board is diverse and appointments to the Board are made on merit, having due regard to the benefits of diversity in its widest sense (including gender, age, social and ethnic backgrounds, cognitive and personal skills, experience and strengths). Additionally, it is within the Board's objectives to ensure the Board and its Committees have the skills, experience and knowledge necessary to bring a wide range of perspectives and to discharge their responsibilities effectively. The priority when making new appointments is to identify the candidate with the best range of skills, experience and knowledge to complement those of the existing Directors.

As at 31 March 2025, the Board comprised 1 man and 4 women, all Non-Executive Directors who were considered to be independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. Currently, the Audit Committee, the Remuneration & Nomination Committee, the Management Engagement Committee and the Environmental, Social & Governance Committee are all chaired by women.

During the financial year, the Company complied with the FCA's targets on diversity disclosure requirements as set out below:

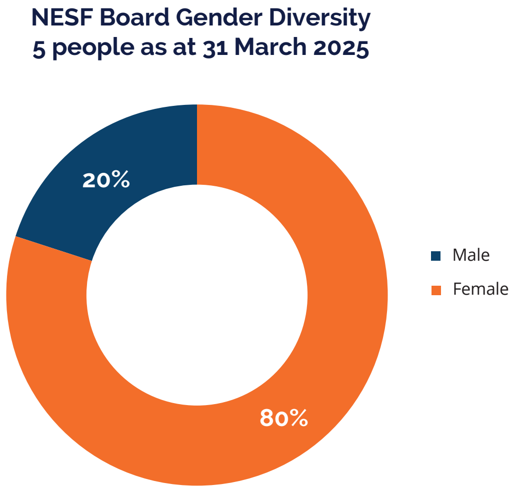
- At least 40% of the board are women;
- At least one of the senior board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman; and
- At least one member of the board is from a minority ethnic background.

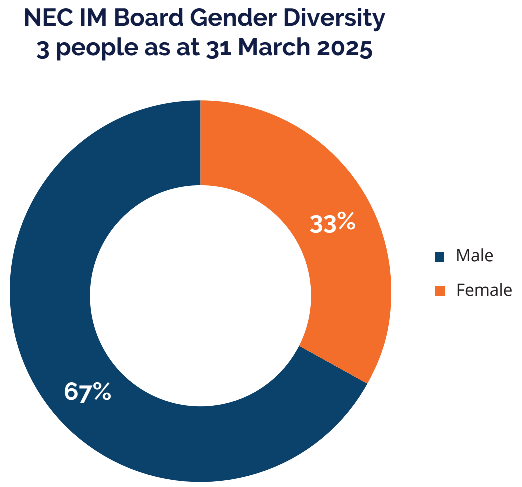
During the financial period the Company met, or exceeded the targets contained in UK Listing Rule 6.6.6(9)(a)(i) to (iii) relating to gender and ethnic diversity.

As at 31 March 2025, and as explained above, the composition of the Board was as follows (for the purposes of UK Listing Rule 6.6.6R(10));

As at 31 March 2025	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[1]
Men	1	20.00%	1
Women	4	80.00%	1
Not specified/ prefer not to say	-	-	-

1 The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund. Senior Board positions will continue to be reviewed.





As at 31 March 2025	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)[1]
White British or other White (including minority-white groups)	4	80%	2
Mixed/Multiple Ethnic Groups	1	20%	–
Asian/Asian British	-	-	–
Black/African/ Caribbean/ Black British	–	–	–
Other ethnic group	–	–	–
Not specified/ prefer not to say	–	–	–

1The positions of CEO and CFO are not applicable to the Company as an externally managed investment fund. Senior Board positions will continue to be reviewed.

The above information is based on voluntary self-declaration from the Directors.

To effectively facilitate a collaborative culture and enhance the effective delivery of the Company's strategic objectives, the Board is cognisant of the importance of an inclusive and diverse Board. The Board is aware of the importance of implementing a baseline representation to help, support, and nurture future initiatives on diversity and inclusion.

The Investment Adviser has a diverse employee base and continues to dedicate its efforts to recruiting resources that support diversity across all positions and levels. The Investment Adviser recognises the continuing importance of ensuring diversity and female representation across the board and provides support when necessary.

Diversity of the Investment Manager, the Investment Adviser and the Asset Manager

NextEnergy Group is a leading specialist solar PV and energy storage investment and asset manager. It has c.$4.4bn of funds under management and employs over 380 people worldwide.

The NextEnergy Group is committed to better understanding the diversity of staff at all levels of the business, as well as the levels of inclusion and belonging that people feel in their day-to-day work experiences at the firm. This starts with data. The NextEnergy Group focuses on the following areas to best collect and:

- generate quantitative data to understand trends and drivers in the workforce, from a gender perspective;
- obtain detailed qualitative data at all levels of the business to understand the experience and perception of life at NextEnergy Group. This was gathered through one-to-one interviews; and
- analyse available data in relation to the hiring and talent management processes across the NextEnergy Group, to understand if these should be particular focus areas and if hiring poses a significant source of issues with diversity.

As part of the annual Pay, Performance, Promotion and Bonus process, the NextEnergy Group HR team carries out detailed equal pay analysis and a review of promotion rates by gender. This data is used to interrogate decisions and as a basis for amendments, where objectively justified, at the individual level.

NextEnergy Group announced a partnership with WiSEu network ("Women In Solar Europe network"), which is focused on building a more equal, diverse, and inclusive solar and energy storage industry. The network provides access to:

- Connect with hundreds of women from the sector across Europe;
- Receive direct invitations to monthly video podcasts, WiSEu Talks, Meetups, Workshops and online Meetings; and
- Receive support to achieve individual goals by connecting with role models and participating in mentoring programmes.

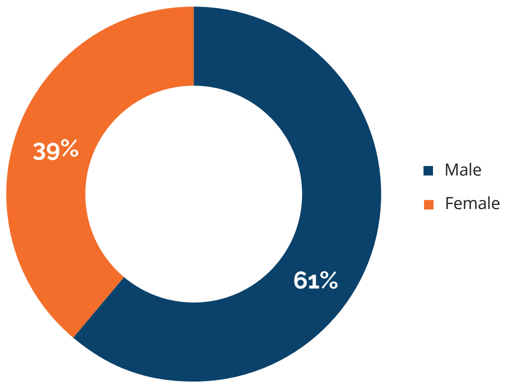
NextEnergy Group dedicates time and effort to evaluating potential partnerships and associations to promote equality in the workplace.

NESF continues to ensure that it has access to a skilled workforce, working with the Investment Adviser, NextEnergy Capital Limited, to warrant that the selection, hiring, and retention practices are of the highest standards, targeting and nourishing extraordinary talent.

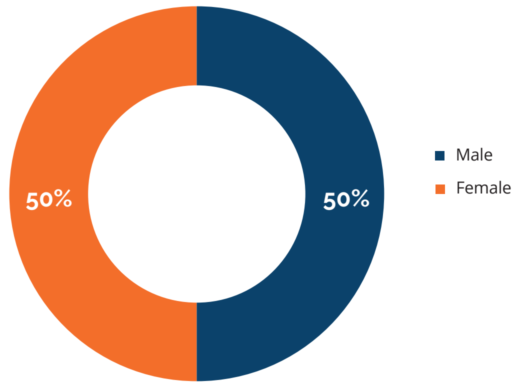
Further information on the Company's diversity and inclusion initiatives can be found in the Company's dedicated annual Sustainability and ESG report.

As at 31 March 2025

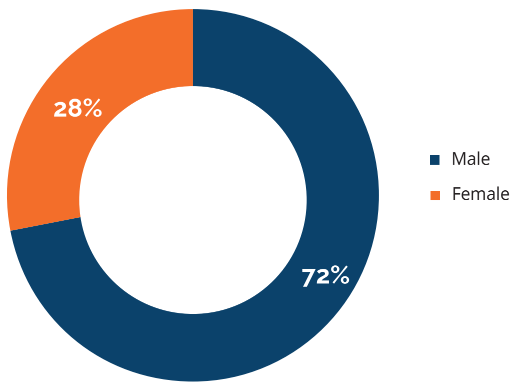
NextEnergy Group
380 people



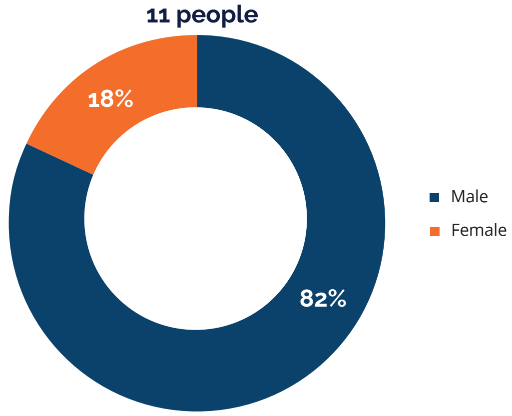
Group Leadership Team
8 people



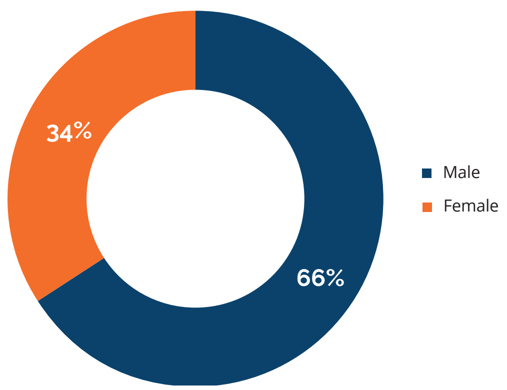
NextEnergy Capital
61 people



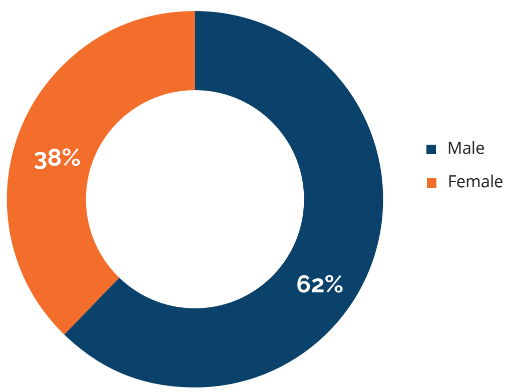
NextEnergy Capital Leadership Team
11 people



WiseEnergy
200 people



WiseEnergy Leadership Team
8 people



Board Tenure

The Board approved the Company's Chair Tenure Policy in June 2023. The Company's policy on Chair tenure is that the Chair should normally serve no longer than nine years as a Director and Chair, however, where it is in the best interests of the Company, its shareholders and stakeholders, the Chair may remain for a limited time beyond the period. In such circumstances, the Board takes responsibility of ensuring that the Board remains independent.

The tenure for non-executive directors follows the AIC recommendations.

The date of appointment of each Director can be found in their biographies on page 84.

Succession Planning

The Board remains aware of the AIC guidance around Board member tenure and continues to take positive action to address this by implementing a carefully devised succession plan that facilitates the transition of corporate knowledge and Board independence, whilst ensuring the benefits of bringing new perspectives and diversity.

Following a successful recruitment process, Caroline Chan was appointed to the Board on 1 April 2024. Patrick Firth subsequently stepped down from the Board following the Company's AGM in August 2024.

During the year to 31 March 2025, no other Directors had reached the recommended tenure of nine years and similarly, none of the existing Directors will reach this tenure in the coming year to 31 March 2026. The recently constituted Remuneration & Nomination Committee is responsible for reviewing the succession plans for the Board.

The Remuneration & Nomination Committee will conclude a formal process to confirm a permanent Chair of the Board, and will continue to monitor Board succession to ensure the principles of the AIC Code are adhered to and the Board retains a strong balance of skills and experience to sufficiently discharge its responsibilities.

Election and Re-election by Shareholders

The Company considers its composition and succession planning on an ongoing basis. All Directors stand for re-election at each AGM of the Company, save that, at the first AGM following their appointment, a new Director stands for election.

The Board has reviewed the outcome of the annual Board evaluation, information on which is set out under 'Annual Performance Evaluations' on page 96. The Board has also assessed each Director's independence; time commitment to the Company; contribution (outside of the usual meeting cycle as well as in scheduled meetings) since they were last elected or re-elected; and tenure, as well as the nature and complexity of their other external roles and whether their election or re-election would be in the best interests of the Company. We believe that the Board is well balanced and possesses the necessary breadth of skills, experience, and knowledge and diversity of gender and cognitive and personal strengths to ensure it functions effectively and efficiently in discharging its responsibilities, which is important to the long-term sustainable success of the Company.

We are also satisfied that each Director continues to perform effectively, to be independent, and to demonstrate commitment to their role. Therefore, resolutions will be proposed at this year's AGM to re-elect NESF's four Directors.

Removal of Directors

The Directors' letters of appointment do not impose any maximum limit on the period for which they may serve, although the continuation of their appointment is contingent on satisfactory performance evaluation and annual re-election (or, in the case of a Director appointed since the previous AGM, election) by shareholders at the AGM.

Under their letter of appointment, a Director's appointment may be terminated at any time by either the Company or the Director giving not less than three months' notice or otherwise in accordance with the Company's Articles of Incorporation.

Annual Performance Evaluations

Board, Committees and Directors

In compliance with Provision 26 of the AIC Code, the Board undertakes a formal and rigorous evaluation of its performance on an annual basis and carries out an external evaluation every three years.

During the financial year ended 31 March 2025, the Company engaged CoSteer Limited, an independent consultant, to assist the Board of the Company in the assessment and measurement of its culture, governance and overall Board effectiveness. This exercise was conducted as part of the Company's requirement to assess and report on its governance and effectiveness, and forms part of its expected review cycle. CoSteer has no other connection with the Company or with individual Directors, other than providing this type of service.

All Board members, and a selection of service providers, including the Investment Adviser and the Administrator, participated in the evaluation.

The then Nomination Committee considered CoSteer's report at its meeting in May 2025. CoSteer's report indicated that their analysis of the data is strongly suggestive of good overall governance. Whilst CoSteer did not indicate any areas of significant concern, they were able to highlight key strengths exhibited by the Board, areas where improvement is warranted and specific opportunities for development.

The Nomination Committee concluded that, based on the evaluation, the overall effectiveness of the Board was of a high standard.

Having considered CoSteer's report and each Director's individual performance, contribution and commitment, the then Nomination Committee was satisfied that each Director contributed effectively.

Chair

As at 31 March 2025, the Chair was Helen Mahy. Her primary role as Chair was to provide leadership to the Board. The principal responsibilities of the Chair are set out above. CoSteer included an assessment of the performance of the Chair.

