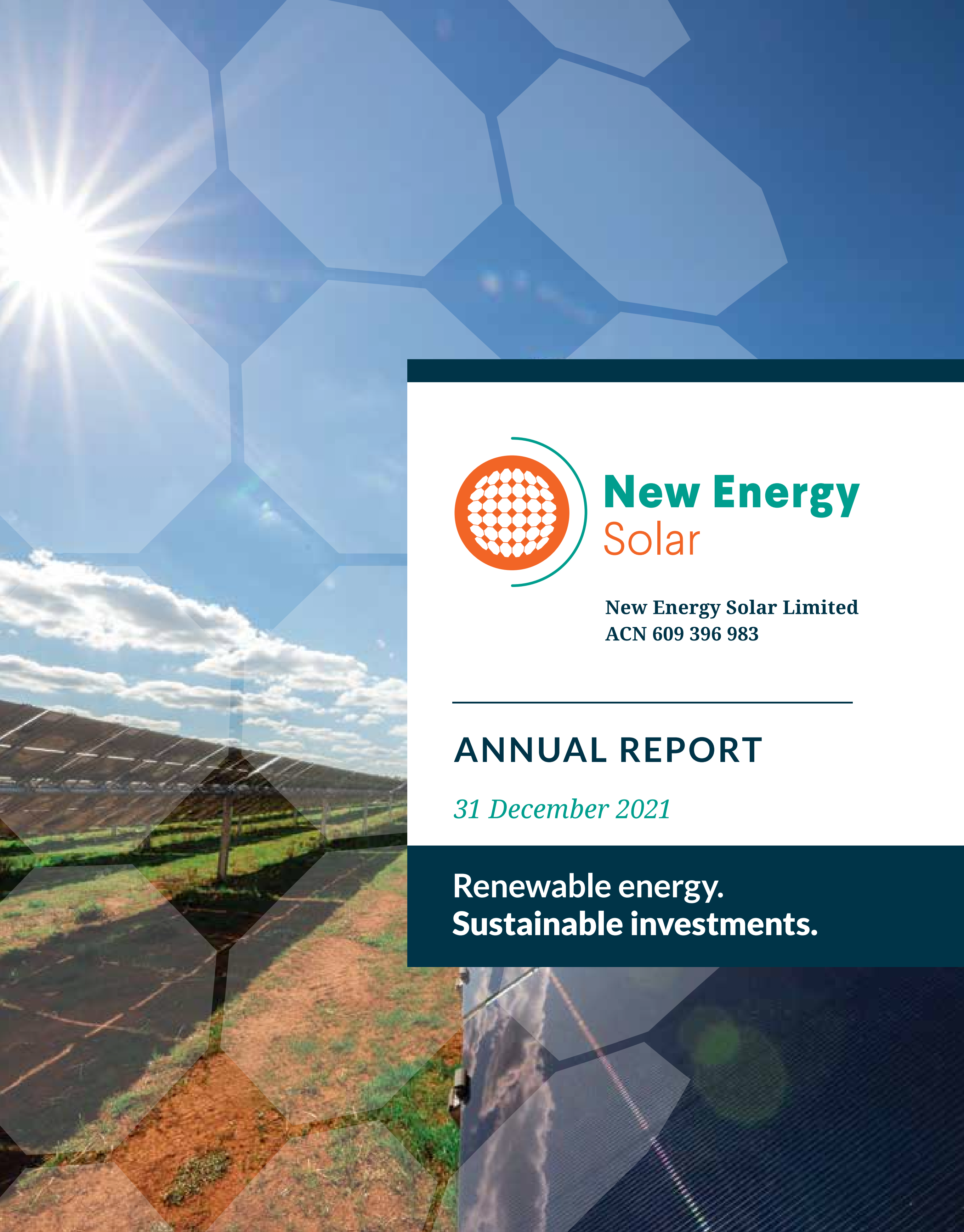


New Energy Solar

New Energy Solar Limited
ACN 609 396 983

ANNUAL REPORT

31 December 2021

Renewable energy.
Sustainable investments.

CONTENTS

NC-31 south side aerial view – March 2017

Chair's Letter

NC-47 aerial view – June 2017

Chair's Letter

FOR THE YEAR ENDED 31 DECEMBER 2021

Dear Investors,

On behalf of New Energy Solar Limited (**NEW**), I present the full-year report for the 12 months ended 31 December 2021.

In 2021 there were a number of changes consistent with the Board's intention to address the share price discount to net asset value (**NAV**). Specifically, NEW implemented the following recommendations of the Strategic Review conducted in late 2020 (**Strategic Review**).

STRATEGIC INITIATIVE	STATUS
Sale of NEW's shares in US Solar Fund Plc	✓
Sale of up to a 50% interest in the Mount Signal 2 (**MS2**) solar power plant	✓
Sale of the two Australian power plants and exit from the Australian electricity market	✓
Un-stapling to simplify corporate structure and streamline corporate governance	✓
Use of asset sale proceeds to pay down debt	✓
Return of capital through equal access off-market buyback	✓

Further to the above, NEW commenced an on-market buyback at the end of 2021. However, it has been paused while the Board contemplates further action to address the share price discount which has persisted despite completion of the initiatives set out above.

The Board's actions to date have resulted in a simplified structure and more streamlined reporting, the sale of some assets, a reduction in debt and a return of some capital to shareholders. However, despite these initiatives, not enough progress has been made on closing the share price discount.

The Strategic Review contemplated additional phases if the share price discount did not improve and accordingly, the Board is now in the process of revisiting the recommendations. As indicated in the business update announcement on 11 February 2022, these recommendations include the sale of individual assets or the sale of the whole portfolio.

We will ensure shareholders are updated on our progress in keeping with NEW's obligations of continuous disclosure.

FINANCIAL RESULTS

UNDERLYING EARNINGS[1]

While the generation performance of the portfolio was below weather-adjusted expectations over the year to 31 December 2021, business interruption insurance proceeds on the Rosamond plants and the economic curtailment compensation at MS2 have resulted in total underlying revenues of US$66.4 million. Earnings before interest, tax, depreciation, and amortization (**EBITDA**) was US$47.7 million, of which US$25.2 million was attributable to NEW.

STATUTORY EARNINGS

During the year, NEW generated a total net loss of $4.4 million, which, after operating expenses for the year of $11.4 million, and an income tax expense of $4.4 million, resulted in an after-tax net loss of $20.2 million.

As NEW is treated as an Investment Entity for accounting purposes, all asset revaluation gains and losses are passed through the profit and loss statement. As at 31 December 2021, NEW had net assets of $368.7 million (30 June 2021: $401.0 million), representing a NAV of $1.15 per security (30 June 2021: $1.12), an increase of $0.03 cents per security from 30 June 2021.

GEARING

NEW targets a long-term gearing level of 50% of gross assets. As at 31 December 2021, NEW's external "look through" gearing[2] was 53.6%, reduced from the level of 60.3% on 30 June 2021 by the proceeds of the asset sales.

CAPITAL MANAGEMENT

The sale of NEW's Australian assets, Beryl (110.9MWDC) and Manildra (55.9MWDC), allowed NEW to conduct an off-market buyback of NEW shares; and to reduce corporate debt close to NEW's long-term target of 50%. The off-market buyback resulted in the buying back and cancellation of 35.5 million shares at a price of $0.91 per share, constituting almost 10% of NEW's issued capital.

ENVIRONMENT AND SOCIAL IMPACT

During the twelve-month period ended 31 December 2021, NEW's portfolio generated over 1,121GWh of electricity. Production from the current NEW portfolio of 14 solar power plants is equivalent to an annual CO_2 displacement rate of approximately 682,000 tonnes of CO_2, equivalent to removing 148,000 cars from US roads annually[3].

1. Portfolio underlying financial performance including underlying earnings, underlying revenues and EBITDA are non-IFRS measures employed by NEW to provide investors with additional information on the performance of NEW. Since NEW is treated as an Investment Entity for accounting purposes, the portfolio's underlying financial performance is not presented in the statutory results. Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, the NEW's statutory results.
2. Gearing = gross debt/gross asset value
3. Estimates use the first year of each plant's electricity production once operational or acquired by the Investment Manager. Assumes all plants are owned by NEW on a 100% basis and that all plants are fully operational for the period. US CO_2 emissions displacement is calculated using data from the US Environmental Protection Agency's "AVoid Emissions and geneRation Tool" (**AVERT**). Australian CO_2 emissions displacement is calculated using data from the Australian Government Department of the Environment and Energy.

BUSINESS OUTLOOK

The momentum to transition from fossil fuel-based electricity generation to renewable generation is significant in the United States. Additionally, the range of new technology solutions in generation, transmission and storage of electricity is accelerating the change and fostering new businesses throughout the US.

NEW, with its portfolio now entirely located in the United States, is part of an industry that is experiencing extraordinary disruption and change. Unfortunately, NEW has been unable, thus far, to translate its participation in the US market into value in its listed securities for the benefit of its shareholders. The Board has determined that the value of NEW's assets may be best realised through their sale. In the next six months of 2022, management will explore the sale of NEW's portfolio of assets. As all investors will be aware, there is no guarantee of a specific outcome, but the Board remains focussed on delivering value for NEW's shareholders.

Finally, I would like to thank John Martin for his leadership of the NEW team until his departure in the first part of 2021, and Liam Thomas for his leadership of NEW in the latter part of 2021. John remains on the Board of NEW where he continues to work with Liam and the NEW executives to run NEW through these difficult times.

Yours faithfully,

JEFFREY WHALAN

Chair of the Company

25 February 2022

TID array – close up – September 2017

Business Highlights

TID array – September 2017

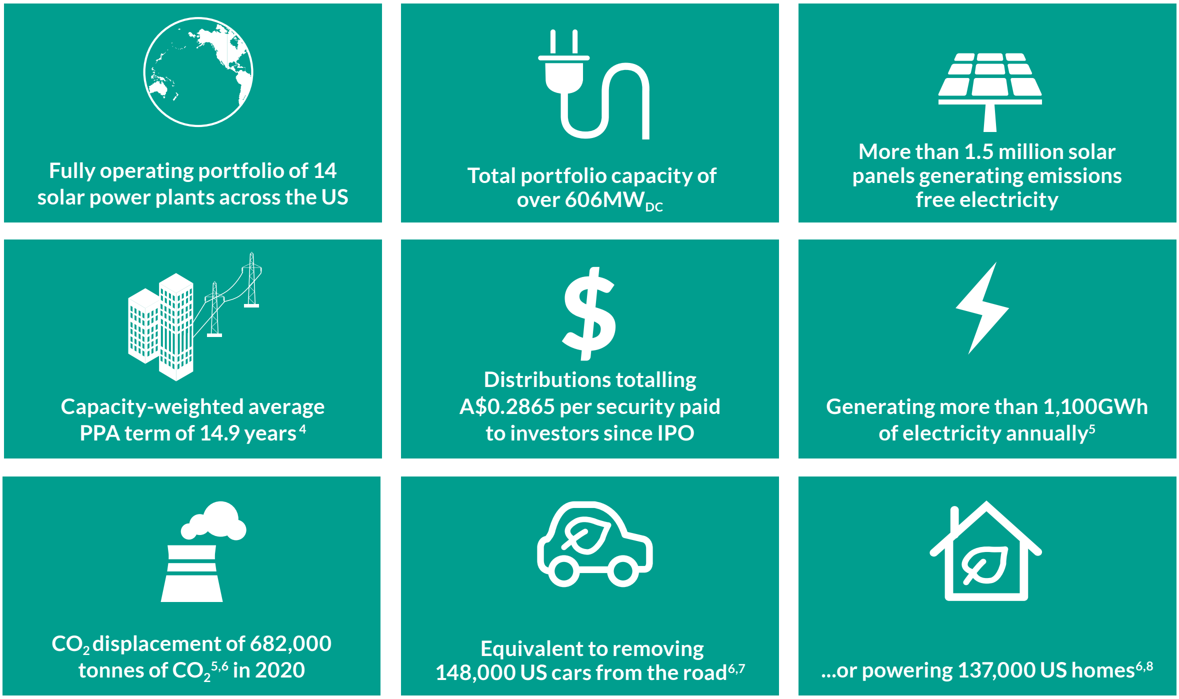
Business Highlights

FOR THE YEAR ENDED 31 DECEMBER 2021

BUSINESS HIGHLIGHTS

To deliver on its objectives, and produce its key investment benefits, New Energy Solar Limited (**NEW** or the **Business**) has a well-defined investment strategy and clear criteria by which to measure success.

Figure 1: New Energy Solar's business achievements to date

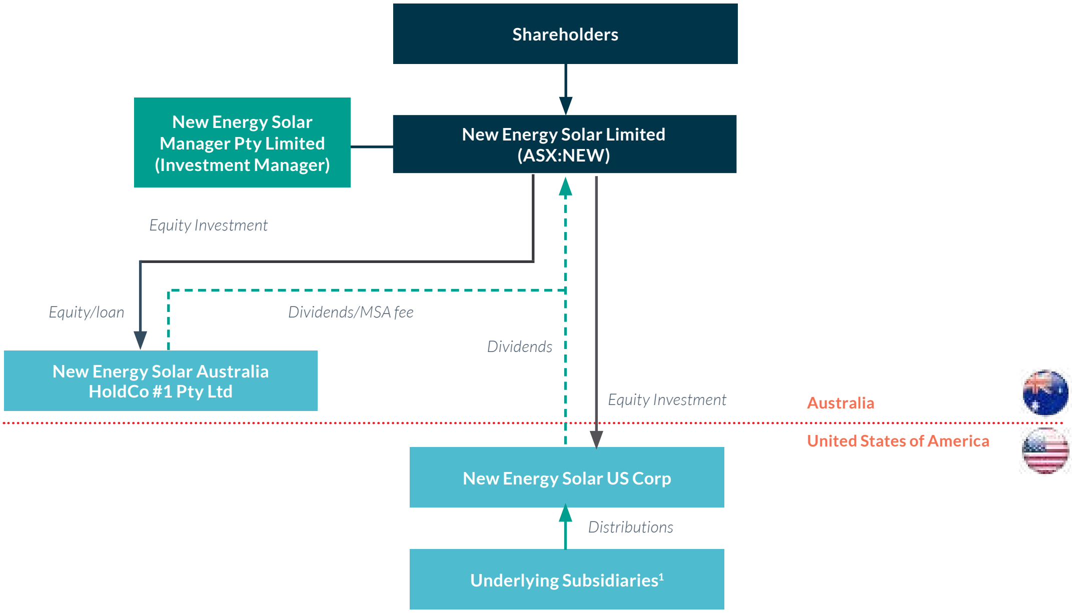


4. Weighted by capacity on a 100% ownership basis as at 31 December 2021.
5. Generation accounts for solar plants on a 100% ownership basis. NEW's proportionate share of generation was 883GWh.
6. Calculated using the United States Environmental Protection Agency's "AVoided Emissions and geneRation Tool" (**AVERT**).
7. Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System).
8. Calculated using data from the US Environmental Protection Agency.

NEW ENERGY SOLAR STRUCTURE

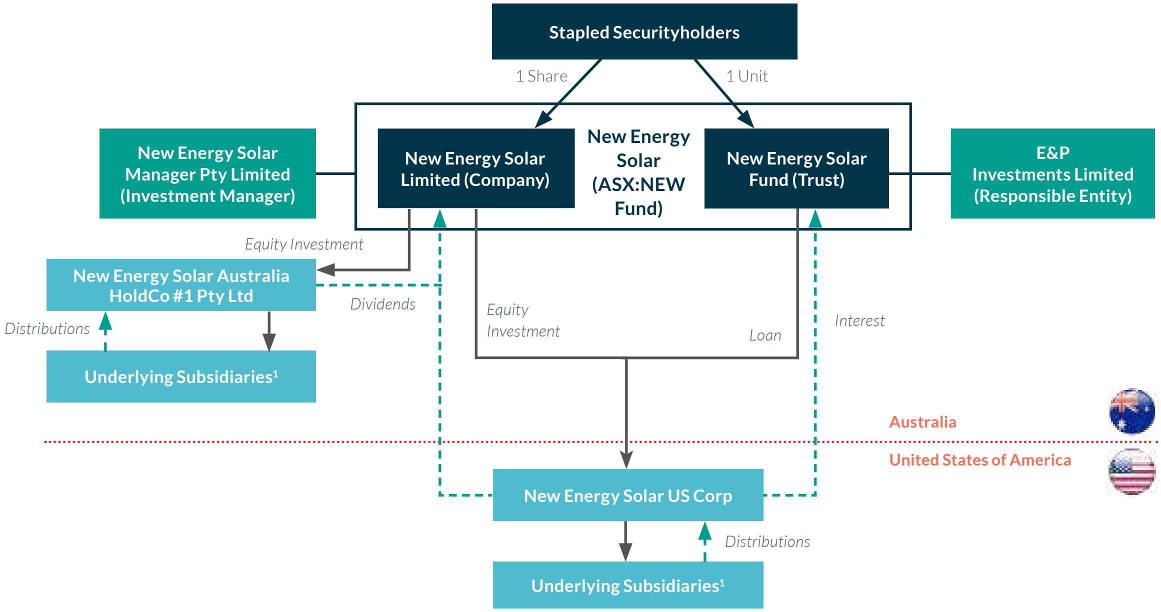
New Energy Solar's corporate structure changed during 2021 from a stapled trust and company structure to a company structure, pursuant to shareholder approval on 25 June 2021 to wind up the trust. The below diagram indicates the structure as at 31 December 2021. The second diagram indicates the stapled structure which is no longer in place but will assist with understanding the financial statements published prior to this 2021 annual financial report. For the purposes of comparison with prior periods, unaudited aggregated financial statements for the year to 31 December 2021 have been provided in this annual report. New Energy Solar Fund (the **Trust**) was wound up as at 14 February 2022. Shares in NEW trade under the ticker ASX:NEW.