Investment Manager and Investment Adviser

The services provided by the Investment Manager and the Investment Adviser are continually reviewed by the Board. When considering the performance of the Investment Manager and the Investment Adviser, the Board considers the Company's track record in terms of NAV and share price performance; the achievement of performance objectives; the quality of the services provided; the resources that are committed to the Company's affairs; the continuity of the personnel assigned to handle the Company's affairs; and the relationship between the Board and each of the Investment Manager and the Investment Adviser. The Board also considered the terms of the Investment Management Agreement and in particular, the fees payable to the Investment Manager (noting that no fees are payable by the Company to the Investment Adviser). The Board considers that, having regard to NextEnergy Capital's proven track record in, and sole focus on, the solar energy and energy storage infrastructure sector, the specialist nature of the Company's investment remit was best served by the Investment Manager alongside services provided by the Investment Adviser. The Board agrees that the continuing appointment of the Investment Manager on the terms set out in the Investment Management Agreement, and its continued appointment of the Investment Adviser, were in the best interests of shareholders as a whole and the Company's wider stakeholders.

Details of the fees payable to the Investment Manager and related entities can be found in notes 5 and 26 to the Financial Statements.

Other Key Service Providers and Advisers

The Board continually monitors the service levels of the Administrator and the Company's other key party service providers and advisers throughout the year. This review is undertaken by the Management Engagement Committee, chaired by Caroline Chan. A formal review took place in Q1 2025 to align with the Board's calendar of events for the year ended 31 March 2025.

Directors' Remuneration

The Directors' Remuneration Report includes the Directors' remuneration policy and details of the Directors' remuneration during the year under review.

Risk, Internal Controls, and Internal Audit Introduction

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for our shareholders whilst having regard to the interests of wider stakeholders. A critical factor in achieving long-term sustainable success is understanding the risks that the Company faces and ensuring that controls are in place to manage and mitigate them. The Company's principal and emerging risks, together with details of how we seek to manage and mitigate them, are set out under 'Risks and Risk Management'. The Company's financial instrument risks are discussed in note 22 to the Financial Statements.

Responsibility for, and Review of, Risk Management and Internal Controls

The Board is responsible for determining the nature and extent of the emerging and principal risks the Company is willing to take in order to achieve its long-term strategic objectives. The Board is also responsible for maintaining the Company's systems of risk management and internal controls (such as financial, operational and compliance controls). The AIC Code requires the Board to review the effectiveness of the Company's systems of risk management and internal controls at least annually.

The Board, through the Audit Committee, has established, in conjunction with the Investment Manager, the Investment Adviser, and the Administrator, an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed. The process is based on a risk-based approach to internal controls and risk management through a matrix that identifies each of the key risk areas associated with the Company's business and activities and the controls employed to minimise and mitigate those risks. The matrix assigns, in relation to each risk, a rating (high, medium or low) of the risk value, risk probability, and effectiveness of control.

The Audit Committee is responsible for monitoring and regularly reviewing the Company's systems of internal controls and risk management and reports its findings and conclusions to the Board (see 'Risk management and internal control processes' in the Audit Committee Report), taking into account the information under 'Risks and Risk Management' above.

Based on the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board, and the Audit Committee's reports to the Board on its findings and conclusions regarding the risk management and internal control systems, the Board:

- is satisfied that it has carried out a robust assessment of the principal and emerging risks facing the Company, including those that could threaten its business model, future performance, solvency, liquidity or reputation; and
- has reviewed the adequacy and effectiveness of the risk management and internal control systems and no significant failings or weaknesses were identified.

Risk Management and Internal Control Systems

The Company's risk management and internal control systems are designed to identify, manage and mitigate on a timely basis both the key principal risks and the emerging risks inherent to the Company's business and safeguarding the Company's assets. The systems are also designed to manage, rather than eliminate, the risk of failure to achieve the Company's investment and strategic objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Company has delegated its day-to-day activities to the Investment Manager, the Investment Adviser, and the Administrator and has clearly defined their roles, responsibilities and authorities. The Board oversees the ongoing performance and work of the Investment Manager, the Investment Adviser, and the Administrator at its quarterly meetings.

At each quarterly Board meeting the Investment Adviser reports on the performance of the Company's investments; activities since the last Board meeting; any specific new risks identified relating to the Company's portfolio; investment valuations; and cash projections. The Board also receives updates from the Investment Manager and Investment Adviser on material developments affecting the Company or its investments between quarterly Board meetings.

The Board, the Investment Manager and the Investment Adviser, together, review all financial performance and results notifications.

The Investment Manager reports to the Board twice a year regarding the Company's longer-term viability, which includes financial sensitivities and stress testing of the business to ensure that the adoption of the going concern basis is appropriate.

The Board is made aware of the business controls of the Investment Manager and the Investment Adviser during periodic Board updates enabling oversight of the key business processes. The Investment Adviser also provides an update of the control environment for the HoldCos, SPVs, and NPIII to ensure the Board has oversight of business controls for the Company's assets.

The Administrator, which provides administrative, accounting, compliance, and company secretarial services to the Company, has its own internal control systems relating to these matters. At each quarterly Board meeting, the Board receives reports from the Administrator, which include an outline of the Company's corporate activity and information on financial, compliance, governance, legal, and regulatory matters.

The Company is ultimately dependent upon the quality and integrity of the management and staff of the Investment Manager, the Investment Adviser, and the Administrator. In each case, qualified and able individuals have been selected at all levels. The Investment Manager, the Investment Adviser, and the Administrator are aware of the internal controls relevant to their activities and are collectively accountable for the operation of those controls. Appropriate segregation and delegation of duties and process are in place.

Each year a detailed review of the quality of services and performance of the Investment Manager, the Investment Adviser and the Administrator and other key service providers and advisers pursuant to their terms of engagement is undertaken by the Management Engagement Committee.

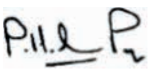
The Board is cognisant that the implementation of Provision 34 of the AIC Code will be effective from the accounting period beginning on or after 1 January 2026 and will begin to consider the work to be undertaken by the relevant advisors to ensure the appropriate detail in relation to the review of the risk management and internal control systems are reported by the Investment Adviser and included within the Annual Report for the year ending 31 March 2027.

Internal Audit Function

For the reasons stated under 'Internal audit requirements' in the Audit Committee Report, the Board does not currently consider that an internal audit function is required.

Approval

This Corporate Governance Statement was approved by the Board on 13 June 2025 and signed on its behalf by:



Paul Le Page
Interim Chair

13 June 2025

Remuneration & Nomination Committee Report

Caroline Chan Remuneration & Nomination Committee Chair

I am pleased to present the Directors' Remuneration & Nomination Committee Report for the year ended 31 March 2025.

Introduction

The Remuneration & Nomination Committee was established on 22 May 2025. Prior to this date, the Remuneration & Nomination Committee was two separate committees: the Remuneration Committee and the Nomination Committee. During the reporting year, the members of both the Remuneration Committee and the Nomination Committee were myself, Helen Mahy, Paul Le Page, Jo Peacegood and Josephine Bush.

Given the small size of the Board, all members of the Board are members of the Remuneration & Nomination Committee. All of the Directors are, and have been since appointment, independent. The Committee deals with both remuneration-related matters and nominations.

Appointments to the Board

The Remuneration & Nomination Committee oversees the recruitment process, which includes the use of a firm of Non-Executive Director recruitment consultants.

When considering new appointments, the Committee takes into account other demands on the candidates' time. In advance of joining the Board, new Directors are asked to disclose any existing significant commitments with an indication of the time involved and to confirm that they are able to allocate sufficient time to the business of the Company and that there are no situations where they have, or could have, a direct or indirect interest that conflicts, or possibly could conflict, with the Company's interests.

At the time of appointment, a new Director receives a letter of appointment that sets out their duties and obligations. Copies of the letters of appointment of the current Directors are available for inspection at the Company's registered office and at each AGM.

An induction programme for new Directors is in place. This includes meetings with the senior members of the NextEnergy Group team involved in the management of the Company, and from the Administrator, as well as visiting at least one of the Company's solar PV assets.

Details of changes to the Board during the year under review can be found under 'Board Composition, Independence and Succession' on page 92.

Appointments During the Year

During the reporting period, Caroline Chan was appointed to the NESF Board, following a recruitment process that was led by a third-party recruitment firm OSA Recruitment. Patrick Firth retired from the Board following the Company's AGM held in August 2024.

Key Activities During the Year

During the reporting period, the Nomination Committee and Remuneration Committee comprised two separate committees chaired by Helen Mahy and Paul Le Page respectively. Effective from 22 May 2025 the committees were combined to form a single committee called the Remuneration & Nomination Committee, which I chair.

Remuneration-related matters

This Committee Report covers the remuneration-related activities of the Committee and shows how the current remuneration policy, which was approved by shareholders at the AGM in 2024, was implemented during the year ended 31 March 2025.

In respect of remuneration-related matters, the Remuneration & Nomination Committee's responsibilities include:

- setting the policy for the remuneration of the Directors;
- reviewing the ongoing appropriateness and relevance of the remuneration policy;
- within the terms of the approved policy, determining the remuneration of the Chair of the Board and reviewing the quantum of the other Directors' remuneration and, if considered appropriate, recommending any changes to the Board;
- appointing and setting the terms of reference for any remuneration consultants to advise the Committee;
- agreeing policy on the recovery by the Directors of expenses incurred in performance of their duties; and
- drafting the Directors' Remuneration Report and reporting to shareholders on the implementation of the Company's remuneration policy in accordance with relevant corporate governance requirements.

Full details of the Committee's roles and responsibilities are set out in formal terms of reference. The terms of reference are regularly reviewed by the Committee and are available on the Company's website (nextenergysolarfund.com).

Remuneration Policy

The Directors' remuneration policy is designed to support the strategic objectives of the Company and to promote its long-term success. In this context, the remuneration policy is designed to enable the Company to attract and retain Directors of high calibre with suitable skills, experience and knowledge and to ensure that their remuneration is set at a reasonable level commensurate with their duties and responsibilities and the time commitment required to carry out their duties effectively.

As all Directors are non-executive, there are:

- no service contracts with the Company;
- no bonuses or other performance-related payments;
- no pensions or pension-related benefits, medical or life insurance schemes, share options, long-term incentive plans or other benefits; and
- no payments for loss of office save for payment of any fees or expenses due but unpaid at the time of termination and for any unexpired notice period.

The Directors have letters of appointment that provide that their appointment can be terminated by no more than three months' notice by either party. In normal circumstances, the Directors are expected to serve up to a maximum of nine years, subject to satisfactory performance, which is reviewed annually by the Remuneration & Nomination Committee. The Company requires that all Directors are re-elected at each AGM (and elected at the first AGM after their appointment) and, if any Director is not re-elected (or elected), their appointment ceases immediately and without the requirement for any notice. A Director's appointment may also be terminated with immediate effect in certain other circumstances as detailed in the Company's Articles of Incorporation.

The Directors' remuneration:

- will reflect their duties, responsibilities, experience and time spent on the Company's affairs, taking into account the nature of the Company's activities;
- will allow those chairing the Board and key Committees, as well as the Senior Independent Director, to be paid higher fees than other Directors in recognition of their more demanding roles and increased accountability;
- will be paid quarterly in arrears;
- at the discretion of the Board, may include additional fees for any further specific work undertaken on behalf of the Company which is outside of their normal duties and requires a meaningful time commitment (details of any additional fees paid and the associated work undertaken will be disclosed in the Directors' Remuneration & Nomination Committee Report in the next Annual Report); and
- will be reviewed by an independent professional consultant with relevant experience at least every three years.

The aggregate fees payable to the Directors will not exceed £400,000 per annum. The level of this limit provides, in particular, flexibility in respect of the recruitment of additional Board members. During the period under review, the Board consisted of five Directors. Following Helen Mahy's decision to step down from the Board, since 15 May 2025, the Board has consisted of four Directors and whilst the Board currently considers that this number is sufficient for the Company, the number of Directors may increase in future periods, either permanently or for a limited time in order to aid succession and to ensure an orderly transition.

The Remuneration & Nomination Committee reviews the quantum of Directors' remuneration at least every three years, with the last review having taken place in 2024 by the then Remuneration Committee, and an independent, external remuneration review planned for 2025. In reviewing whether to recommend any changes to the Board's remuneration, the Committee will have regard to the outcome of the latest Directors' remuneration review by an independent remuneration consultant appointed by the Company; the level of fees paid by other UK-listed renewable energy infrastructure investment companies; and other comparator UK-listed investment companies and any views expressed by shareholders on Directors' fees. The Board also considers wider factors such as any change in the Directors' responsibilities (including additional time commitments due to increased legal, regulatory or corporate governance requirements) and the rate of inflation over the period since the previous review. No Director participates in discussions when their own fee is being determined.

During the year under review, the then Remuneration Committee considered the annual fees and levels of remuneration paid to the non-executive Directors to ensure they remained appropriate and reflected the complexity and the time requirements to effectively carry out their responsibilities. The Remuneration Committee, in conjunction with the Administrator, conducted detailed market analysis and benchmarking against existing fee levels of peer companies in Guernsey and the UK, based on their operating model and market capitalisation. This analysis provided important information about the competitiveness of the remuneration of the Company's non-executive Directors.

In determining the most appropriate remuneration levels for non-executive Directors, the Committee took into consideration the substantial growth and complexity of the business in recent years; the evolving responsibilities of the Board; and the competitiveness of its current remuneration structure. The last review of remuneration of non-executive Directors occurred in November 2022 with subsequent adjustments made effective on 1 October 2022. No increases were made to the remuneration structure until 1 October 2024.

Acknowledging the increased responsibilities and time commitments of non-executive Directors and the Board's Chair during the period, the then Remuneration Committee emphasised the need to align remuneration with the expanded roles undertaken by these key figures.

The benchmarking exercise conducted by the Committee highlighted an evident gap in remuneration levels compared to industry and broader pan sector peers. To ensure remuneration remains competitive and reflective of the increasing responsibilities of non-executive Directors, the Committee proposed the following adjustments to the remuneration structure, which were subsequently approved by the Board.

- An increase in the base remuneration paid to the non-executive Directors of the Board to provide a fee level that is considered appropriate taking into account the skills, experience, and time commitment required for the roles and the importance of the Company remaining capable of recruiting and retaining non-executive Directors noting the remuneration levels in both the Guernsey and UK markets.
- A reallocation of some fee from the Chair of the Audit Committee to the Chair of the ESG Committee, acknowledging the increased responsibilities and time commitment associated with the ESG Committee without increasing the overall fees paid.
- The remuneration of the Senior Independent Director and the Chair of the Remuneration Committee to be reported individually to allow for increased transparency and easier comparison with peers (as both roles were held by Paul Le Page at that time).

The updated remuneration for each of the Board positions is presented in the following table, demonstrating the Company's commitment to transparency:

Non-Executive Director Remuneration	From 1 October 2024 (£)	Prior to October 2024 (£)
Chair of the Board	83,000	80,000
Base fee	50,000	47,000
Audit Committee Chair	9,000	11,000
Remuneration & Nomination Committee Chair	3,000[1]	3,000
Management Engagement Committee Chair	5,000	5,000
Environmental, Social and Governance Committee Chair	7,000	5,000
Senior Independent Director	4,000	4,000

1 £3,000 was the remuneration for the then Chair of the Remuneration Committee. Helen Mahy, Chair at the time, did not receive any additional remuneration as Chair of the Nomination Committee. The Remuneration & Nomination Committee was formed on 22 May 2025.