Figure 2: New Energy Solar structure at 31 December 2021



1. Underlying plants are held by subsidiaries via various structures including trusts and partnerships.

Figure 3: New Energy Solar structure at 31 December 2020



1. Underlying plants are held by subsidiaries via various structures including trusts and partnerships.

NEW invests in solar plants via its wholly owned subsidiaries New Energy Solar US Corp (**NES US Corp**) and, prior to the sale of the Australian assets in July 2021, New Energy Solar Australia HoldCo #1 Pty Limited (**NESAH1**). As at 31 December 2021, NES US Corp is funded by equity from New Energy Solar Limited (for the purposes of understanding the corporate structure, the Company), which is denominated in US dollars. The loan previously in place from the Trust to NES US Corp was reallocated to equity in the Company as the result of the Trust's restructure implemented prior to 30 June 2021. NESAH1 is funded by equity and/or a loan from the Company. Following completion of the Beryl and Manildra solar power asset sales in July 2021, NESAH1 no longer owns underlying subsidiaries.

Following the restructure, the presentation of the financial statements has been streamlined to reflect the performance of investments made by NEW in its underlying subsidiaries. Whereas in prior years, the Fund relied on ASIC relief to disclose combined financial statements of the Company and the Trust to allow securityholders' combined interest to be disclosed, shareholders' interests are now reflected simply by their ownership interests in the Company. NEW is considered to meet the definition of an 'Investment Entity' (refer 'Summary of significant accounting policies' in note 2(A) to the financial statements), NES US Corp and NESAH1 are not consolidated and are required to be held at fair value in NEW's financial statements. Furthermore, as the accounts reflect the net investment of the Company in its underlying subsidiaries via equity investment and loans receivable, the loans receivable are also shown at fair value. The total investment (equity investment) in NES US Corp and investment (equity investment and loan receivable together) in NESAH1 is presented on the statement of financial position as "financial assets held at fair value through profit or loss".

The impact of this 'Investment Entity' classification on the presentation of the financial statements is that the main operating revenues of NEW consist of either dividends or returns of capital to the Company from NES US Corp and NESAH1, fair value movements in the value of the Company's equity holding in NES US Corp, and formerly NESAH1 and the loan receivable to NESAH1, and management service agreement (**MSA**) fee income for services provided to NESAH1. Underlying subsidiaries net operating income and other expenses are reflected through the fair value movement in the profit or loss statement.

The underlying earnings of solar plants, consisting of revenues from the sale of energy under the PPA less operating expenses, are distributed on a periodic basis from the underlying plants through to NES US Corp, and formerly through NESAH1, and underpin the ability to pay fees, dividends or returns of capital to the Company as noted above. These funds ultimately underpin NEW's dividends to shareholders.

Additionally, as the Company's equity investment in NES US Corp is denominated in US dollars, NEW is also exposed to valuation movements associated with foreign exchange rate movements.

NC-47 aerial view – June 2017

Investment Manager's Report

NC-31 site inspection – October 2017

Investment Manager's Report

FOR THE YEAR ENDED 31 DECEMBER 2021

OVERVIEW OF THE NEW PORTFOLIO

AS AT 31 DECEMBER 2021 INTERESTS IN 14 OPERATING PLANTS IN THE UNITED STATES (606MWDC CAPACITY)

Figure 4: NEW portfolio of 606MWDC operating solar plant capacity in the US[9]

OREGON PLANTS

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

CALIFORNIA PLANTS

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

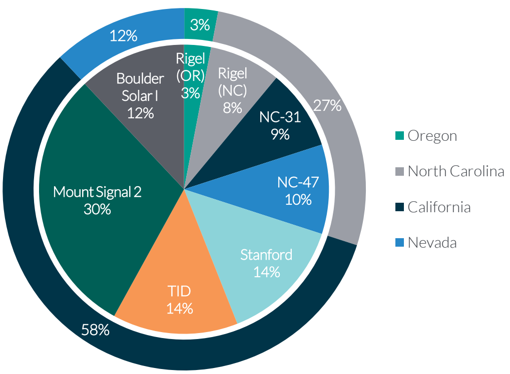
NEVADA PLANTS

Name	Capacity (MW_{DC})	Offtaker
Boulder Solar 1	124.8	NV Energy

NORTH CAROLINA PLANTS

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

Figure 5: NEW portfolio composition by size (MW_{DC}) excluding Australian assets sold during 2021



9. Includes plants that are wholly or partially owned by NEW and accounts for capacity on an ownership weighted basis.

NEW'S OPERATING PORTFOLIO PERFORMANCE

AS AT 31 DECEMBER 2021 INTERESTS IN 14 OPERATING PLANTS IN THE UNITED STATES (606MWDC CAPACITY)

Table 1 below shows the underlying generation and PPA terms of the operating projects in NEW's portfolio for the twelve months ended 31 December 2021. Note that plant capacity refers to the maximum amount of electricity that can be produced at any one time, while generation is the volume of electricity generated over a period of time.

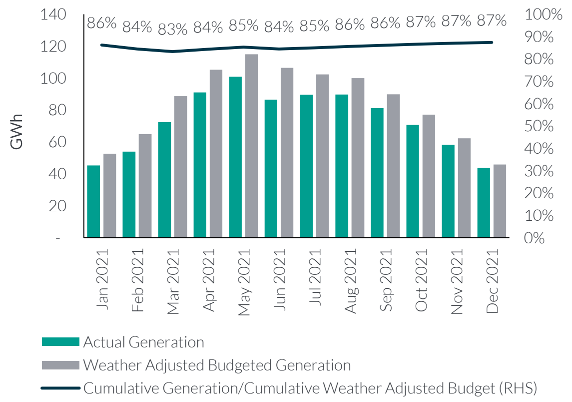
To assess the performance of the solar power plants the Investment Manager develops a set of expectations as to the output of each solar power plant. Initially, a budget expectation for each year of a plant's 30 to 40-year life is developed based on long-term average weather patterns and irradiation records. Actual weather conditions are then used to adjust those budget expectations to produce weather-adjusted expectations of output for the solar power plants. Comparing actual metered generation to weather-adjusted expectations allows the identification of equipment and other performance issues over and above the impact of weather conditions

Table 1: NEW portfolio

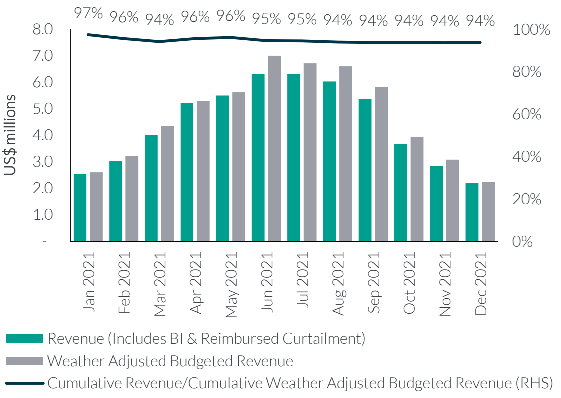
PLANT	PLANT CAPACITY (MW_{DC})	2021 GENERATION (GWH)			PPA TERM REMAINING (YEARS)	PPA EXPIRY DATE
Operating		**Actual generation (gross)**	**Actual generation (NEW proportionate share)**	**Weather-adjusted forecast (NEW proportionate share)**		
NC-31	43.2	64.3	64.3	68.9	5.7	2027
NC-47	47.6	70.2	70.2	73.3	5.9	2027
Stanford	67.4	107.4	107.3	153.8	20.5	2041
TID	67.4	126.6	126.4	154.7	15.7	2037
Boulder Solar 1	124.9	262.3	128.5	131.4	15.5	2036
Rigel Portfolio	55.6	76.8	76.8	82.5	11.7	2033
Mount Signal 2	199.6	413.4	310.1	346.0	18.9	2040
Total Portfolio	**605.6**	**1,121.0**	**883.6**	**1,010.6**	**14.9**	

Figure 6: US Operating portfolio –monthly generation

US Portfolio Generation Performance



US Portfolio Revenue Performance

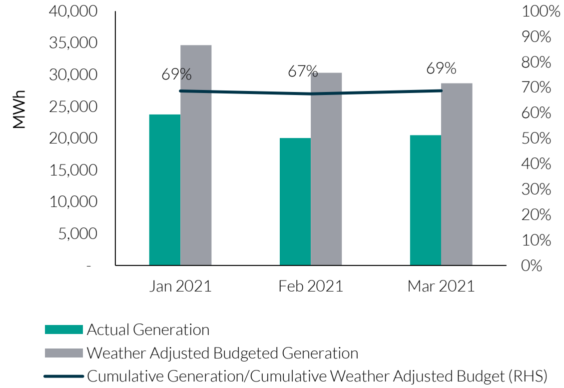


The US operating portfolio generated 13% below weather-adjusted expectations for the twelve months of 2021 primarily due to the continued impact of the fire damage incurred at the Rosamond plants in June 2020 and economic curtailment by the PPA counterparty at MS2. Curtailment occurs when the market operator or PPA offtaker directs a plant to reduce generation either due to grid congestion or lower than expected demand (called "economic curtailment"). Under MS2's PPA, the offtaker has the right to curtail MS2 for economic reasons throughout the year. However, there is a 12-month cap for unreimbursed economic curtailment, which resets on June 1 each year – any economic curtailment incurred above this cap is reimbursed to MS2 via the monthly PPA payments. Taking into account the compensation for economic curtailment at MS2 and the payment of business interruption (**BI**) proceeds for the Rosamond plants, revenue from the US portfolio was 6% below expectations for the year.

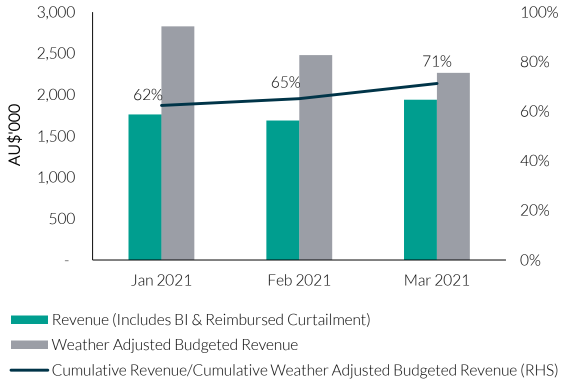
Remediation at the Rosamond plants following fire damage sustained at the plants in June 2020 continued during 2021. By the end of the period, the sites were operating at or above 98% capacity. In total, over 52,000 new modules have been installed on the site. The Investment Manager undertook considerable work toward the end of 2021 to accelerate the remediation and it is expected that commissioning of the remediated sections will be concluded at the end of February 2022. The plants have been performing well and NEW continues to work with insurers on additional testing to ensure the plants are restored to their condition prior to the fire. Insurance proceeds have largely covered the costs of site restoration but discussions with NEW's insurers with respect to the costs of the work to accelerate remediation at the end of 2021 and the cost of final work and testing are ongoing. BI insurance proceeds have been paid for 12 months as per the terms of the policy.

Figure 7: Australian portfolio –monthly generation

Australian Portfolio Generation Performance



Australian Portfolio Revenue Performance



The Australian plants performed below weather-adjusted expectations during the first quarter of 2021 as generation, particularly at Manildra, was curtailed frequently in the early part of the year by the Australian Energy Market Operator (**AEMO**). Generation is curtailed to maintain stability in the transmission network which is experiencing considerable congestion in the Central-West of New South Wales. There is typically no compensation to generation asset owners for this type of curtailment and these issues will not be resolved quickly. The sale of the Australian assets meant that from 31 March 2021, NEW was no longer subject to generation risks or earning revenue from those assets.

Table 2: Portfolio underlying financial performance[10] for the twelve months ended 31 December 2021 and comparison to prior periods

FINANCIAL PERFORMANCE US$M	2021	2020	2019
Revenue	66.4	75.1	54.3
Less: Operating expenses	(18.8)	(20.5)	(14.1)
EBITDA	**47.7**	**54.6**	**40.3**
Less: Distributions to tax equity investors and EBITDA attributable to minority investors	(22.4)	(18.7)	(10.7)
EBITDA attributable to NEW	**25.2**	**36.0**	**29.6**

10. Portfolio underlying financial performance including underlying earnings, underlying revenues and EBITDA are non-IFRS measures employed by NEW to provide investors with additional information on the performance of NEW. Since NEW is treated as an Investment Entity for accounting purposes, the portfolio underlying financial performance is not presented in the statutory results. Non-IFRS financial measures should be viewed in addition to, and not as a substitute for, NEW's statutory results.

FINANCIAL PERFORMANCE EXCLUDING BERYL, MANILDRA AND 25% INTEREST IN MS2

US$M	2021	2020	2019
Revenue	62.5	60.0	41.9
Less: Operating expenses	(17.7)	(15.9)	(11.3)
EBITDA	**44.8**	**44.1**	**30.7**
Less: Distributions to tax equity investors and EBITDA attributable to minority investors	(22.4)	(20.9)	(10.7)
EBITDA attributable to NEW	**22.4**	**23.2**	**20.0**

The Business's underlying revenues, which include the proceeds of BI insurance held for the Rosamond plants, Stanford and TID, and compensation for economic curtailment at MS2, were lower at US$66.4 million compared to the twelve months ended 31 December 2020, as a result of the asset sales. When excluding the production of the assets that were sold from both 2020 and 2021, revenue increased by US$2.5 million.

EBITDA attributable to NEW fell US$10.8 million (-30%), also reflecting the sale of the 25% interest in MS2, Beryl and Manildra and the higher distributions to tax equity and minority interests on MS2, when compared to the 2020 year. When removing the financial performance of Beryl, Manildra and the 25% interest in MS2, EBITDA attributable to NEW decreases US$0.8 million (-3%) predominantly due to production shortfalls at Rosamond in the second half of 2021 which occurred after the 12-month BI cover period expired in July 2021, as well as increased insurance costs across the portfolio.

The output from NEW's solar power plants this year had a positive environmental impact with gross electricity generation from the portfolio during the twelve months to 31 December 2021 equivalent to:

- Displacing an estimated 682,000 tonnes of carbon emissions[11].
- Removing over 148,000 US equivalent cars from the road[12].
- Powering over 137,000 US equivalent houses[13].

SALE OF AUSTRALIAN ASSETS

The asset sale process for NEW's Australian assets, Beryl (110.9MWDC) and Manildra (55.9MWDC), resulted in the announcement of a binding agreement on 7 June 2021 to sell the assets to Banpu Energy Holding Pty Limited for $105.4 million before transaction costs (including a $4.0 million disposal fee payable to the Investment Manager, a related party of E&P Financial Group, the parent of the Responsible Entity). The proceeds of the asset sale were used to pay down debt to a level close to NEW's long-term gearing target of 50% and to undertake both an off-market and an on-market buyback. The off-market buyback was completed on 25 October 2021 with 35.5 million shares acquired and cancelled, equivalent to almost 10% of NEW's issued capital.

11. US CO_2 emissions displacement is calculated using data from the US Environmental Protection Agency's "AVoided Emissions and geneRation Tool" (**AVERT**).

12. Calculated using data from the US Energy Information Administration (principal agency of the US Federal Statistical System).