The total remuneration of Non-Executive Directors has not exceeded the limit set out in the Articles of Incorporation of the Company.

In line with its commitment to conduct and external review of Director remuneration every three years, the Committee plans to engage with an independent compensation consultant in 2025 to carry out a detailed benchmarking and market analysis exercise in relation to the remuneration of the Company's Directors.

The Directors are entitled to be reimbursed all reasonable travel, hotel and other expenses incurred in attending meetings or in carrying out any other duties incumbent on them as Directors.

The Company is committed to engagement with shareholders and will seek major shareholders' views in advance of making significant changes to its remuneration policy or how it is implemented. The Chair of the Remuneration & Nomination Committee will attend the AGM to answer any questions in relation to remuneration.

The Committee has the discretion to amend the remuneration policy with regard to minor or administrative matters where it would be, in the opinion of the Committee, in the best interests of the Company and disproportionate to seek or await shareholder approval.

Directors' Remuneration

The table below shows the Directors' remuneration for the financial year ended 31 March 2025, together with the comparative figures for 2024.

No additional fees were paid to the Directors during the year ended 31 March 2025 (2024: none). As outlined above, following the remuneration fee review in 2024, fee levels changed with effect from 1 October 2024.

The total amount of Directors expenses reimbursed during the year ended 31 March 2025 was £6,070 (2024: £7,776).

Director	Role	FY2025 (£)	FY2024 (£)
Helen Mahy[1]	Chair/ Nomination Committee Chair	81,500	67,755
Paul Le Page[2]	Senior Independent Director/ Remuneration Committee Chair	55,500	25,089
Joanne Peacegood[3]	Audit Committee Chair	56,642	52,000
Josephine Bush	ESG Committee Chair	54,500	52,000
Caroline Chan[4]	Management Engagement Committee Chair	51,747	n/a
Patrick Firth[3]	Audit Committee Chair (Retired)	22,049	60,000

1 Ms Mahy was appointed as Chair of the Board on 16 August 2023 and Chair of the Nomination Committee on 26 February 2024. Ms Mahy stepped down from the Board on 15 May 2025 following her notice to the Board of her desire to step down as a director of the Company.

2 Mr Le Page joined the Board on 3 October 2023.

3 Mr Firth retired from the NESF Board on 12 August 2024 and Ms Peacegood was then appointed as Chair of the Audit Committee and stepped down as Chair of the Management Engagement Committee on the same day.

4 Ms Chan was appointed to the Board of Directors on 1 April 2024 and appointed Chair of the Management Engagement Committee on 12 August 2024.

Directors' and Officers' Liability Insurance

The Company maintains Directors' and Officers' liability insurance, at its expense, on behalf of the Directors.

Directors' Interests

There is no requirement under the Company's Articles of Incorporation or letters of appointment for Directors to hold shares in the Company.

The interests of the Directors (and their connected persons) in the ordinary shares of the Company at 31 March 2025, together with the comparative figures for 2024, are shown in the table below.

Director	FY2025	FY2024
Helen Mahy[2]	106,784	58,181
Paul Le Page	30,000	n/a
Joanne Peacegood	50,000	50,000
Josephine Bush	10,000	10,000
Caroline Chan	39,000	n/a
Patrick Firth (Retired)[1]	n/a	91,207

1 Mr Firth retired from the NESF Board on 12 August 2024.
2 Ms Mahy stepped down from the Board on 15 May 2025 following her notice to the Board of her desire to step down as a director of the Company.

All holdings of the Directors (and their connected persons) are beneficial. There have been no changes in the interests shown in the table above since the Company's financial year end to the date of this Directors' Remuneration & Nomination Committee Report.

None of the Directors (nor any of their connected persons) had or has any interest in the Company's preference shares.

Relative Importance of Spend on Directors' Remuneration

To enable shareholders to assess the relative importance of spend on Directors' remuneration, the following table shows the total remuneration paid to the Directors and the total dividends paid or payable to shareholders for the financial year ended 31 March 2025, together with the comparative figures for 2024.

	FY2025 £'000	FY2024 £'000	Change £'000
Directors' total remuneration[1]	322	328	(6)
Total dividends paid or payable[2]	49,211	48,075	1,136

1 The decrease in total remuneration was due to succession planning and managed handover.
2 Including the cash equivalent of scrip dividends in FY2024.

Shareholder Approval of Remuneration Policy

The Company seeks shareholder approval of the Directors' remuneration policy at every third AGM. The Directors' remuneration policy for the three-year period to 31 March 2027 was approved at the AGM held in 2024. There are no material differences in the substance of the remuneration policy set out in this Directors' remuneration report from that approved by shareholders in 2024.

An advisory ordinary resolution to approve the Directors' Remuneration & Nomination Committee Report (excluding the Directors' remuneration policy) is put to members at each AGM.

At the AGM held on 12 August 2024, of the 352,307,482 votes cast by proxy and at the meeting (including votes cast at the Chair's discretion), 99.83% were in favour of the resolution to approve the Directors' remuneration report, as set out in the Annual Report for the year ended 31 March 2024, and 0.17% were against. 432,174 votes were withheld.

Approval

This Directors' Remuneration & Nomination Committee Report was approved by the Board on 13 June 2025 and signed on its behalf by:

Caroline Chan
Remuneration & Nomination Committee Chair

13 June 2025

Audit Committee Report

Joanne Peacegood
Audit Committee Chair

I am pleased to present the Audit Committee's Report for the year ended 31 March 2025.

Introduction
The Audit Committee aims to serve the interests of the Company's shareholders and other stakeholders through its independent oversight of the Company's financial reporting process; its systems of internal controls and effective management of risk; and the appointment and ongoing review of the independence and quality of the work of the Company's external auditor. The Committee operates within clearly defined terms of reference which include all matters indicated by Disclosure Guidance and Transparency Rule 7.1, the AIC Code and the UK Code.

Composition
As at 31 March 2025, the Audit Committee that I chair was comprised of Paul Le Page, Josephine Bush and Caroline Chan. Helen Mahy, Chair of the Board, stepped down as a member of the Committee as of 26 February 2024, in compliance with UK Listing Rule 6.4.6. Caroline Chan was appointed to the Audit Committee on 11 April 2024. Post the period end, Paul Le Page was appointed Interim Chair. As such, Paul Le Page stepped down as a member of the Audit Committee as of 15 May 2025. As permissible under the AIC Code, the Chair of the Board is invited to observe the Audit Committee meetings to enable greater understanding of the issues facing the Company. All of the Directors are, and have been since appointment, independent. The Board has considered the composition of the Audit Committee.

Two of the members of the Committee are qualified accountants. The Board is satisfied that the Committee, as a whole, has:

- recent and relevant financial experience;
- competence relevant to the sector in which the Company operates, and
- the skills, experience and objectivity to be an effective Audit Committee.

Details of the skills and experience of all of the Committee members are outlined in their biographies on page 84. Mr Firth stepped down as Audit Chair upon his retirement from the Board at the AGM in August 2024. I replaced Mr Firth as Chair of the Audit Committee, bringing with me in excess of 20 years of experience in valuation, accounting, and auditing.

Meetings
The Audit Committee meets no less than four times a year and at such other times as the Committee shall require, or any member may request. The Investment Manager, the Investment Adviser and the Administrator are invited to attend meetings, as the Committee deems appropriate.

The external auditor attends the Audit Committee meetings at which the annual and interim financial statements are considered for approval, and at which the auditor has the opportunity to meet with the Committee without representatives of the Investment Manager, the Investment Adviser or the Administrator being present. The auditor also attends the planning meeting for the annual and interim financial statements, and meets regularly with members of the Audit Committee as the audit progresses. The auditor may request that a meeting of the Committee be convened if it deems it necessary.

The Audit Committee met five times (four scheduled and one ad hoc) during the year ended 31 March 2025 (details of the Committee members' attendance at the meetings can be found under 'Meeting Attendance' on page 91).

Responsibilities and Activities

The Audit Committee's responsibilities include:

- monitoring the integrity of the Company's financial statements and any formal announcements relating to its financial performance;
- reviewing significant financial reporting judgements;
- evaluating the effectiveness of the systems of internal control and risk management;
- assessing the effectiveness and independence of the Company's external auditor; and
- making recommendations to the Board on the appointment and remuneration of the external auditor.

Full details of the Committee's roles and responsibilities are set out in formal terms of reference and include all of the roles and responsibilities recommended by the AIC Code and the FRC Audit Committees and the External Audit: Minimum Standard. The terms of reference are regularly reviewed by the Committee and are available on the Company's website (nextenergysolarfund.com).

The Audit Committee is required to report formally to the Board on its findings after each meeting on all matters within its roles and responsibilities, identifying any matters on which it considers that action or improvement is needed and making recommendations on the steps and decisions to be taken. In discharging its duties over the course of the year under review, the Audit Committee's principal activities included the following:

- **Risk management and internal control processes**: The Committee assessed the principal and emerging risks facing the Company (details of which are included under 'Risks and Risk Management'). The Committee also reviewed and, where necessary, amended and updated the Company's risk matrix and its record of internal control processes. The Committee was satisfied with the adequacy and effectiveness of the risk management framework and internal control processes, details of which are included under 'Risk, Internal Controls and Internal Audit'. The Committee continue to review and monitor the ongoing workstreams in relation to the valuation process and works with the Investment Adviser to strengthen controls, processes and reporting going forward. The Committee also reviewed the most recent SOC1 Type II report from the Administrator and sought additional assurances where required including confirmation that there had been no material changes from the date of the report to the date on which the Annual Report was signed.
- **Interim review and annual audit:** The Committee reviewed and approved the interim review and annual audit plans of the external auditor, including their scope and the auditor's engagement terms and fees. The Committee monitored the implementation of the plans and discussed the auditor's reports and findings. The Committee also evaluated, and reviewed the objectivity, and independence of the auditor and the overall quality and effectiveness of the external audit process.
- **Annual and Interim Reports:** The Committee reviewed the Company's accounting policies and considered the format and content of the Company's Interim and Annual Reports before recommending their approval to the Board. As part of the review process, the Committee:
    - considered the continuing appropriateness of the Company's accounting policies, including the potential implications of forthcoming changes in accounting standards for the Company;
    - considered the financial statements that are prepared on a going concern basis with an understanding of the discontinuation vote due to be held at the 2025 AGM. Shareholder discussions are held in conjunction with the Company's Brokers and other key service providers, as well as key reports tabled and considered for Committee comment;
    - reviewed the significant financial reporting judgements used in preparing the Financial Statements; and
    - discussed and challenged the forecasts, assumptions and other information provided by the Investment Manager to support the going concern and viability statements.
- **Internal audit requirements:** The Committee considered the Company's internal audit requirements. Due to the Company having no employees and the outsourcing of its investment and administrative arrangements to third parties who have their own internal controls and procedures, the Committee concluded that there continued to be no need for an internal audit function.
- **Whistleblowing:** The Committee reviewed the whistleblowing policy in place for each of the Investment Manager, the Investment Adviser, and the Administrator and was satisfied the relevant staff could raise concerns, in confidence, about possible improprieties relating to financial reporting or other matters that may affect the Company.
- **Performance evaluation:** The Committee reviewed the outcome of the annual evaluation of its performance and concluded that it continued to provide effective challenge and oversight.

The Audit Committee Chair will be attending the AGM to answer any shareholder questions on the Committee's activities.

Significant Issues Considered Relating to Financial Statements

Following discussions with the Investment Manager, the Investment Adviser, and the external auditor, the Committee determined that the significant area connected with the preparation of the Financial Statements of the Company related to the valuation of investments. The Company is required to calculate the fair value of its underlying investments. Whilst there is a market for financial assets of this nature, there are no suitable listed or other public market quotations against which the value of the Company's investments can be benchmarked. Accordingly, the valuation of the Company's underlying investments is undertaken using a discounted cash flow methodology in line with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement and takes into account the International Private Equity and Venture Capital's valuation guidelines. As further explained in note 4(a) to the Financial Statements, the valuation of the Company's investments using a discounted cash flow methodology requires a series of material judgements to be made regarding the assumptions and estimates underlying the discounted cash flow calculations. As such judgements are subjective, they carry elements of risk.

The Investment Manager undertakes the valuation of the Company's investments and provides the Board with a detailed valuation report, which includes information on the assumptions and other factors that have a material impact on the valuation and the rationale for any proposed changes to them since the previous valuation. The key assumptions and other factors include (but are not limited to):

- **Discount rates**: A discount rate is applied to the expected future cash flows for each investment's financial forecasts derived using, among others, the key assumptions referred to above to arrive at its valuation. The Investment Manager recommends to the Board the discount rates to be used based on the Investment Adviser's extensive experience of the current market for transactions in solar PV and energy storage assets in the relevant jurisdictions.
- **Power price assumptions:** A significant proportion of the income from the Company's investments is fixed for a period of time in accordance with the terms of the relevant ROC or FiT subsidy and power price volatility is managed through the Company's electricity sales hedging strategy. The Company's flexible hedging approach is designed to protect against adverse short-term price movements whilst also enabling the Company to opportunistically capture favourable market conditions by securing high fixed prices for specified future time periods. The balance of the income has exposure to wholesale electricity prices, although the Investment Manager, with the Investment Adviser's extensive experience, seeks to reduce this exposure through entering into short- or long-term power purchase agreements with fixed price mechanisms. Over time the proportion of income that is fixed in accordance with the terms of subsidies will reduce, increasing the proportion of the income with exposure to changes in wholesale electricity prices.

  The Investment Adviser uses the average of four of the leading independent energy market consultants' long-term projections to derive, by jurisdiction, the future assumed wholesale electricity prices used in the valuation of the Company's investments. 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.
- **Lease life extensions:** Assets where the lease life has been extended beyond the life of the subsidy have additional risk.
- **Operating performance and costs assumptions:** These include assumptions regarding the remaining operating life of each investment, the energy generated by each investment over its life and operating costs.
- **Macroeconomic assumptions:** These include inflation, foreign exchange rate, interest rate and tax rate assumptions. Further details on the key assumptions and other factors, together with a sensitivity analysis showing the impact of changing some of them, are included in the Investment Adviser's Report on page 52.

The Board considers in detail each valuation report received from the Investment Manager, challenges the key assumptions and other factors used in calculating the valuation of the Company's investments and monitors the changes in them over time. The Board also requests additional information to support the valuation assumptions where required.

Annual Report for Year Ended 31 March 2025

The production of the Annual Report, including the audit of the Company's financial statements, for the year ended 31 March 2025 was a comprehensive process requiring input from a number of different contributors.

One of the key corporate governance requirements is that the Annual Report, taken as a whole, must be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Another requirement is that the narrative and numerical disclosures in the Annual Report must be consistent. Having reviewed the Annual Report and considered the work undertaken in producing it, the Committee concluded that the Annual Report did pass these tests and, in recommending approval of the Annual Report to the Board, it reported accordingly.