13. Calculated using data from the US Environmental Protection Agency.

INVESTMENTS & GEARING

NET ASSET VALUE

Over the twelve-month period to 31 December 2021, NEW's NAV declined A$32 million, equivalent to 10 cents per share. A summary of the items contributing to the decline are set out in Figure 8.

Figure 8: Change in NAV per security since 31 December 2020

* Represents the combined NAV for the Company ($1.12/share) and the Trust ($0.13/unit).

- The first block labelled "sale of assets" represents the reduction in portfolio value arising from the sale of tranche one of MS2 and the sale of Manildra and Beryl.
- The net improvement in fair value of the underlying solar power plants of A$0.05 per share is broken down into its individual movements in fair value in Figure 9 below but is most significantly impacted by the roll forward, the FX gain and updated assumptions in the modelling of the remaining plants in the portfolio, offset by updated merchant curves.
- Asset sale proceeds comprise proceeds from the sale of tranche one of MS2 and the sale of Manildra and Beryl. The major transaction costs are detailed in the blocks labelled "asset sale disposal fee" and "asset sale costs and stamp duty". Transaction costs include stamp duty payable to the NSW Government, advisers' costs and fees incurred in connection with the sale, and a disposal fee of $4.0 million paid to the Investment Manager, a related party of E&P Financial Group.
- Net distributions from plants describes the movement of earnings from the subsidiaries to the Company, offsetting the corresponding amount recognised on a per share basis in the change in fair value below.
- The combined off-market and on-market buybacks resulted in the buy back and cancellation of 36.8 million shares at less than NAV per share which has had an accretive impact of A$0.02 per share on the remaining NEW shares.
- Cash distributions to investors and securities issued reflects the dividends paid and the issuance of additional securities as part of the distribution reinvestment plan (**DRP**) operating for 2H 2020. The DRP has not operated for 2021.

- The operating costs of the Business include Investment Management fees, advisor fees and the costs of running the listed entity.
- The pre-funded remediation works represent the costs necessary to bring forward the Rosamond plants return to close to full capacity ahead of the receipt of insurance proceeds.
- The decline in working capital reflects a decrease in cash balances and an unfavourable change in the recognition of deferred tax assets.

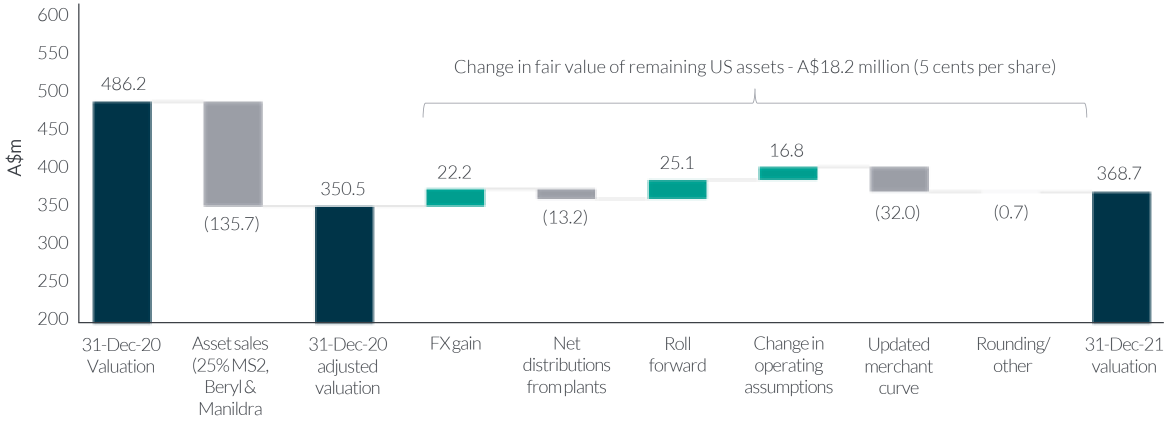


Figure 9: Change in Fair Value of NEW's solar power plants since 31 December 2020

Following the A$135.7 million reduction in portfolio value consequent on the sale of tranche one of MS2 and of Beryl and Manildra, the resulting portfolio value improved from A$350.5 million at December 2020 to A$368.7 million as at 31 December 2021.

The key elements in the improvement in fair value of NEW's solar power plants this period include from left to right:

- An improvement in the value of the USD over the year providing a foreign exchange (**FX**) gain of A$22.2 million.
- The distributions from the plants decrement is offset by an equivalent improvement in NEW's net asset value, as shown in Figure 8 at A$0.04 per share.
- The roll forward increment recognises the impact of the change in valuation date and is a function of discounted cash flow modelling.
- The change in operating assumptions increment is largely the result of a reduction in the discount rate applicable to MS2 given its operating life and the recognition by valuers of asset life extensions across the portfolio.
- The impact of updated long-term electricity price forecasts produced at the end of 2021 was negative overall. Whilst NEW is largely protected from price declines in the short to medium term with its weighted average PPA term of 14.9 years, a portion of its NAV is exposed to changes in price forecasts that impact its post-PPA revenue expectations.

Table 3: NEW NAV as at 31 December 2021

ASSET	EQUITY	DEBT (FAIR VALUE)	DEBT (OUTSTANDING BALANCE)	ENTERPRISE VALUE
US PLANTS				
Stanford TID	US$69.3m	US$64.3m	US$58.2m	US$133.6m
NC-31 NC-47	US$62.3m	US$19.5m	US$19.1m	US$81.8m
Boulder Solar I	US$35.3m	US$25.8m	US$22.7m	US$61.0m
Rigel Portfolio	US$23.6m	US$23.4m	US$21.6m	US$47.1m
Mount Signal 2	US$77.2m	US$177.6m	US$150.9m	US$254.8m
Subtotal (US$)	**US$267.8m**	**US$310.6m**	**US$272.6m**	**US$578.4m**
Subtotal (A$ equivalent)[14]	**A$368.7m**	**A$427.7m**	**A$375.3m**	**A$796.3m**
Corporate Debt	(A$50.1m)	A$50.1m	A$50.1m	-
Working Capital	A$50.1m	-	-	A$50.1m
Total	**A$368.7m**	**A$477.7m**	**A$425.4m**	**A$846.4m**

GEARING

NEW has a target long-term gearing[15] ratio of 50% of gross assets. NEW had external gross look-through debt outstanding of $425.4 million as at 31 December 2021, equivalent to a gearing ratio of 53.6%. This has decreased 6.7% from the 30 June 2021 gearing ratio of 60.3%. The decrease in gearing over the six-month period is primarily due to the reduction of debt outstanding by A$184.0 million. This $184.0 million comprised the sale of NEW's Australian assets which had A$176.4 million of debt outstanding as at 30 June 2021 and, corporate debt reduction, and scheduled amortisation of existing project-level debt facilities.

NEW's weighted average debt maturity of over 8.5 years as at 31 December 2021 reflects the long-term contracted nature of its PPAs. The increase in weighted average debt maturity over the six-month period from 6.4 years is primarily attributable to the sale of NEW's Australian assets which supported debt facilities with nearer-term maturities (2022 and 2023).

14. US$ figures converted to AU$ at US$:AU$ exchange rate of 0.7263 as at 31 December 2021. Figures may not add due to rounding.

15. Gearing = Total Debt/Gross Asset Value.

NEW's group debt facilities outstanding as at 31 December 2021 are set out in Table 4 below:

Table 4: NEW debt facilities outstanding as at 31 December 2021

FACILITY	TYPE	AVAILABLE FACILITY	DRAWN	SECURITY	ESTIMATED AVERAGE DRAWN BALANCE OVER FY 2021 (NON-CAPITALISING FACILITIES)
North Carolina Facility	Loan	US$19.1m	US$19.1m	NC-31 and NC-47	US$21.5m
US Private Placement 1	Bond	US$58.2m	US$58.2m	Stanford and TID	US$58.8m
Mount Signal 2 Facility[16]	Loan	US$150.9m	US$150.9m	Mount Signal 2	US$151.3m
US Revolving Credit Facility	Loan	US$45.0m	US$36.4m	Corporate	US$30.5m
US Private Placement 2	Bond	US$22.7m	US$22.7m	Boulder Solar I	US$22.7m
Rigel Facility	Loan	US$21.6m	US$21.6m	Rigel	US$21.8m
Total US Facilities		**US$317.6m**	**US$308.9m**		**US$306.6m**
Total Debt (A$ equivalent)		**A$437.2m**	**A$425.4m**		**A$422.2m**
Gross assets			**A$794.1m**		
Gross Look Through Gearing (%)			**53.6%**		

16. Excluding US$6.4 million Mount Signal 2 revolving loan facility which was undrawn as at 31 December 2021.

NEW ENERGY SOLAR'S INVESTMENTS

OPERATING SOLAR POWER PLANTS – UNITED STATES

Stanford Solar Power Plant (Stanford)


Stanford Aerial View – October 2017


Stanford Aerial View – October 2017

Location	Rosamond, Kern County, California, USA
Generating Capacity	67.4 MW_{DC}/54 MW_{AC}
Commercial Operation Date(COD)	December 2016
PPA Term	25 years from COD
PPA Offtaker	Stanford University
O&M Service Provider	SunPower Corporation, Systems
Asset Description	Stanford is located on a 242-acre leased site in Rosamond, Kern County, California, approximately 120 kilometres north of Los Angeles. Stanford is located next to the TID solar power plant and commenced operations in December 2016. NEW acquired its substantial majority interest in Stanford in December 2016.

Turlock Irrigation District Power Plant (TID)


TID Aerial View – October 2017


TID Aerial View – October 2017

Location	Rosamond, Kern County, California, USA
Generating Capacity	67.4 MW_{DC}/54 MW_{AC}
COD	December 2016
PPA Term	20 years from COD
PPA Offtaker	Turlock Irrigation District
O&M Service Provider	SunPower Corporation, Systems
Asset Description	TID is located on a 265-acre leased site in Rosamond, Kern County, California, approximately 120 kilometres north of Los Angeles. TID is located next to Stanford solar power plan. and commenced operations in December 2016. NEW acquired its substantial majority interest in TID in December 2016.

North Carolina 43 MW_{DC} Solar Power Plant (NC-31)


NC-31 Aerial View – May 2017


NC-31 Aerial View – October 2017`

Location	Bladenboro, Bladen County, North Carolina, USA
Generating Capacity	43.2 MW_{DC}/34.2 MW_{AC}
COD	March 2017
PPA Term	10 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	Miller Bros. Solar LLC
Asset Description	NC-31 is located on a 196-acre leased site in Bladenboro, Bladen County, North Carolina, which is approximately 232 kilometres east of Charlotte, North Carolina. The plant commenced commercial operations in March 2017. NEW committed to acquiring a majority interest in NC-31 in August 2016 and acquired its interest in the plant in March 2017. NEW acquired the minority interests in NC-31 in July 2018.

North Carolina 48 MW_{DC} Solar Power Plant (NC-47)


NC-47 Aerial View – May 2017


NC-47 Aerial View – May 2017

Location	Maxton, Robeson County, North Carolina, USA
Generating Capacity	47.6 MW_{DC}/33.8 MW_{AC}
COD	May 2017
PPA Term	10 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	DEPCOM Power, Inc.
Asset Description	NC-47 is located on a 260-acre leased site in Maxton, Robeson County, North Carolina, approximately 166 kilometres east of Charlotte. NC-47 commenced commercial operations in May 2017. NEW committed to acquiring a majority interest in the plant in October 2016 and acquired its interest in May 2017. NEW acquired the minority interests in NC-47 in July 2018.

Boulder Solar 1 Power Plant (Boulder Solar 1)

Boulder Solar 1 Ground View – January 2018

Boulder Solar 1 Aerial View – January 2018

Location	Boulder City, Nevada, USA
Generating Capacity	124.8MW$_{DC}$ / 100MW$_{AC}$
COD	December 2016
PPA Term	20 years from 1 January 2017
PPA Offtaker	NV Energy (subsidiary of Berkshire Hathaway)
O&M Service Provider	SunPower Corporation, Systems
Asset Description	Boulder Solar 1 is located on a 542-acre leased site in Boulder City, Clark County, Nevada, approximately 50 kilometres south of Las Vegas. The plant commenced commercial operations in December 2016. NEW acquired a 49% minority interest in Boulder Solar 1 in February 2018.

Arthur Solar Power Plant (Arthur)

Arthur Ground View – August 2018

Arthur Ground View – August 2018

Location	Tabor City, North Carolina, USA
Generating Capacity	7.5MW$_{DC}$ / 5.0MW$_{AC}$
COD	July 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	Cypress Creek Renewables O&M (**CCR O&M**)
Asset Description	Arthur is located on a 35-acre leased site in Tabor City, North Carolina. The plant commenced commercial operations in July 2018.

Bonanza Solar Power Plant (Bonanza)

Bonanza Aerial View – April 2019

Bonanza Aerial View – April 2019

Location	Bonanza, Oregon, USA
Generating Capacity	6.8MW_{DC} / 4.8 MW_{AC}
COD	December 2018
PPA Term	12.9 years from COD
PPA Offtaker	PacifiCorp (subsidiary of Berkshire Hathaway)
O&M Service Provider	CCR O&M
Asset Description	Bonanza is located on a 57-acre leased site located 30 kilometres east of Klamath Falls, Oregon. The plant commenced commercial operations in December 2018.

Church Road Solar Power Plant (Church Road)

Church Road Ground View – May 2018

Church Road Ground View – May 2018

Location	Angier, North Carolina, USA
Generating Capacity	5.2MW_{DC} / 5.0MW_{AC}
COD	August 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Asset Description	Church Road is located on a 21-acre leased site in Angier, North Carolina. The plant commenced commercial operations in August 2018.

County Home Solar Power Plant (County Home)

Location	Rockingham, North Carolina, USA
Generating Capacity	7.5MW_{DC} / 5.0 MW_{AC}
COD	September 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Asset Description	County Home is located on a 30-acre leased site located 5 kilometres southeast of Rockingham, North Carolina. The plant commenced commercial operations in September 2018.

County Home Ground View – August 2018

County Home Ground View – August 2018

Hanover Solar Power Plant (Hanover)

Location	Maysville, North Carolina, USA
Generating Capacity	7.5MW_{DC} / 5.0MW_{AC}
COD	April 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Asset Description	Hanover is located on a 45-acre leased site in Maysville, North Carolina. The plant commenced commercial operations in April 2018.

Hanover Ground View – April 2018

Hanover Ground View – April 2018

Heedeh Solar Power Plant (Heedeh)

Heedeh Ground View – August 2018

Heedeh Ground View – August 2018

Location	Delco, North Carolina, USA
Generating Capacity	$5.4MW_{DC}$ / $4.5MW_{AC}$
COD	July 2018
PPA Term	15 years from COD
PPA Offtaker	Duke Energy Progress, Inc.
O&M Service Provider	CCR O&M
Asset Description	Heedeh is located on a 21-acre leased site in Delco, North Carolina. The plant commenced commercial operations in July 2018.

Organ Church Solar Power Plant (Organ Church)

Organ Church Ground View – August 2018

Organ Church Ground View – August 2018

Location	Organ Church, North Carolina, USA
Generating Capacity	$7.5MW_{DC}$ / $5.0\ MW_{AC}$
COD	February 2019
PPA Term	15.0 years from COD
PPA Offtaker	Duke Energy Carolinas
O&M Service Provider	CCR O&M
Asset Description	Organ Church is located on a 45-acre leased site located 15 kilometres northwest of Kannapolis, North Carolina. The plant commenced commercial operations in February 2019.

Pendleton Solar Power Plant (Pendleton)


Pendleton Ground View – October 2018


Pendleton Ground View – October 2018

Location	Pendleton, Oregon, USA
Generating Capacity	$8.4MW_{DC}$ / $6.0 MW_{AC}$
COD	September 2018
PPA Term	13.2 years from COD
PPA Offtaker	PacifiCorp
O&M Service Provider	CCR O&M
Asset Description	Pendleton is located on a 44-acre leased site 5 kilometres west of Pendleton, Oregon. The plant commenced commercial operations in September 2018.