Audit Related Services in line with FRC Ethical Standard

The Company may only use its external auditor for non-audit work with the prior approval of the Audit Committee. The Committee's policy regarding the provision of non-audit services by the auditor is aligned to the Financial Reporting Council Ethical Standard 2024 and the FRC Audit Committees and the External Audit: Minimum Standard which precludes the auditor from providing certain prohibited non-audit services. Furthermore, the Committee will not approve the use of the auditor for non-audit services where there may be perceived to be a conflict with the auditor's role as such or which may compromise its independence or objectivity.

During the year ended 31 March 2025, the only non-audit work carried out by the independent auditor to the Company ("KPMG") was in relation to its review of the Interim Report for which it was paid fees of £56,535 (2024: £52,820).

Annual Assessment of Effectiveness of External Audit Process

Following the conclusion of the audit process for the Company's Financial Statements for the year ended 31 March 2025, the Audit Committee evaluated the quality and effectiveness of the external audit process. In order to form a view, the Committee considered its own observations and interactions with KPMG, as well as feedback from KPMG, the Investment Manager, the Investment Adviser, and the Administrator. The Committee reviewed the robustness of the audit process and the quality of delivery, reporting, people and service. The Committee also considered KPMG's technical competence, understanding of the Company's business and the sector in which it operates and whether KPMG demonstrated an appropriate level of diligence, professional scepticism and challenge of assumptions where necessary. In addition, the Committee considered the cost effectiveness of the audit process. The Committee also reviewed the independence of KPMG, having regard to matters such as its report describing its arrangements to identify, report and manage any conflicts of interest and the extent of non-audit services provided by it. Having completed the evaluation, the Committee was satisfied with the effectiveness, including performance and objectivity, and independence of KPMG and the overall quality and effectiveness of the external audit process. Consequently, the Committee recommended to the Board that a resolution to appoint KPMG as the Company's auditor be put to shareholders at the AGM.

Auditor's Fees for NextEnergy Solar Fund and Subsidiaries

The fees payable to KPMG for audit services and audit related services to the Company and its subsidiaries for the year ended 31 March 2025 were as follows:

	2025 £'000	2024 £'000
NextEnergy Solar Fund	104	99
Subsidiaries	692	603
Out of Scope	8	–
Total audit fees	**804**	**702**
Interim review	55	53
Total fees	**859**	**755**

External Auditor's Tenure

There are no contractual obligations that restrict the Company's choice of external auditor and the auditor's appointment is subject to shareholder approval at each AGM. KPMG was first appointed as the Company's external auditor for the year ended 31 March 2020. The Committee will carry out a competitive tender in, or before, 2028 in respect of the audit for the year ending 31 March 2029. The audit partner for the Company, Steven Stormonth, is in place for his first year leading the audit, replacing Dermot Dempsey who had been in place for five years. The rotation of audit partner is in compliance with the FRC Ethical Standard.

Approval

This Audit Committee Report was approved by the Audit Committee on 13 June 2025 and signed on its behalf by:

Joanne Peacegood
Audit Committee Chair

13 June 2025

Directors' Report

Introduction

The Directors are pleased to present their Annual Report, including the Company's audited financial statements, for the year ended 31 March 2025. This Directors' Report and the Strategic Report comprise the 'management report', for the purposes of the FCA's Disclosure Guidance and Transparency Rule 4.1.5R.

Information Contained Elsewhere in this Annual Report

Information	Location in Annual Report
Directors	84
Directors' interests in shares	104
Appointment and removal of directors	92 and 96
Financial Instruments	128
Principal and emerging risks	74 - 78
Going concern and viability	79
Annual Review of systems of risk management and internal control	97
Disclosure of Information to Auditor	112
Annual Evaluation of the Investment Manager and Investment Adviser	97
Section 172 Statement	87

Financial Results and Dividends

The financial results for the year can be found in the Statement of Comprehensive Income.

Details of the four interim dividends that have been declared in respect of the year ended 31 March 2025 are set out in note 15(b) to the Financial Statements on page 136. As the last dividend in respect of any financial period is payable prior to the relevant AGM, it is declared as an interim dividend and, accordingly, there is no final dividend payable. This means that shareholders are not given the opportunity to vote on the payment of a final dividend. Accordingly, in accordance with good corporate governance, the Board asks shareholders to approve the Company's dividend policy at each AGM. The dividend policy is set out under 'Dividend Policy and Dividend Target for the Financial Year Ending 31 March 2026, on page 21.

Share Capital

During the year, the Company bought back 15,125,342 ordinary shares as treasury shares and issued no scrip shares. As at 31 March 2025 there were 575,695,843 ordinary shares in issue.

The Company issued no preference shares within the year ended 31 March 2025. As at 31 March 2025 and the date of this Directors' Report, there were 200m preference shares in issue. Details of the private placement and further information regarding the rights of the preference shares can be found in note 23(a) to the Financial Statements.

Substantial Shareholdings

As at 31 March 2025, the Company had been notified under the FCA's Disclosure Guidance and Transparency Rules of the following substantial holdings in its ordinary shares:

Investor	Ordinary Shares No.	%
Hargreaves Lansdown Asset Mgt	63,463,664	11.02%
Artemis Investment Management LLP on behalf of discretionary funds under management	55,112,927	9.57%
Interactive Investor	42,786,138	7.43%
M&G Investments	37,194,891	6.46%
Gravis Capital Mgt	35,080,522	6.09%

Powers to Issue and Buyback Ordinary Shares

At the Company's AGM held on 12 August 2024, the Directors were granted general authority to issue ordinary shares or sell Treasury Shares, non-pre-emptively, in accordance with the Articles of Incorporation up to, in aggregate, 117,722,619 ordinary shares, equivalent to 20% of the ordinary shares in issue at the date the authority was granted, less one. No ordinary shares have been issued and no Treasury Shares have been sold under this authority, which will expire at the conclusion of this year's AGM.

At the last the AGM held on 12 August 2024, the Directors were also granted authority to make one or more market purchases of ordinary shares, in accordance with section 315 of the Companies (Guernsey) Law, 2008, up to, in aggregate, 88,233,102 ordinary shares, equivalent to 14.99% of the ordinary shares in issue at the date the authority was granted. As at 31 March 2025, under the programme the Company had purchased 15,125,342 ordinary shares which are being held in treasury.

The Directors will be seeking similar issuance and purchase authorities at this year's upcoming AGM. The Directors do not currently have any authority to issue any further preference shares.

Treasury Shares

Under section 315 of the Companies (Guernsey) Law, 2008, the Company is allowed to hold shares acquired by market purchase as Treasury Shares, rather than having to cancel them. It is the Company's policy to hold up to a maximum of 10% of the ordinary shares in issue as Treasury Shares, which may be either sold in the market or cancelled subsequently. This gives the Company the ability to re-issue shares quickly and cost efficiently, thereby providing the Company with additional flexibility in the management of its capital base. The Board would only authorise the sale of Treasury Shares at prices at or above the prevailing NAV per ordinary share (plus any costs of the relevant sale), so there would be no dilution of the NAV per ordinary shares.

On 18 June 2024, the Company announced a share buyback programme in which it had allocated £20 million to purchase its own ordinary shares. During the year, 15,125,342 ordinary shares were purchased at an average price of 0.74 pence per share. The total amount spent on the buyback was £11.2m. The Company held 15,125,342 Treasury shares at the year end.

Restrictions on Transfer of Shares

There are no restrictions on the transfer of shares in the Company, except pursuant to:

- the Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- the Company's Articles of Incorporation, which allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of shares in the Company.

Shares Carrying Special Rights

No person holds shares in the Company carrying special rights with regard to control of the Company.

Amendment of Articles of Incorporation

The Articles may be amended by a special resolution of the Company's shareholders.

Powers of the Directors

Subject to the Articles of Incorporation, the Companies (Guernsey) Law, 2008 and any directions given by the Company by special resolution, the business of the Company will be managed by the Board, which may exercise all the powers of the Company.

Greenhouse Gas Emissions

As the Company has outsourced its day-to-day activities to third parties, there are no significant greenhouse gas emissions from its operations. In relation to the Company's investments, the level of greenhouse gas emissions arising from the low volume of electricity imports and from operation and maintenance activity is not considered material for disclosure purposes. Furthermore, as the assets are renewable energy generators, they reduce carbon dioxide emissions on a net basis.

Political Donations

The Company made no political donations during the year.

Charitable Donations

The Company donated a cash payment of £99k (2024: £339k including a £250k cash donation and 1,400 new solar PV modules, equivalent to c.£89k as at date of donation approval) to NextEnergy Foundation (the "Foundation"), information on which can be found in the Sustainability and ESG section on page 68. Community funding of £155k (2024: £106k) was also made through the SPVs during the year.

Events after the Balance Sheet Date

Details of events occurring since 31 March 2025 can be found in note 28 to the Financial Statements.

Independent Auditor

KPMG has indicated its willingness to continue as auditor for the year ending 31 March 2026 and resolutions to re-appoint KPMG and to authorise the Directors to determine KPMG's remuneration, will be proposed at this year's AGM.

2025 AGM

A separate notice convening this year's AGM will be sent to shareholders in due course. The notice will include an explanation of the resolutions to be considered at the meeting. A copy of the notice will also be published on the Company's website (nextenergysolarfund.com).

Approval

This Directors' Report was approved by the Board on 13 June 2025 and signed on its behalf by:

Paul Le Page
Interim Chair

13 June 2025

Aller Court
Somerset
5.0MW
1.2 ROC

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with IFRS and applicable law.

Under the Companies Law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the Annual Report is made available on a website. Annual Reports are published on the Company's website (nextenergysolarfund.com). Legislation in Guernsey governing the preparation and dissemination of financial statements may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained on the website.

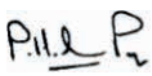
Directors' Confirmations

In accordance with the FCA's Disclosure Guidance and Transparency Rule 4.1.12R, we confirm that, to the best of our knowledge:

- the Financial Statements have been prepared in accordance with IFRS and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the management report (comprising the Strategic Report, the Directors' Report and any other sections of the Annual Report referred to in the Strategic Report or the Directors' Report) includes a fair review of the development and performance of the Company and its position, together with a description of the emerging and principal risks that it faces.

In addition, in accordance with the AIC Code, we confirm that, to the best of our knowledge, the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

On behalf of the Board of Directors of
NextEnergy Solar Fund Limited



Paul Le Page
Interim Chair

13 June 2025

Emberton
Buckinghamshire
9.0MW
1.4 ROC

Independent Auditor's Report to the Members of NextEnergy Solar Fund Limited

Our opinion is unmodified

We have audited the financial statements of NextEnergy Solar Fund Limited (the "Company"), which comprise the statement of financial position as at 31 March 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 March 2025, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and
- comply with the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as required by the Crown Dependencies' Audit Rules and Guidance. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2024):

Independent Auditor's Report to the Members of NextEnergy Solar Fund Limited (continued)

	The risk	Our response
Valuation of investments at fair value through profit and loss £722.1 million; (2024: £802.2 million) Refer to pages 105 to 108 (Audit Committee Report), pages 125 to 129 (Summary of Material Accounting Policies) and pages 140 to 143 (Fair Value of Investment in Unconsolidated Subsidiaries).	***Basis:*** The Company's investments in its immediate holding companies are carried at fair value through profit or loss and represent 132% of the Company's net assets. The fair value of those immediate holding companies, which reflects their net asset values, incorporates the fair value of underlying special purpose vehicles ("SPVs") which hold renewable assets for which there is no liquid market. The SPVs operational renewable assets (£563.4 million) are fair valued using an income approach which forecasts the cash flows of each individual renewable asset and discounts them at a rate that reflects their risk profile (the "Valuations"). The Valuations also include other specific SPVs assets and liabilities. The Valuations incorporate assumptions including discount rates, power price forecasts, inflation, energy yield and other macro-economic assumptions. The SPVs non operational renewable assets (£45.7 million) are valued at their cost as an approximation of their fair value. £49.0 million of investments held at fair value through profit and loss relates to the residual net assets of the immediate holding companies. The Company holds one direct investment in a private equity solar asset and two co-investments assets held indirectly via an immediate holding company ("NAV based investments") with a carrying value of £64.0 million. The fair value of the NAV based investments is based on the Company's proportionate share of the net asset value ("NAV") of those investments adjusted as necessary for the fair value of underlying assets. ***Risk:*** The valuation of the Company's investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company and also taking into account the associated audit effort. The Valuations represent both a risk of fraud and error associated with estimating the timing and amounts of long term forecast cash flows alongside the significant judgement involved in the selection, and application, of appropriate assumptions. Changes to long term forecast cash flows and/or the selection and application of different assumptions may result in a materially different valuation of financial assets held at fair value through profit or loss. We determined that the Valuations have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose in note 19(b) the sensitivities estimated by the Company.	*Our audit procedures included the following:* ***Control evaluation:*** We assessed the design and implementation of the Investment Manager's review control over the valuation of investments at fair value through profit and loss. ***Valuation models integrity and model inputs:*** – we tested the valuation models for mathematical accuracy including but not limited to material formula errors; – we verified key inputs into the valuation models, such as power price forecasts, energy yield, contracted revenue and operating costs to supporting documentation; – we agreed a value driven sample of balances within the residual net asset amounts at immediate holding companies and SPV level to supporting documentation such as independent bank confirmations, bank statements, post year end receipts and other source documentation; – we obtained and vouched all significant additions to non operational renewable assets during the year to supporting documentation; and – in order to assess the reliability of management's forecasts we completed a retrospective assessment by recalculating current year's revenue and comparing the result to the historical forecasted amounts. ***Benchmarking valuation model assumptions:*** With support from our KPMG valuation specialists we challenged the appropriateness of the Company's valuation methodology and key assumptions including the discount rate, power price forecasts, inflation, energy yield and other macro-economic assumptions applied, by: – assessing the appropriateness of the valuation methodology applied by the Investment Adviser; – benchmarking against independent market data and relevant peer group companies, and – using our KPMG valuation specialists' experience in valuing similar investments. ***Assessing fair value – NAV based investments:*** – we obtained confirmation of the fair value as at year end from the manager of the NAV based investments; – we agreed the fair value to the unaudited capital accounts received from the manager of the NAV based investments; – we obtained, where available, the audited financial statements of the NAV based investments as at 31 December 2024 to assess the basis of preparation together with accounting policies applied and whether the audit opinion is unmodified; and – in order to assess reliability we recalculated the Company's proportionate share of their investment into the NAV based investments based on the audited financial statements where available as at 31 December 2024 and compared to the unaudited capital accounts as at 31 December 2024. ***Assessing transparency:*** We considered the appropriateness of the Company's investment valuation policies and the adequacy of the Company's disclosures in relation to the use of estimates and judgements in arriving at fair value (see note 19). We assessed whether the disclosures around the sensitivities to changes in key assumptions reflect the risks inherent in the valuation of the underlying investment portfolio and the NAV based investments.

Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £11.4m, determined with reference to a benchmark of net assets of £547.4m, of which it represents approximately 2% (2024: 2%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £8.6m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.57m, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments;
- The ability of the Company's subsidiaries to comply with debt covenants; and
- The outcome of the upcoming discontinuation vote.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We also considered the risk that the outcome of the discontinuation vote could affect the Company over the Going Concern period, by considering outcomes of previous votes in favour of the directors' resolutions, inspecting the turnover of key shareholders and considering key financial metrics including discount of the Company's share price against its reported net asset value per share over the past 12 months.

We considered whether the going concern disclosure in note 2 (c) to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

Independent Auditor's Report to the Members of NextEnergy Solar Fund Limited (continued)

- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias

Further detail in respect of valuation of unquoted investments is set out in the key audit matter section of this report.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Disclosures of emerging and principal risks and longer term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement (pages 79 - 80) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the viability statement (pages 79 - 80) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation

Independent Auditor's Report to the Members of NextEnergy Solar Fund Limited (continued)

and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 79 - 80 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures
We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Respective responsibilities
Directors' responsibilities
As explained more fully in their statement set out on page 112, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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.

Auditor's responsibilities
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Steven Stormonth
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Guernsey

13 June 2025

Statement of Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Income			
Income comprises:			
Interest income		12,340	12,363
Investment income	26	20,123	57,705
Administrative services income		11,160	10,755
Unrealised foreign exchange gain/(loss)		12	(6)
Total net income		43,635	80,817
Expenditure			
Movement in net unrealised losses on valuation	17	37,686	72,002
Preference share dividends		9,500	9,500
Management fees	5	4,888	5,234
Legal and professional fees		728	871
Directors' fees	7	322	328
Administration fees	6	353	295
Other expenses	9	610	391
Audit fees	8	165	156
Charitable donation	10	99	250
Regulatory fees		109	123
Insurance		30	24
Total expenses		54,490	**89,174**
Loss and comprehensive loss for the year		(10,855)	**(8,357)**
Loss per ordinary share – basic	**14**	(1.86p)	**(1.42p)**
Loss per ordinary share – diluted	**14**	(1.86p)	**(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 125 - 150 are an integral part of these audited financial statements.

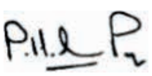
Statement of Financial Position

As at 31 March 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Investments	17	722,115	802,236
Total non-current assets		**722,115**	**802,236**
Current assets			
Cash and cash equivalents		3,223	8,860
Trade and other receivables	11	23,286	8,509
Total current assets		**26,509**	**17,369**
Total assets		**748,624**	**819,605**
Current liabilities			
Trade and other payables	12	(2,776)	(2,650)
Total current liabilities		**(2,776)**	**(2,650)**
Non-current liabilities			
Preference shares	23	(198,475)	(198,336)
Total non-current liabilities		**(198,475)**	**(198,336)**
Net assets		**547,373**	**618,619**
Equity			
Share capital and premium	13	598,899	610,079
Retained earnings		(51,526)	8,540
Equity attributable to ordinary Shareholders		**547,373**	**618,619**
Total equity		**547,373**	**618,619**
Net assets per ordinary share	**16**	**95.1p**	**104.7p**

The accompanying notes on pages 125 - 150 are an integral part of these audited financial statements.

The audited financial statements were approved and authorised for issue by the Board of Directors on 13 June 2025 and signed on its behalf by:



Paul Le Page
Interim Chair

Joanne Peacegood
Director

Statement of Changes in Equity

For the year ended 31 March 2025

	Notes	Share capital and premium £'000	Retained earnings £'000	Total equity £'000
Ordinary Shareholders' equity at 1 April 2023		609,448	64,972	674,420
Loss and comprehensive loss for the year		—	(8,357)	(8,357)
Scrip shares issued in lieu of dividends		631	—	631
Ordinary dividends	15	—	(48,075)	(48,075)
Ordinary Shareholders' equity at 31 March 2024		610,079	8,540	618,619
Ordinary Shareholders' equity at 1 April 2024		610,079	8,540	618,619
Loss and comprehensive loss for the year		—	(10,855)	(10,855)
Purchase of ordinary shares into Treasury	13	(11,180)	—	(11,180)
Ordinary dividends	15	—	(49,211)	(49,211)
Ordinary Shareholders' equity at 31 March 2025		598,899	(51,526)	547,373

The accompanying notes on pages 125 - 150 are an integral part of these audited financial statements.

Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities			
Loss and comprehensive loss for the year		(10,855)	(8,357)
Adjustments for:			
Interest income receivable		(12,340)	(12,363)
Interest income received		12,340	12,403
Investment income receivable		(20,123)	(57,705)
Investment income received		9,264	56,697
Movement in unrealised losses on valuation	17	37,686	72,002
Proceeds from HoldCos	17	127,013	23,806
Payments to HoldCos	17	(86,045)	(34,309)
Proceeds from NPIII	17	1,467	—
Payments to NPIII	17	—	(9,383)
Net changes in unrealised foreign exchange		(12)	6
Financial debt amortisation		139	139
Dividends payable on preference shares		9,500	9,500
Operating cash flows before movements in working capital		68,034	52,436
Changes in working capital			
Movement in trade and other receivables		(3,918)	(1,017)
Movement in trade and other payables		126	37
Net cash generated from operating activities		64,242	51,456
Cash flows from financing activities			
Dividends paid on preference shares		(9,500)	(9,500)
Dividends paid on ordinary shares		(49,211)	(47,444)
Purchase of ordinary shares into Treasury		(11,180)	—
Net cash used in financing activities		(69,891)	(56,944)
Net movement in cash and cash equivalents during year		(5,649)	(5,488)
Cash and cash equivalents at the beginning of the year		8,860	14,354
Effect of foreign exchange rates		12	(6)
Cash and cash equivalents at the end of the year		3,223	8,860

The accompanying notes on pages 125 - 150 are an integral part of these audited financial statements.

Notes to the Financial Statements

For the year ended 31 March 2025

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's Main Market. 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 either directly or 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, a member of NEC Group, 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 financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and on a going concern basis in accordance with IFRS.

The financial statements have been prepared using 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 policies have been consistently applied.

b) Functional and presentation currency

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

c) 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. The Company is also in the energy storage asset market in the UK. As a result of both of these markets, 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 subsidies. 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 31 March 2025 was £3.2m, all of which was readily available. The NESF Group also had immediately available but undrawn amounts under its debt facilities of a further £60.1m. The NESF Group had capital commitments totalling £11.4m at the year 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.

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 2025, similar to the prior year, the Board is required to propose a further special resolution at the AGM in August 2025 requiring 75% of votes for the discontinuation vote to pass. The Directors of the Company have considered the potential outcome of this 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 Annual 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 Annual Report. The Board is of the opinion, therefore, that the going concern basis adopted in the preparation of the financial statements is appropriate.

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

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

- the Company is an investment company that invests funds obtained from multiple investors in a diversified portfolio of solar energy infrastructure assets and related infrastructure assets and has appointed the Investment Manager to manage the Company's investments;
- the Company's purpose is to invest funds for investment income and potential capital appreciation and will exit its investments at the end of their economic lives or when their planning permissions or leasehold land interests expire (unless it has repowered their sites) and may also exit investments earlier for reasons of portfolio balance or profit; and
- the Board evaluates the performance of the Company's investments on a fair value basis as part of the quarterly management accounts review and the Company values its investments on a fair value basis twice a year for inclusion in its annual and interim financial statements with the movement in the valuations taken to the Statement of Comprehensive Income.

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

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

e) Taxation

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profit or capital gains. Therefore, income from investments in solar assets is not subject to any tax in Guernsey, although NPIII, the HoldCos and SPVs are subject to tax in their country of incorporation.

f) 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 and energy storage infrastructure assets via its HoldCos and SPVs and holding in a private equity fund. 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.

g) Dividends

Dividends to the Company's Shareholders are recognised when they become legally payable, which is when they are approved by the Company's Board of Directors.

h) Income

Income includes investment income from financial assets at fair value through profit or loss, administrative service fee income, interest income from Eurobonds and finance income.

Investment income, predominantly dividends received from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within income when the Company's right to receive payments is established.

Administrative service fee income and interest income from Eurobonds is recognised in the Statement of Comprehensive Income within income on an accruals basis.

Finance income comprises interest earned on cash held on deposit. Finance income is recognised in the Statement of Comprehensive Income within income on an accruals basis.

i) Expenses

All expenses are accounted for on an accruals basis.

j) Cash and Cash Equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term deposits with original maturities of three months or less.

k) Trade and Other Payables

Trade and other payables are initially recognised at fair value, and subsequently re-measured at amortised cost using the effective interest method where necessary.

l) Financial Instruments

Classification

The Company classifies its investments based on both the Company's business model for managing these financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Company has not taken the option to designate irrevocably any equity securities at fair value through other comprehensive income.

Recognition, Derecognition and Measurement

Purchases and sales of investments are recognised on the trade date, being the date on which the Company commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of investments are presented in the Statement of Comprehensive Income within 'Movement in net unrealised losses on valuation' in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income within 'Income' when the Company's right to receive payments is established. Interest on debt securities at fair value through profit or loss is recognised in the Statement of Comprehensive Income on an accruals basis.

Fair Value Estimation

The fair value of financial assets that are not traded on an active market is determined using valuation techniques and takes into account the International Private Equity and Venture Capital's ("IPEV") valuation guidelines. The Company's private equity solar fund investment (NPIII) and co-investments in Project Agenor and Project Santarém have been valued using the estimated attributable NAV and the remainder of investments have been valued on a look through basis based on the discounted cash flows of the solar PV and energy storage assets (except for those solar PV and energy storage assets not yet operational) and the residual value of net assets at the HoldCos level. These 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.

Fair value is the price that would be received from a sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation techniques. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Financial Statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

m) Ordinary Share Capital and Share Premium

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares (that would have been avoided if there had not been a new issue of new shares) are written off against the value of the ordinary share premium. Dividends paid on the ordinary shares are recognised in the Statement of Changes in Equity.

n) Preference Shares

In accordance with International Accounting Standard 32, preference shares are classified as liabilities and are held at amortised cost. Dividends paid on the preference shares are recognised in the Statement of Comprehensive Income as finance cost – preference share dividends.

o) Treasury Shares

Treasury shares are recognised at acquisition cost and are presented as a deduction from shareholders' equity. Associated costs are recognised in the Statement of Comprehensive Income under expenses.

p) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on trade and other receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk had not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation and default in payments are all considered indicators that a loss allowance may be required.

q) Offsetting Financial Instruments

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

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

IFRS 18: Presentation and Disclosure in Financial Statements: This Standard replaces IAS 1: Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged, effective for periods commencing 1 January 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit and loss, namely operating, investing, financing, discontinued operations and income tax categories.
- Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change as a result of applying IFRS 18.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.
- All entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of comprehensive income, the statement of cash flows and the additional disclosures required for MPMs.

Other standards, amendments or interpretations in issue but not yet effective, except for IFRS 18, are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

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 Santarém co-investment, and solar and energy storage 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. Level 3 investments amount to £722.1m (2024: £802.2m) and consist of three private equity solar fund investments (NPIII, Project Agenor co-investment, and Project Santarém co-investment) which have been valued using estimated attributable NAV and 99 (2024: 101) investments in solar PV and energy storage assets (held indirectly through the HoldCos), all of which have been valued on a look through basis based on the discounted cash flows of the solar PV and energy storage assets (except for those solar and energy storage assets not yet operational) which have been valued at cost and the residual value of net assets at the HoldCos level.

The Company's investments are geographically spread as follows, by fair value: United Kingdom (£639.3m; 2024:£696.1m), Italy (£18.8m; 2024:£ 31.9m), Spain (£9.5m; 2024:£12.6m) and Portugal (£54.5m; 2024:£61.7m).

The discount rate is a significant Level 3 input and a change in the discount rate 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 31 March 2025 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 2(d).

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 invests 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 to 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 year ended 31 March 2025 the Company incurred £4.9m in management fees, of which £15k was outstanding at 31 March 2025 (2024: £5.2m in management fees of which £15k was outstanding at 31 March 2024).

The Investment Management Agreement is terminable by not less than 12 month's written notice.

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 2025, the fixed fee increased in line with the annual increase in Guernsey RPI.

For the year ended 31 March 2025 the administrator was entitled to administration fees of £353k (2024: £295k), of which £nil was outstanding at 31 March 2025 (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' fees for the year were £322k (2024: £328k), of which £78k was outstanding at 31 March 2025 (2024: £75k).

8. Audit Fees

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

	31 March 2025 £'000	31 March 2024 £'000
Fees payable to the auditor for the audit of the Company	104	99
Fees payable to the auditor for the interim review of the Company	55	53
Additional audit fee and disbursements for prior year	6	4
Total	165	156

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

9. Other Expenses

	31 March 2025 £'000	31 March 2024 £'000
Amortisation expense	139	139
Sundry expenses	465	244
Directors' expenses	6	8
Total	610	391

10. Charitable Donation

During the year ended 31 March 2025, the Company made a charitable donation of £99k (31 March 2024: £250k, and an additional solar donation of surplus solar modules that was based on the original price of approximately £89k (based on reference currency rate as at date of donation approval)) to NextEnergy Foundation. Information on the NextEnergy Foundation and how it used the donation can be found on our website (nextenergysolarfund.com).

11. Trade and Other Receivables

	31 March 2025 £'000	31 March 2024 £'000
Administrative service fee income receivable	5,423	1,518
Prepayments	117	104
Due from HoldCos	17,746	6,887
Total trade and other receivables	23,286	8,509

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

12. Trade and Other Payables

	31 March 2025 £'000	31 March 2024 £'000
Other payables	434	308
Preference dividends payable	2,342	2,342
Total trade and other payables	2,776	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	31 March 2025 Shares	31 March 2024 Shares
Opening balance	590,821,185	590,254,181
Scrip shares issued during the year	—	567,004
Ordinary shares purchased into Treasury during the year	(15,125,342)	—
Total issued at 31 March	575,695,843	590,821,185

Treasury Shares

On 18 June 2024, the Company announced a share buyback programme of up to £20 million to purchase its own shares. During the year ended 31 March 2025, 15,125,342 shares were purchased at an average price of 0.74 pence per share (2024: £nil). The total amount spent on the buyback was £11.2m (2024: £nil).

The Company held 15,125,342 Treasury shares at the year end (31 March 2024: nil).

Issued ordinary shares – share capital and premium	31 March 2025 £'000	31 March 2024 £'000
Opening balance	610,079	609,448
Value of scrip shares issued during the year	—	631
Value of ordinary shares purchased into Treasury during the year	(11,180)	—
Closing balance at 31 March	598,899	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(a).

c) Retained Earnings

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 year.