Mount Signal 2 Solar Power Plant (MS2)


MS2 Aerial View – December 2019


MS2 Aerial View – December 2019

Location	Imperial Valley, California, USA
Generating Capacity	$199.6MW_{DC}$ / $153.5MW_{AC}$
COD	December 2019
PPA Term	20 years from June 2020
PPA Offtaker	Southern California Edison
O&M Service Provider	First Solar
Asset Description	MS2 is located on a 1,314 acre leased site in the Imperial Valley, California. The plant commenced commercial operations in December 2019. MS2 sold electricity to the wholesale market until the commencement of its 20-year PPA in June 2020. NEW entered into a sale agreement with US Solar Fund plc (**USF**) in December 2020 for 25% of MS2, together with an option to purchase a further 25% within 12 months of the close of the first tranche. The first tranche closed on 29 March 2021 and USF exercised its option to purchase the additional 25% of MS2 constituting tranche two on 10 February 2022.

AUSTRALIAN SOLAR POWER PLANTS SOLD DURING 2021

On 7 June 2021 the Company announced its wholly owned subsidiary NESAH1 had entered a sale agreement with Banpu Energy Holdings Pty Limited for the Manildra and Beryl solar power plants. The sale completed on 30 July 2021.

Manildra Solar Power Plant (Manildra)

Manildra Aerial View – July 2018

Manildra Ground View – July 2018

Location	Manildra, New South Wales, Australia
Generating Capacity	55.9MW_{DC} / 46.7MW_{AC}
COD	December 2018
PPA Term	10 years from COD, with an option to extend to 2030
PPA Offtaker	EnergyAustralia
O&M Service Provider	First Solar
Asset Description	Manildra is located on a 120-hectare leased site 1.5 kilometres north-east of the Manildra town centre. The plant achieved full commercial operations in December 2018.

Beryl Solar Power Plant (Beryl)

Beryl Ground View – February 2019

Beryl Aerial View – March 2019

Location	Beryl, New South Wales, Australia
Generating Capacity	110.9MW_{DC} / 87MW_{AC}
COD	June 2019
PPA Term	15 (Sydney Metro)[17] c. 7.5 years with an option to extend to December 2029 (Kellogg's)[18]
PPA Offtaker	Sydney Metro (69% of generation) Kellogg's (29% of generation)
O&M Service Provider	First Solar
Asset Description	Beryl is located in Central West NSW, approximately five kilometres west of Gulgong. The plant achieved full commercial operations in June 2019.

17. The Sydney Metro PPA represents approximately 69% of Beryl's generation during the 15-year term.

18. The Kellogg's PPA represents approximately 29% of Beryl's generation during the ~7.5-year initial term. Kellogg's has an option to extend the term for three years until 31 December 2029.

INFORMATION ON THE INVESTMENT MANAGER

SENIOR MANAGEMENT TEAM

The senior members of the Investment Manager who are responsible for the management of New Energy Solar are set out below.

Each of the members of the senior management team are employed by a member of the E&P Financial Group and provide services for the benefit of the Business. Further information on the Investment Manager team is provided at **www.newenergysolar.com.au**

LIAM THOMAS BAgribus (Curtin), MSc (Curtin), MBA (MELB)

CHIEF EXECUTIVE OFFICER

Liam was appointed Chief Executive Officer in August 2021 and assumed that role from 1 October 2021, following the resignation of John Martin.

Liam joined New Energy Solar in March 2016 to lead transaction origination and execution activities. Liam has over 17 years' experience in M&A, corporate and business development, projects, and commercial management in the energy, infrastructure, mining and agribusiness sectors.

Prior to joining NEW, Liam was a senior member of the International Development team at Origin Energy focused on the investment and development strategy for utility scale solar, hydro, and geothermal projects in Latin America and South-East Asia. Liam's previous roles have included General Manager of Commercial Development at Aurizon, Commercial Manager for the Northwest Infrastructure iron ore port joint venture, and Project Manager at Orica, focusing on large-scale mining-related infrastructure and manufacturing projects. Earlier in Liam's career, he worked in the agricultural commodities sector with AWB Limited.

Liam has a Bachelor of Agribusiness and Master of Science from Curtin University, and a Master of Business Administration from the University of Melbourne.

ADAM HAUGHTON BSc Materials Engineering (UMD) MBA (UT)

CHIEF INVESTMENT OFFICER

Adam joined the Investment Manager in July 2018, focusing on due diligence and transaction execution for new fund investments.

Before joining the Investment Manager, Adam was a Vice President at Greentech Capital Advisors, an investment bank focused on mergers and acquisitions and capital raising transactions for companies within the sustainable infrastructure industry. Prior to Greentech, Adam worked in Bank of America Merrill Lynch's Global Industrials Investment Banking group where he advised on a range of public and private mergers and acquisitions and capital market transactions. Earlier in his career, Adam was a Development Engineer at SunEdison where he was responsible for the development and design of utility-scale and commercial and industrial solar installations in the U.S.

Adam has a Bachelor of Science in Materials Engineering from University of Maryland and Master of Business Administration from University of Texas.

WARWICK KENEALLY BEc (ANU), BCom (ANU), CA
CHIEF FINANCIAL OFFICER

Prior to joining New Energy Solar, Warwick was the interim CFO of the Investment Manager's parent, E&P Financial Group. Warwick has worked in chartered accounting firms specialising in turnaround and restructuring. Warwick started his career with KPMG working in their Canberra, Sydney and London offices – and has undertaken a range of restructuring engagements across Europe, UK and Australia, for a range of Australian, UK, European and US banks.

Warwick has worked with companies and lenders to develop and implement strategic business options, provide advice in relation to continuous disclosure requirements, develop cash forecasting training for national firms, and lectured on cash management.

Warwick has a Bachelor of Economics and Bachelor of Commerce from Australian National University and is a Chartered Accountant.

SCOTT FRANCIS BS (Mechanical Engineering) (UR), MBA (UR)
HEAD OF ASSET MANAGEMENT

Scott joined the Investment Manager in July of 2021, focusing on Asset Management and Operations across the portfolio of projects. Scott brings over 15 years of energy industry experience and has managed over 1,000 MWs of solar and 2,500 MWs of wind projects. Most recently, Scott was Director of Asset Management at Apex Clean Energy, a leading developer and operator of US utility-scale solar and wind power, where Scott led the Asset Management team.

Scott and his team provide comprehensive asset management in all aspects of projects including performance, reporting, optimisation, revenue assurance (PPA and Merchant), insurance, and contractual performance obligations. Prior roles have included various positions managing operations and business development for Dominion Energy's (Fortune 500 Utility) renewable assets.

Corporate Governance Statement

TID aerial view – September 2017

Stanford & TID site at sunset – September 2017

Corporate Governance Statement

FOR THE YEAR ENDED 31 DECEMBER 2021

New Energy Solar Limited (the **Company** or **NEW**) is an Australian Securities Exchange (**ASX**) listed entity. Prior to 25 June 2021, NEW together with E&P Investments Limited as Responsible Entity of New Energy Solar Fund (the **Trust**) (**Responsible Entity**) formed a stapled entity group whose securities were traded on the ASX. On 25 June 2021, securityholders approved the unstapling of NEW and the Trust and the winding up of the Trust. The winding up of the Trust and its formal de-registration by ASIC was concluded on 14 February 2022. The Business has no employees and its day-to-day functions and investment activities are managed by New Energy Solar Manager Pty Limited (**Investment Manager**), in accordance with the investment management agreement.

The directors of NEW recognise the importance of good corporate governance.

NEW's corporate governance charter (**Corporate Governance Charter**), which incorporates NEW's policies referred to below, is designed to ensure the effective management and operation of the Business and will remain under regular review. The Corporate Governance Charter is available on NEW's website **newenergysolar.com.au.**

A description of NEW's adopted practices in respect of the eight Principles and Recommendations from the Fourth Edition of the *ASX Corporate Governance Principles and Recommendations* (**ASX Recommendations**) is set out below. All these practices, unless otherwise stated, were in place throughout the year and to the date of this report.

1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

BOARD ROLES AND RESPONSIBILITIES

The board of NEW (**Board**) is responsible for the overall operation, strategic direction, leadership and integrity of the Business and, in particular, is responsible for NEW's growth and success. In meeting its responsibilities, the Board undertakes the following functions:

- Providing and implementing NEW's strategic direction;
- Reviewing and overseeing the operation of systems of risk management to ensure that the significant risks facing the Business are identified, that appropriate control, monitoring and reporting mechanisms are in place and that risk is appropriately dealt with;
- Overseeing the integrity of the Business' accounting and corporate reporting systems, including the external audit;
- Ensuring the Board is comprised of individuals who are best able to discharge the responsibilities of directors having regard to the law and the best standards of governance;
- Reviewing and overseeing internal compliance and legal regulatory compliance;
- Ensuring compliance with NEW's constitution and with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001 (Cth)* (**Corporations Act**);
- Overseeing NEW's process for making timely and balanced disclosures of all material information concerning the Business; and
- Communicating with and protecting the rights and interests of NEW's shareholders.