14. Loss per Ordinary Share

a) Basic

	31 March 2025	31 March 2024
Loss and comprehensive loss for the year (£'000)	(10,855)	(8,357)
Basic weighted average number of issued ordinary shares	585,041,132	590,596,000
Loss per share basic	(1.86p)	(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.

	31 March 2025	31 March 2024
Loss and comprehensive loss for the year (£'000)	(10,855)	(8,357)
Plus: preference share dividends paid during the year (£'000)	9,500	9,500
(Loss)/profit for the year attributable to ordinary Shareholders (£'000)	(1,355)	1,143
Weighted average number of issued ordinary shares	585,041,132	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 year end	191,021,968	174,978,128
Adjusted weighted average number of ordinary shares	776,063,100	765,574,128
Loss per share diluted	(1.86p)[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 Year

	31 March 2025 £'000	31 March 2025 Pence per share	31 March 2024 £'000	31 March 2024 Pence per share
Quarter 1	12,348	2.09	11,097	1.88
Quarter 2	12,360	2.10	12,282	2.08
Quarter 3	12,294	2.11	12,348	2.09
Quarter 4	12,209	2.11	12,348	2.09
Total	49,211	8.41	48,075	8.14

b) Declared in Respect of the Year

	31 March 2025 £'000	31 March 2025 Pence per share	31 March 2024 £'000	31 March 2024 Pence per share
Quarter 1	12,360	2.10	12,282	2.08
Quarter 2	12,294	2.11	12,348	2.09
Quarter 3	12,209	2.11	12,348	2.09
Quarter 4	12,137	2.11	12,348	2.09
Total	49,000	8.43	49,326	8.35

16. Net Assets per Ordinary Share

	31 March 2025	31 March 2024
Ordinary Shareholders' equity (£'000)	547,373	618,619
Number of issued ordinary shares	575,695,843	590,821,185
Net assets per ordinary share	95.1p	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 the HoldCos and a direct investment in NPIII. The Company's investments comprise of 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 year ended 31 March 2025 (2024: none).

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

	31 March 2025 £'000	31 March 2024 £'000
Brought forward cost of investments	854,622	834,736
Investment proceeds from HoldCos	(98,974)	(23,806)
Intercompany loan repayments from HoldCos	(28,039)	—
Investment payments to HoldCos	86,045	34,309
Proceeds from NPIII	(1,467)	—
Investment payments to NPIII	—	9,383
Carried forward cost of investments	812,187	854,622
Brought forward unrealised (losses)/gains on valuation	(52,386)	19,616
Movement in unrealised gains on valuation	26,216	35,306
Movement in unrealised losses on valuation	(63,902)	(107,308)
Total movement in net unrealised losses on valuation	(37,686)	(72,002)
Carried forward unrealised losses on valuation	(90,072)	(52,386)
Total investments at fair value	722,115	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. The HoldCos are all incorporated in the UK and 100% directly owned. There are no cross guarantees amongst Group entities. Below are the legal names for the SPVs, all owned directly or indirectly through the HoldCos listed below at 31 March 2025. Agenor (24.5%) and NP III Co Invest LP (18%) are owned by NextEnergy 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 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	UK
Nextpower Gover Farm Limited	UK	ST Solarinvest Devon 1 Limited	UK
Nextpower Higher Hatherleigh Limited	UK	Sunglow Power Limited	UK
Nextpower Shacks Barn Limited	UK	Wellingborough Solar Limited	UK
NextEnergy Solar Holdings III Limited	**UK**		
Balhearty Solar Limited	UK	Burcroft Solar Parks Limited UK	UK
Ballygarvey Solar Limited	UK	Burrowton Farm Solar Park Limited	UK
Birch Solar Farm CIC	UK	Camilla Battery Storage Limited	UK
Blenches Mill Farm Solar Park Limited	UK	Chilton Cantello Solar Park Limited	UK
Brafield Solar Limited	UK	Crossways Solar Park Limited	UK
Greenfields (T) Limited	UK	Empyreal Energy Limited	UK
Helios Solar 1 Limited	UK	Fiskerton Limited	UK
Helios Solar 2 Limited	UK	NextZest Limited	UK
Hook Valley Farm Solar Park Limited	UK	Pierces Solar Limited	UK
Knockworthy Solar Park Limited	UK	RRAM Energy Limited	UK
Lark Energy Bilsthorpe Limited	UK	Saundercroft Farm Solar Park Limited	UK
Le Solar 51 Limited	UK	SL Solar Services Limited	UK
Little Irchester 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

Name	Country of incorporation	Name	Country of incorporation
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 Limited	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
Lapwing Fen II Limited	UK	Tower Hill Farm Renewables Limited	UK
NextEnergy Solar Holdings IV Limited	**UK**		
Berwick Solar Park Limited	UK	Emberton Solar Park Limited	UK
Bottom Plain Solar Park Limited	UK	Great Wilbraham Solar Park Limited	UK
Branston Solar Park Limited	UK	Nextpower Radius Limited	UK
NextEnergy Solar Holdings V Limited	**UK**		
Agrosei S.r.l	Italy	Starquattro S.r.l	Italy
Fotostar 6 S.r.l	Italy	SunEdison Med. 6 S.r.l	Italy
Macchia Rotonda Solar S.r.l	Italy	Agenor Hive S.L.U.*	Spain
NextPower III LP Co-Invest LP**	Portugal	NextPower III Co-Invest UK HoldCo Ltd***	UK
NXP Co-Invest Portugal HoldCo***	Portugal	Escalabis Solar, S.A.***	Portugal
Raglington Farm Solar Park Limited	UK		

* *Agenor Hive S.L.U. is an associate of the HoldCo, not a subsidiary*

** *NextPower III LP Co-Invest LP is an investment of the HoldCo, not a subsidiary or 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 31 March 2025, investments held at fair value using the discounted cash flow methodology totalled £563.4m (2024: £657.4m).

The Company has invested directly in a private equity fund NPIII and, through NESH V, in co-investments in Projects Agenor and Santarém. The fair value of the Company's investment in private equity funds and co-investments 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 and co-investments. As at 31 March 2025, investments held at fair value using NAV totalled £64.0m (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 31 March 2025, investments held at cost which approximates fair value totalled £45.7m (2024: £43.1m).

Another £49.0m (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 £563.4m (2024: £657.4m).

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

(i) Sensitivity analysis of changes in significant unobservable inputs of underlying operating solar assets

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.

	31 March 2025	31 March 2024
Weighted average discount rate	8.0%	8.1%
Range of discount rates (unlevered to levered)	7.5% to 10.0%	7.5% to 10.0%
Premium applied to cash flows earned 30 years after grid connection date	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
31 March 2025			
Directors' valuation	(£14.2m)	£563.4m	£15.1m
Directors' valuation – percentage movement	(2.5%)		2.7%
Change in NAV per ordinary share	(2.5p)		2.6p
31 March 2024			
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 31 March 2025, estimates implied an average rate of growth of UK electricity prices (2025-2044) of approximately -1.2% (2024: -0.5%) in 2025 real terms and an average rate of growth of Italian electricity prices (2025-2044) of approximately -2.9% (2024: -3.8%) in 2025 real terms. As at 31 March 2025, estimates implied a long-term inflation rate of 2.3% (2024: 2.3%).

Recognising the increased potential for power price uncertainties driven by policy developments such as CP30, the ongoing REMA and other factors influencing the forward price projections produced by independent consultants generally, the Company has incorporated the projections of a fourth independent, industry-leading consultant within its long-term central case methodology. 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 plus or minus 10% on the valuation, with all other variables held constant.

Power price sensitivity	-10% change	Investments	+10% change
31 March 2025			
Directors' valuation	(£42.6m)	£563.4m	£37.8m
Directors' valuation – percentage movement	(7.6%)		6.7%
Change in NAV per ordinary share	(7.4p)		6.6p
31 March 2024			
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 plus or minus 5% on the valuation, with all other variables held constant.

Energy generation sensitivity	-5% under-performance	Investments	+5% out-performance
31 March 2025			
Directors' valuation	(£35.2m)	£563.4m	£33.8m
Directors' valuation – percentage movement	(6.3%)		6.0%
Change in NAV per ordinary share	(6.1p)		5.9p
31 March 2024			
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% (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 plus or minus 1.0% (2024: 1.0%), with all other variables held constant.

Inflation rate sensitivity	-1.0% change	Investments	+1.0% change
31 March 2025			
Directors' valuation	(£36.2m)	£563.4m	£40.1m
Directors' valuation – percentage movement	(6.4%)		7.1%
Change in NAV per ordinary share	(6.3p)		7.0p
31 March 2024			
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% (2024: 5%) at the SPVs level, with all other variables held constant.

Operating costs sensitivity	+5% change	Investments	-5% change
31 March 2025			
Directors' valuation	(£2.2m)	£563.4m	£2.2m
Directors' valuation – percentage movement	(0.4%)		0.4%
Change in NAV per ordinary share	(0.4p)		0.4p
31 March 2024			
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% (31 March 2024: 25%), in accordance with the latest UK Budget announcements.

(ii) 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 Santarém, the co-investments made through NESH V, as at 31 March 2025 was £64.0m (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, currency risk and interest rate risk.

A movement of 10% in the value of the private equity investment would move the Company's investments held at fair value at the year end by 0.9% (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 31 March 2025 they are held at £198.5m (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 £198.5m as at 31 March 2025. 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 Group has also used cash to facilitate the buyback of Ordinary Shares during the year.

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 31 March 2025, the Company had £200m of preference shares in issue (2024: £200m) and no financial debt outstanding. The subsidiaries had £314.8m in long-term debt and revolving credit facilities outstanding (2024: £346.8m) (see note 23(b)).

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 31 March 2025 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 Santarém 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 31 March 2025. Of the £314.8m (2024: £346.8m) credit facilities outstanding (excluding NPIII and co-investment look through debt of £23.5m), £126.7m (2024: £129.5m) had fixed interest and index-linked rates and the remaining £188.1m (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 £43.2m (2024: £51.7m). The counterparties to these swaps are all Investment grade financial institutions. The remaining £144.9m (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:

	31 March 2025 £'000	31 March 2024 £'000
Cash and cash equivalents	3,223	8,860
Trade and other receivables	23,286	8,509
Debt investments	306,554	306,554
Total	333,063	323,923

Debt investments relate to the Company's investments in Eurobonds issued by NESH III and NESH V 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 31 March 2025, 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 (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 year end are set out in the table below.

	Credit rating Standard & Poor's	Cash £'000
31 March 2025		
Barclays Bank PLC	Long – A+ Short – A-1	3,223
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
31 March 2025				
Assets				
Cash and cash equivalents	3,223	3,223	—	—
Trade and other receivables	23,286	23,286	—	—
Liabilities				
Contractual preference shares repayment and dividends payable[1]	(198,475)	(2,342)	(7,158)	(304,500)
Trade and other payables	(2,776)	(2,776)	—	—
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	Carrying Amount £'000
31 March 2025			
Preference shares	198,336	139	198,475
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 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 which amounted to £83.2m as at 31 March 2025 (2024: £86.8m). As at 31 March 2025, the nominal outstanding amount was £41.0m (2024: £44.3m).

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 which amounted to £242.9m as at 31 March 2025 (2024: £254.3m). As at 31 March 2025, the nominal outstanding amount was £128.9m (2024: £136.9m).

In July 2018, NESH VI closed a RCF with Santander ("Santander RCF") for £40.0m which was subsequently fully drawn down. In January 2019, the facility was increased to a total commitment of £70.0m with a subsequent £30.0m drawdown. In August 2019, £56.0m was repaid. In February 2021 £35.2m was drawn down. In March 2025, the RCF was consolidated into the NESH III RCF and the facility repaid in full. As at 31 March 2025, the outstanding amount was £Nil (2024: £30.6m).

In June 2021, NESH III closed a RCF with National Westminster Bank plc and AIB Group (UK) p.l.c. for £75.0m which £75.0m was subsequently drawn down. In September 2022, the facility was increased to total commitment of £135.0m. In April 2024, NESH III refinanced the £135.0m RCF with National Westminster Bank plc, AIB Group (UK) plc and Lloyds Bank plc. 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. In March 2025, NESH III consolidated this facility with the Santander RCF to an aggregated commitment of £205m and the lenders hold a charge over assets within NESH III which amounted to £299.2m as at 31 March 2025 (2024: £311.0m). As at 31 March 2025, the outstanding amount was £144.9m (2024: £135.0m).

24. Reconciliation of Financing Activities

	Opening £'000	Cash Flows £'000	Net Income Allocation £'000	Dividend Payable Movement £'000	Non-cash Flows £'000	Carrying Amount £'000
31 March 2025						
Preference shares	198,336	(9,500)	9,500	—	139	198,475
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 31 March 2025, a letter of credit of £2,500,000 was in issue (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 31 March 2025 the Company has no outstanding commitments related to this guarantee (2024: none).

The Company, through its HoldCos, had other project spending commitments totalling £11.4m as at 31 March 2025 (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 NESF Group entities. All management fee transactions with the Investment Manager are disclosed in note 5.

Fees of £176,310 (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. £40k was outstanding at year end (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 an accounting services agreement with the Asset Manager. The total value of recurring and one-off services paid to the Asset Manager by the subsidiaries during the year amounted to £9.4m (2024: £8.5m).

At 31 March 2025 £17.7m (2024: £6.9m) was owed from the subsidiaries being cash trapped within the structure at year end. £11.2m of administrative service fees were received from the subsidiaries during the year (2024: £10.8m), £5.4m of which was outstanding at 31 March 2025 (2024: £1.5m). £12.3m of Eurobond interest was received from the subsidiaries during the year (31 March 2024: £12.3m), £nil of which was outstanding at 31 March 2025 (31 March 2024: £nil). During the year, dividends of £20.1m (2024: £57.7m) were received from the subsidiaries. Refer to note 11 for terms and conditions on amounts due from subsidiaries. During the year, the Company commenced receiving cash returns in the form of repayment of intercompany loans amounting to £28.0m (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 31 March 2025 (2024: fully drawn). The Investment Manager, the Investment Adviser and the Asset Manager are all professionally engaged to provide services to NPIII. The principal activity of NPIII is to invest in solar photovoltaic plants globally (primarily in OECD countries). The Company has committed a fixed amount of capital which may be drawn (and returned) over the life of NPIII. The Company pays capital calls when due and receives distributions from NPIII over the life of NPIII. During the year, the Company received a distribution of $1,862k (2024: $Nil).

In the prior year, the site at Hatherden was sold for total proceeds of £14.3 million. The purchaser, for this transaction was NextPower UK Holdco Limited, a 100% subsidiary of NextPower UK LP, 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 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, prior to the implementation of the new FCA's UK Listing Rules in July 2024.

During the year, the Company sold the site at Staughton for a total consideration of £30.4m. The purchaser for this transaction was NextPower UK Holdco Limited, a 100% subsidiary of NextPower UK LP. The transaction was 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 year ended 31 March 2025 amounted to £322k (2024: £328k), of which £78k is outstanding as at year end (2024: £75k). As at 31 March 2025, Helen Mahy held 106,784 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 held 39,000 shares.

As at 13 June 2025, NextEnergy Group employees held 2,106,138 shares in NESF[1] (11 June 2024: 1,947,857 shares).

During the year, as part of a dividend management programme, the NESF Group undertook at intermediate subsidiary level a capital restructuring exercise which involved capitalising undistributed reserves and a subsequent capital reduction.

27. Controlling Parties

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

28. Events After the Balance Sheet Date

On 15 May 2025, the NESF Board approved a dividend of 2.11 pence per ordinary share for the quarter ended 31 March 2025 to be paid on 30 June 2025 to ordinary shareholders on the register as at the close of business on 23 May 2025.

On 15 May 2025 the Board approved a maintained dividend target of 8.43p per Ordinary Share for the financial year ending 31 March 2026.

During the period from 1 April 2025 up to and including 13 June 2025, the Company purchased 495,800 ordinary shares at a total cost of £0.3m.

1 This figure includes shareholdings of staff who may not be directly involved in the daily management or investment decision-making of the Company. The aggregate holding is for information purposes only and should not be relied on to make investment decisions.

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 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.

	31 March 2025 £'000	31 March 2024 £'000
Invested capital	1,117,185	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.

	31 March 2025 £'000	31 March 2024 £'000
NESF Group's outstanding financial debt (A)	315,540	337,965
Preference shares as per Statement of Financial Position (B)	198,475	198,336
Net assets as per Statement of Financial Position (C)	547,373	618,619
Total gearing ((A + B) / (A + B + C)), expressed as a percentage)	48.4%	46.4%

Financial Debt Gearing

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

	31 March 2025 £'000	31 March 2024 £'000
NESF Group's outstanding financial debt (A)	315,540	337,965
Preference shares as per Statement of Financial Position (B)	198,475	198,336
Net assets as per Statement of Financial Position (C)	547,373	618,619
Financial debt gearing ((A) / (A + B + C)), expressed as a percentage)	29.7%	29.3%

Cash Income

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

	31 March 2025 £'000	31 March 2024 £'000
Income as per Statement of Comprehensive Income (A)	43,623	80,823
Intercompany loan repayments from HoldCos (B)	28,039	—
Net distributable cash generated in the portfolio (C)	5,418	—
Trade and other receivables – administrative service fee income accrual at beginning of year (D)	1,518	504
Trade and other receivables – administrative service fee income accrual at end of year (E)	(5,423)	(1,518)
Cash income (A + B + C + D – E)	73,175	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.

	31 March 2025 £'000	31 March 2024 £'000
Cash Income as per the table above (A)	73,175	79,809
Total expenses as per Statement of Comprehensive Income (B)	16,804	17,172
Pre-scrip ordinary dividends paid as per Statement of Changes in Equity (C)	49,211	48,075
Cash dividend cover (pre-scrip dividends) ((A – B) / C)	1.1x	1.3x

Dividend Yield

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

	31 March 2025 £'000	31 March 2024 £'000
Dividend per ordinary share (A)	8.43	8.35
Ordinary share price at end of year (B)	67.7	71.5
Dividend yield (A / B, expressed as a percentage)	12.45%	11.68%

NAV per Ordinary Share

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

	31 March 2025 pence	31 March 2024 pence
Net assets as per Statement of Financial Position (£'000) (A)	547,373	618,619
Number of ordinary shares in issue at year end (B)	575,695,843	590,821,185
NAV per ordinary share ((A / B) x 100)	95.1p	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.

	31 March 2025 pence	31 March 2024 pence
Basic NAV per ordinary share at year end as per Statement of Financial Position (A)	95.1	104.7
Annual dividend per ordinary share declared in respect of year (B)	8.43	8.35
Basic NAV per ordinary share at beginning of year as per Statement of Financial Position (C)	104.7	114.3
NAV total return per ordinary share ((A + B – C) / C, expressed as a percentage)	(1.12%)	(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.

	31 March 2025 pence	31 March 2024 pence
Ordinary share price at year end (A)	67.7	71.5
Annual dividend per ordinary share declared/paid in respect of year (B)	8.43	8.35
Ordinary share price at beginning of year (C)	71.5	104.8
Ordinary shareholder total return per share ((A + B – C) / C, expressed as a percentage)	6.48%	(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.

	31 March 2025 pence	31 March 2024 pence
Ordinary share price at year end (A)	67.7	71.5
NAV per ordinary share at year end as per Statement of Financial Position (B)	95.1	104.7
Discount to NAV per Ordinary Share ((A – B) / B, expressed as a percentage)	(28.8%)	(31.7%)

Ongoing Charges

Ongoing charges 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.

	31 March 2025 £'000	31 March 2024 £'000
Total expenses as per Statement of Comprehensive Income (A)	16,804	17,172
Preference share dividends as per Statement of Comprehensive Income (B)	9,500	9,500
Non- recurring expenses (C)	568	432
Average of quarterly net assets (D)	570,979	635,050
Ongoing charges ratio ((A – B – C) / D, expressed as a percentage)	1.18%	1.14%

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, along with further information, is available on the Company's website (nextenergysolarfund.com).

Financial Calendar for Year Ending 31 March 2026

Interim results announced	**November 2025**
Annual results announced	June 2026
Annual General Meeting	August 2026

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 2026.

Dividend	Announcement date	Ex-dividend date	Payment date	Amount
1st	7 Aug 2025	14 Aug 2025	30 Sept 2025	2.10
2nd	6 Nov 2025	13 Nov 2025	30 Dec 2025	2.11
3rd	Feb 2026	Feb 2026	31 Mar 2026	2.11
4th	May 2026	May 2026	30 Jun 2026	2.11

Cautionary Statement

This Annual 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 Annual 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 Annual 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)
AR7	Allocation Round 7 is the UK's upcoming competitive auction for awarding long-term contracts to low-carbon electricity generation projects. (Scheduled to begin in summer 2025)
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 four independent market forecasters used by the Company
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
Financial Statements	The Financial Statements of NextEnergy Solar Fund Limited for the year ended 31 March 2025
FiT	Feed-in-Tariff schemes are financial mechanisms by which the UK Government incentivised the deployment of small-scale renewable energy generation and the Italian Government incentivised the deployment of large-scale renewable energy generation by requiring participating licensed electricity suppliers to make payments on both generation and export from eligible installations
GAV	Gross asset value, being the aggregate of the net asset value of the ordinary shares, the fair value of the preference shares and the amount of NESF Group debt outstanding

GW	Gigawatt, a unit of power equal to 1,000 MW
GWh	GW hour, a measure of electricity generated per hour
HoldCos	Intermediate holding companies used by the Company as pass-through vehicles to invest in underlying solar energy infrastructure assets, currently being NESH, NESH III, NESH IV, NESH V and NESH VI
IFRS	International Financial Reporting Standards
Investment Adviser or NEC	NextEnergy Capital Limited
Investment Manager	NextEnergy Capital IM Limited
IPO	Initial Public Offering
IRR	Internal Rate of Return
KPMG	KPMG Channel Islands Limited, independent auditor to the Company
KWh	Kilowatt hour, being a measure of electricity generated per hour
MIDIS	Macquarie Infrastructure Debt Investment Solutions
MW	A Megawatt is unit of power equal to one million watts and is used as a measure of the output of a power plant
MWh	MW hour, being a measure of electricity generated per hour
NAB	National Australia Bank
Net assets or NAV	Net asset value
NAV total return	The actual rate of return from dividends paid and any increase or reduction in the NAV per ordinary share over a given period of time
NEC or NextEnergy Group	The NextEnergy 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
NESO	National Energy System Operator is a UK public body responsible for overseeing the integrated planning and operation of the UK's energy system
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 share-holder 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
REMA	Review of Electricity Market Arrangements is a UK government-led initiative to reform how electricity is bought and sold in Great Britain
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)
TNFD	Taskforce on Nature-related Financial Disclosures
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

NESF Principal Adverse Impacts

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial market participant: NextEnergy Solar Fund Limited, 213800ZPHCBDDSQH5447 on behalf of NextEnergy Capital Limited

Summary

NextEnergy Solar Fund Limited (the "Company"), 213800ZPHCBDDSQH5447, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of NextEnergy Solar Fund Limited.

This statement on principal adverse impacts PAIs on sustainability factors covers the reference period from 1st April 2024 to 31 March 2025, in line with the financial reporting year.

The tables below contain the principal adverse impacts required by regulation and considered material to the Company. The results show limited adverse impacts in line with the sustainable investment objective.

The portfolio's structure heavily relies on third-party providers, particularly operations and maintenance contractors, for its activities. Consequently, the Company depends on data supplied by these entities.

During the current reporting period, estimations were still employed where operational data from operations and maintenance contractors was not available.

Efforts have been made to improve the accuracy and transparency of data, which resulted in overall improved quality of data provided by the operations and maintenance contractors.

Overall the principal adverse indicators reflect the positive nature of the sustainable investment objective and provide targeted areas for improvement in the future which the Company is actively engaged in addressing. The nature of the PAI are designed to be negative in isolation.

However, to review the Company’s positive attributions please refer to the ESG reports https://www.nextenergysolarfund.com/esg/esg-reports-and-publications/

Description of the principal adverse impacts on sustainability factors

See descriptions in the table below:

Table 1

Indicators applicable to investments in investee companies							
Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0	0	tCO_2e		NA
		Scope 2 GHG emissions	Location Based: 2,259 Market Based: 1,358	Market Based: 1,394.88	tCO_2e	Scope 2 emissions reflect electricity purchased across the portfolio. For 2025, the reporting methodology has been enhanced by including both location-based and market-based emissions calculations, in line with GHG Protocol best practices. The market-based emissions reflect the portfolio's renewable energy usage, as a significant portion of the portfolio uses renewable energy that does not incur emissions. The location-based figure provides an alternative perspective as it reflects the comprehensive energy consumption data captured across assets this year, regardless of renewable attributes. The market-based calculation accounts for renewable energy procurement, aligning with the organisation's ongoing commitment to increasing renewable electricity usage across the portfolio as part of a broader decarbonisation strategy. Scope 2 emissions remained stable between the reporting periods due to steady operational electricity consumption patterns across the Company's investment portfolio.	Import data will continue to be collected, options for sourcing more renewable energy are being explored.
		Scope 3 GHG emissions	17,875	31,439.02	tCO_2e	The significant decrease in Scope 3 emissions between reporting periods is primarily attributed to construction and supply chain emissions within the Company's portfolio. During this reporting period, the total installed sites capacity (MWp) with first generation dates dropped, and therefore resulted in a significant decrease in scope 3 emissions. The followed methodology recognises construction and supply chain emissions at a single point in time when the project achieves first revenue. This approach uses the installed capacity (MWp) of each asset to calculate the associated emissions.	The Company's Investment Adviser and asset manager are actively engaged in improving data quality from suppliers.
		Total GHG emissions	Location Based: 20,134 Market Based: 19,233	Market Based: 32,833.90	tCO_2e	The overall decrease in total emissions between reporting periods is predominantly driven by the significant reduction in Scope 3 emissions. This decrease is directly associated with construction and supply chain emissions as explained above.	NA

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
2. Carbon footprint	Carbon Footprint	Location Based: 25.05 Market Based: 23.93	Market Based: 37.01	tCO_2e per €M	The carbon footprint metrics for this reporting period are presented using both location-based and market-based methodologies, enhancing transparency in emissions reporting. This approach aligns with evolving best practices in sustainability disclosure. The carbon footprint figures reflect the portfolio's current operational profile, with the decrease resulting from the reduction in total emissions.	NA
3. GHG intensity of investee companies	GHG intensity of investee companies	Location Based: 250.25 Market Based: 241.96	Market Based: 13,943.02	tCO_2e per €M	The GHG intensity has been calculated to reflect on total emissions while taking into account both location-based and market-based emissions. The significant decrease in GHG intensity is attributed to the impact of assets reaching their first generation date in 2023, which triggered substantial construction emissions recognition while these newly operational assets generated minimal revenues. This created a high GHG intensity in 2024.	NA
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	0		The investment strategy is focused on assets that produce renewable energy.	NA
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.53%	0.40%	%	The change primarily reflects improved accounting methodology rather than an actual increase in non-renewable consumption. We enhanced the reporting to include the energy content from fuel used in site operations, which was previously not fully captured. While the portfolio continues to produce renewable energy with electricity generation significantly exceeding consumption, this more comprehensive accounting approach provides greater transparency and a more accurate baseline for future sustainability targets.	The strategy will continue, options for sourcing renewable import electricity are being explored.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.04	0	GWh per €M	This reporting period marks the first year that this indicator is being reported on for the Company's assets, establishing the initial benchmark data for future comparative analysis. The introduction of this metric provides valuable insights into the Company's development.	NA

Indicators applicable to investments in investee companies							
Adverse sustainability indicator		Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0	0	%	The Company undertakes environmental assessments before sites are constructed. There is an active biodiversity program in place to improve the performance of sites.	Biodiversity improvements will continue as part of the overall ESG strategy.
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0	0	tonne per €M	It's considered best practice to avoid emitting nitrates, phosphates, and pesticides during operations. Contractors responsible for operations and maintenance are advised from using harmful chemicals during the module cleaning process.	NA
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0	0	tonne per €M	No hazardous wastes were produced during the reporting period.	NA

Indicators applicable to investments in investee companies							
	Adverse sustainability indicator	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0	0	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/ complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0	0	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0	0		The Company has no employees. It invests in SPVs which hold solar assets. The operations are outsourced to third-party contractors.	NA
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	45%	45%	%	Investee companies are SPVs holding assets, these are not operational trading companies.	NA
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0	0	%	Investments are all in clean energy projects.	NA

Other indicators for principal adverse impacts on sustainability factors

Table 2*

Additional climate and other environment-related indicators							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	14.13	284.6	m3 per €M	While 2024 figures were estimated due to limited site-specific data, 2025 values incorporate measured consumption where available, with remaining estimates based on provided data from comparable sites. This enhanced methodology provides a more accurate representation of actual water use.	Opportunities for recycling water are being explored, as are alternatives to using water.
		2. Weighted average percentage of water recycled and reused by investee companies	0	0	%	Water recycling and reuse systems are not implemented across the portfolio's assets due to their operational nature and minimal water requirements.	
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	0	0	%	Coverage for this indicator is limited.	
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0	0	%	Coverage for this indicator is limited for sites located in high water stress areas in the current year.	

* Note that NESF reports on the relevant PAI impacts for Table 2, which begin with impact 6.

Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse sustainability impact	Adverse impact on sustainability factors (qualitative or quantitative)	Metric	Impact 2025	Impact 2024	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
Indicators applicable to investments in investee companies							
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	0	0	%	The investee companies are SPVs with no employees.	NA
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0	0		No accidents reported in the year.	NA
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	0	0.035		No accidents reported in the year.	NA
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	0	0	%	The investee companies are SPVs to hold assets but suppliers are subject to procurement policies from the ultimate parent. When opportunities arise to re-tender Operations and Maintenance contracts, as part of the process, the Company aims to ensure new contractors adhere to the supplier Code of conduct.	NA

Description of policies to identify and prioritise principal adverse impacts on sustainability factors
The Board has established an ESG Committee, which is chaired by Josephine Bush who has extensive experience in sustainable finance.
a) The Board of the Company approved the latest version of the Sustainable Investment Policy in 2024.
b) Since it was established the ESG Committee has oversight of this policy with operational implementation delegated to NextEnergy Capital.
c) The indicators in Table 2 and 3 have been assessed based on their materiality. That is the likelihood and severity of occurrence. This process included an assessment of the asset lifecycle, from supply chain through operational life and end of life.
d) The assessment is inherently judgmental in nature which incorporates a margin of error. Feedback from stakeholders will be taken into account when reviewing this selection and amendments made in future reporting cycles if required.
e) Data is challenging on a number of metrics because it is primarily provided by third party operations and maintenance contractors. Additional data was available from the asset manager.

Data received from third-party contractors was assessed for quality. Anomalies were queried with providers. Estimates were used on data gaps using the data that was available as a proxy (converting this into an intensity metric and applying to relevant activity).

Engagement Policies
The investments are infrastructure assets. Engagement is primarily focused on operations and maintenance contractors to adopt more efficient and sustainable operations (using less fuel and less water are focus areas).

Supply chain is the other major area of focus for new sites under construction or parts for repairs. The engagement focus is on human rights and climate risk.

Reference to international standards
As an Article 9 financial product with a sustainable investment objective the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises are adhered to.
a) Indicators 10 and 11 in Table 1 are key to ensuring compliance with these frameworks.
b) As there is direct control over the infrastructure assets full coverage can be obtained. Extensive work is undertaken to collect data from contractors and suppliers but this has inherent limitations in completeness and accuracy.
c) Climate scenarios are not used in the indicators but they are considered as part of the TCFD/ISSB reporting, publicly available.

Historical comparison
The significant decrease in total GHG emissions between reporting periods is primarily attributed to the substantial reduction in Scope 3 emissions. This decrease is driven by lower construction and supply chain emissions within the NESF portfolio.

ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: NESF ("NextEnergy Solar Fund") **Legal entity identifier:** 213800ZPHCBDDSQH5447

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:** ☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The fund's pre-contractual disclosure (Annex III) set a target of 100% sustainable investments with an environmental objective. The environmental objective is "Climate Change Mitigation" and aligns with the EU Taxonomy definitions.

As at 31st March 2025, NESF investments into its assets remained 100% sustainable in the reporting period. All investments were aligned with the requirements of the Annex III and the EU Taxonomy. This excludes cash holdings.

Cash holdings for the reporting period are maintained for liquidity and sustainable asset construction only. Including cash holdings as at 31 March 2025 would give 93.7% sustainable investment.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

The table below provides historical performance indicators (GHG emission avoided) up to the current reporting year.

Metric	Units	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
GHG Avoided	$ktCO_2e$	328.7	363.0	279.33*	286.95
Fossil Fuels avoided	Kilotonnes of oil equivalent (ktoe)	142.8	160.3	88.62*	91.04
	Millions of barrels	1.0	1.2	0.7*	0.67

The latest numbers are based on actual renewable electricity generation (MWh) in the NESF financial year (i.e. 1st April 2024 to 31st March 2025) .

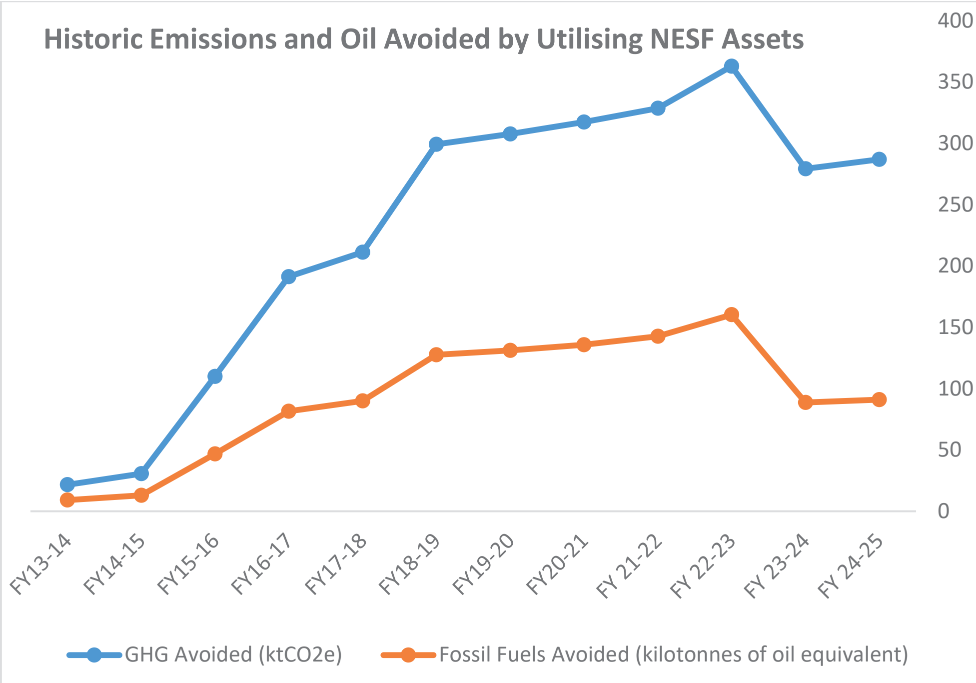
As indicated in the table, up to 287ktCO2e of emissions and up to 91kt of oil equivalent has been avoided in the reporting period. These figures are equity and debt adjusted.

** Please note- the drop in emissions avoided from FY22-23 to FY23-24 is attributable to a change in the emissions avoided methodology*

…and compared to previous periods?

Historical data includes data from the 2014 financial year onwards. This can be seen in the graph below:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



As demonstrated in the graph, annual emissions avoided and fossil fuel use avoided remains high and summarizes the contribution of the NESF assets toward climate change mitigation.

Please note: the drop in emissions avoided from FY22-23 to FY23-24 is attributable to a change in the emissions avoided methodology.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

NESF's investment decision-making process ensures that investments do not only contribute to climate objectives, but also cause no significant harm to other environmental objectives as defined by the EU taxonomy. They are conducted in accordance with minimum safeguards on matters such as social responsibility, human rights and labour conventions. A robust due-diligence process captures all the relevant key risks associated with the Solar PV industry. The risks are aligned with the Do No Significant Harm (DNSH) approach of the Taxonomy (with extension beyond).

In the event that any risks were identified, these were captured/recorded and either mitigated against or the transactions were halted and not progressed.

From a climate change mitigation perspective, NESF substantially contributes to the objective by avoiding CO_2e emissions to atmosphere and fossil fuel use. NESF reports the amount of CO_2e avoided consistently year on year.

For more information on the NEC/NESF due-diligence process, please refer to the ESG Disclosure document on the NESF and NEC websites.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.

NESF predominantly invests in utility-scale solar PV assets and complementary technologies, such as energy storage assets, and the investment decision is based on the outcome of due diligence which includes ESG adverse impacts as explained above. The due diligence process, as detailed in the Sustainable Investment Policy and NESF ESG Disclosure document, reviews all aspects of the asset(s) and counterparties (seller, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption etc.) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. Cost for implementation of ESG actions are also allocated into the financial model, to ensure capital can be deployed for these activities during the lifetime of the asset.

Post-acquisition of the assets, all relevant contractors who construct or operate the asset are required to provide their ESG Key Performance Indicators (KPI). These include resource consumption, GHG scope 1, 2, and 3 emissions, health & safety, biodiversity, diversity, and other relevant ESG indicators at the asset level. A full set of KPI's related to PAI has been developed consistently with the requirements of Table 1, Annex 1 of the Commission Delegated Regulation 2022/1288.

Further details on the reporting and the KPI approach can be found in the NESF ESG Disclosure document on the NESF and NEC websites.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. NESF has a strong Sustainable Investment Policy and Human Rights Position Statement aligning with the associated requirements of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. In addition, NESF complies with the UK Modern Slavery Act and publishes an MSA Statement accordingly. NESF policies require NESF to perform due diligence on both its own activities and its business relationships with the objective of acting upon any findings.

For more information, please refer to the Human Rights Position Statement on NextEnergy Capital's website, and related documents such as the NextEnergy Capital Responsible Supply Chain Approach. Additionally, please refer to NESF website for the latest version of the UK Modern Slavery Act Statement (NESF Modern Slavery Statement).

How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.

As per the Sustainable Investment policy and other governing documents, NESF's sustainability approach is based on a four-step approach: identify, manage, report and engage. If, during a due diligence process, a PAI is identified, it is managed and reported internally to the Investment Committee for further considerations. Where possible, mitigation actions are put forward through specific action plans which are implemented and monitored during the ownership phase. In addition, NESF also reports annually on specific KPIs which are aligned with Table 1 of Annex I of the Regulatory Technical Standard, as well as additional KPIs aligned with material considerations from external standards, such as TNFD.

Further details on the reporting and KPI approach can be found in the NESF ESG Disclosure document on the NESF and NEC websites.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: FY 2025 (1st April 2024 – 31 March 2025)

Largest investments	Sector	% Assets	Country
Apollo Portfolio	Solar PV	21.37%	UK
Radius Portfolio	Solar PV	7.21%	UK
Investment in NextPower III ESG	Solar PV	6.19%	Global
13 Kings	Solar PV	5.96%	UK
Lapwing BESS (Eel JV)	BESS	5.50%	UK
The Grange	Solar PV	4.32%	UK

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

As at NESF financial year end (31 March 2025), the portfolio allocation of the Fund was:

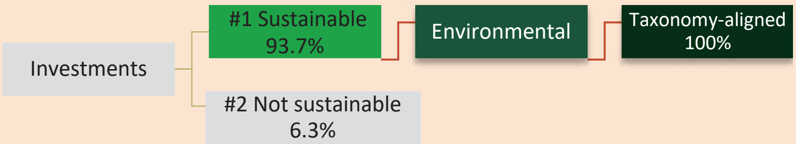
- Excluding cash holdings, all (100%) investments were sustainability related.

  When including its cash holdings, required for liquidity and injection into assets under construction, 93.7% of the Fund's Portfolio Valuation was sustainability related For the avoidance of doubt, the allocation in the graph below takes into account the cash holding.

- 6.3% of the Fund's Portfolio Valuation was held in cash, bank deposits and other cash equivalents for liquidity purposes, and held at an A+ credit-rated financial institution.

What was the asset allocation?

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

The investments were made in the renewable energy sector.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

100% of the sustainable investment with an environmental objective made by NESF is aligned with the EU Taxonomy. All sustainable investments:

i) Substantially contribute to climate mitigation objective through the generation of clean energy and avoidance of GHG emissions and fossil fuel

ii) Do not do significant harm to the other environmental objectives of the taxonomy and

iii) Meet minimum social safeguards.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

☐ Yes: *[specify below, and details in the graphs of the box]*

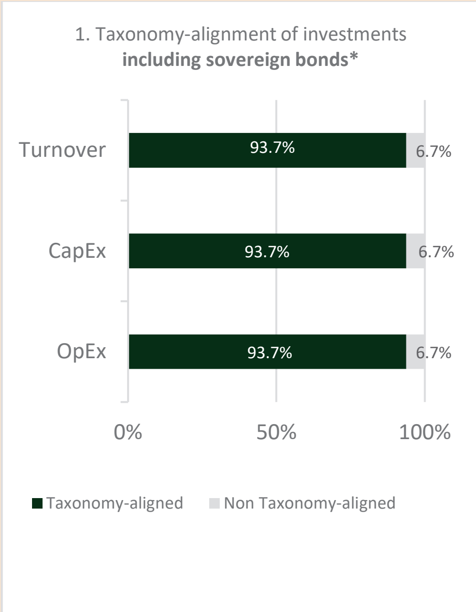
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

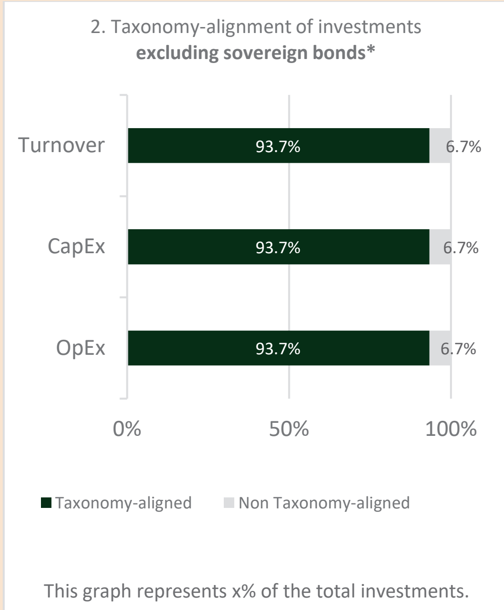
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Excluding cash holdings, 100% of the investments are taxonomy aligned and sustainable.

For the avoidance of doubt, the allocation in the graph above takes into account the cash holding.

None of investments made are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- ***What was the share of investments made in transitional and enabling activities?***

  Standalone battery storage investment- 9.4% of total investment

- ***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

During previous reporting periods, all (100%) investments were aligned with the EU Taxonomy. It has therefore remained consistent (unchanged).

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

0%. The Fund solely invests in renewable energy assets and commits to Taxonomy-aligned investments. The share of sustainable investments with an environmental objective that are not aligned with EU Taxonomy is 0%.

What was the share of socially sustainable investments?

0%

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

Excluding cash holdings, 100% of the the investments of the Fund were sustainable.

Including cash holdings, 6.3% of the investments are not sustainable. These "investments" are all composed of cash and cash-equivalents, which are for liquidity purposes and held at an A+ credit rated financial institution. A portion of the cash holdings are pre-allocated to the assets that are under construction, and will steadily be injected into the assets over time as construction progresses.

What actions have been taken to attain the sustainable investment objective during the reference period?

As a key part of its strategy, NESF only invests in solar and BESS assets, and this is laid out in the fund prospectus. It does not invest in other asset classes. Solar and BESS assets are classed as sustainable investments as they align with the EU Taxonomy i.e. the climate change mitigation objective, the DNSH criteria and the minimum safeguards. By following its mandate and internal governance, it ensures that its approaches are consistently aligned with the sustainable investment objective.

How did this financial product perform compared to the reference sustainable benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

NESF has not designated a specific index as a reference sustainable benchmark.

- ***How did the reference benchmark differ from a broad market index?***

N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

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Hook Valley
Somerset
15.3MW
1.6 ROC

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Ordinary Share SEDOL: BJ0JVY0
London Stock Exchange Ticker: NESF
Website: www.nextenergysolarfund.com

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Josephine Bush
Joanne Peacegood
Caroline Chan (appointed 1 April 2024)
Patrick Firth (retired 12 August 2024)
Helen Mahy (stepped down 15 May 2025)
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