The Board has established a formal policy which acts as a charter and sets out its functions and responsibilities (**Board Policy**). The Board Policy is set out in section 3 of NEW's Corporate Governance Charter. A review of the Board Policy is conducted annually.

The responsibility for the operation and administration of NEW is delegated, by the Board, to the Investment Manager as set out in the relevant investment management agreement. The Board ensures the Investment Manager is appropriately qualified and experienced to discharge its responsibilities. The Investment Manager will be responsible for implementing NEW's strategic objectives and operating within the risk appetite as set out within the Risk Appetite Statement which was approved by the Boards on 17 November 2021.

APPOINTMENT OF DIRECTORS

NEW has adopted a formal process to ensure that appropriate checks are undertaken before appointing a person or putting forward to shareholders a candidate for election as a director. The Business has outsourced part of this function to an external service provider, which specialises in completing background checks, to verify the candidate's experience, education, criminal record and bankruptcy history.

Upon proposing a candidate for election or re-election as a director, NEW provides shareholders with all the relevant material information in its possession to allow shareholders to make an informed decision on whether or not to elect or re-elect the candidate. The information will generally include:

- biographical details of the candidate, including their qualifications, experience and skills which may be relevant to the Board of NEW; and
- details of any current or past directorships held by the candidate.

Each director of NEW receives a formal appointment letter outlining their terms of employment, responsibilities, conditions and expectations of their engagement.

ROLE OF THE COMPANY SECRETARY

The company secretary of NEW (**Company Secretary**) is directly accountable to the Board, through the Chairperson of the Board on all matters to do with the proper functioning of the Board. This includes:

- advising the Board on governance matters;
- circulating to the Board all board papers in advance of any proposed meeting;
- ensuring that the business at board meetings is accurately captured in the minutes; and
- facilitating the induction and professional development of directors.

DIVERSITY

NEW currently does not have any employees and therefore has adopted a diversity policy which is applicable only to the Board. A copy of the policy setting out its objectives and reporting practices can be found on NEW's website.

As required by the policy, at the commencement of each financial year, the Board is required to set measurable objectives to allow it to achieve and maintain diversity on the Board. The measurable objective for gender diversity, as agreed by the Board for FY2021, is set out below:

- At least one female director representation on the Board.

The outcome for the year, as reported by the Board, is set out below:

- As at 31 December 2021, there was one female and four male directors; and
- The Board was satisfied it had achieved its measurable objectives for FY2021.

2. STRUCTURE THE BOARD TO ADD VALUE

BOARD COMPOSITION

NEW seeks to maintain a Board with a broad range of skills. NEW maintains a skills matrix (below) which lists the skills that have been identified as the ideal attributes the Business seeks to achieve across its board membership:

- Financial
- Industry Knowledge
- Leadership
- Understanding of Solar Infrastructure
- Funds Management
- Risk Based Auditing & Risk Management
- Capital Raising
- Legal
- Government and Regulation
- Marketing and Communications
- Investor Relations

The composition of the Board is structured to maintain a mix of directors from different backgrounds with complementary skills and experience. Details of each director at the date of this report are given in the Directors' Report, including the period in office, skills, experience, and expertise relevant to the position of director.

The directors of NEW during the 2021 financial year and as at the date of this report are:

Jeffrey Whalan	Independent, Non-Executive Chair
Maxine McKew	Independent, Non-Executive Director
James Davies	Independent, Non-Executive Director
John Holland	Independent, Non-Executive Director
John Martin	Non-Independent, Non-Executive Director (from 1 October 2021)*

*Prior to 1 October 2021, John was an executive director. John remains as a non-independent director because he was an officer of New Energy Solar Manager Pty Limited within three years of the date of this report. John resigned as an officer of New Energy Solar Manager Pty Limited on 26 August 2021.

The company secretaries of NEW during the 2021 financial year and as at the date of this report are:

Hannah Chan

Caroline Purtell

The Board comprises four independent non-executive directors, Jeffrey Whalan, Maxine McKew, James Davies and John Holland. An independent non-executive director is a non-executive director who is independent of the Investment Manager and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their judgement.

NEW is committed to diversity in the composition of its Board. The directors will continue to monitor the composition of the Board.

NEW recognises the ASX Recommendations with respect to establishing remuneration and nomination committees as good corporate governance. However, considering the size and structure of the Business, the functions that would be performed by these committees are best undertaken by the Board.

The Board will review its view on committees in line with the ASX Recommendations and in light of any changes to the size or structure of the Business and, if required, may establish committees to assist them in carrying out their functions. At that time the Board will adopt a charter for such committees in accordance with the ASX Recommendations and industry best practice.

It is the Board's policy to determine the terms and conditions relating to the appointment and retirement of non-executive directors on a case-by-case basis and in conformity with the requirements of the ASX listing rules (**Listing Rules**) and the *Corporations Act*. In accordance with the Corporate Governance Charter, directors are entitled to seek independent advice at the expense of the Business. Written approval must be obtained from the Chair prior to incurring any expense on behalf of NEW.

PERFORMANCE EVALUATION

The Board conducts a review of their collective performance and the performance of their directors annually. This process includes consideration of feedback provided by directors via a questionnaire. The Board and individual directors, including the chairperson, were evaluated during the year ending 31 December 2021 in accordance with these processes.

INDUCTION AND ONGOING PROFESSIONAL DEVELOPMENT

On appointment, the directors are individually briefed by the Investment Manager. Directors are entitled to receive appropriate professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as directors effectively. NEW's induction program is structured to enable a new director to gain an understanding of the Business' investments, financial, strategic, operational and risk management position, and their rights, duties and responsibilities.

The Company Secretary is responsible for facilitating the induction and ongoing development of all directors and, where necessary, from time to time, will recommend relevant courses and industry seminars which may assist directors in discharging their duties.

3. ACT ETHICALLY AND RESPONSIBLY

STATEMENT OF VALUES

The Board values sustainable management of the world's natural resources for present and future generations. To this end, NEW aims to both capitalise on and contribute to increasing awareness of the impact of climate change on the world's resources and specifically, invests to achieve attractive risk-adjusted returns for its investors in utility-scale solar power plants, a key element in the global energy sector's transition to a low carbon emissions system.

The Statement of Values is set out in section 2 of NEW's Corporate Governance Charter.

CODE OF CONDUCT

The Board is committed to maintaining ethical standards in the conduct of its business activities. The Board's reputation as an ethical business organisation is important to its ongoing success and it expects all its officers to be familiar with and have a personal commitment to meeting these standards. In this regard the directors have adopted a code of conduct (**Code of Conduct**) to define basic principles of business conduct. The Code of Conduct requires officers and employees to abide by the policies of the Business and the law. The Code of Conduct is a set of principles giving direction and reflecting NEW's approach to business conduct and is not a prescriptive list of rules for business behaviour. The Code of Conduct covers ethical operations, compliance with laws, dealings with customers and public officials, conflicts of interest, confidential and proprietary information and insider trading.

The Code of Conduct is set out in section 6 of NEW's Corporate Governance Charter.

WHISTLEBLOWER POLICY

The Board has a Whistleblowing Policy which is available on NEW's website.

ANTI-BRIBERY AND CORRUPTION POLICY

The Board has an Anti-Bribery and Fraud Policy which is available on NEW's website.

SECURITY TRADING POLICY

The Board has established a security trading policy (**Security Trading Policy**) to apply to trading in NEW's shares on the ASX. This policy outlines the permissible dealing of NEW's shares while in possession of price sensitive information and applies to all directors of NEW and the Investment Manager.

The Security Trading Policy imposes restrictions and notification requirements, including the imposition of blackout periods, trading windows and the need to obtain pre-trade approval.

The Security Trading Policy is set out in section 7 of NEW's Corporate Governance Charter.

INSIDER TRADING POLICY

The Board has established an insider trading policy (**Insider Trading Policy**) to apply to trading in NEW's shares. This policy applies to all directors, executives and employees of NEW and the Investment Manager. All directors, executives and employees of NEW and the Investment Manager must not deal in NEW shares while in possession of price sensitive information. In addition, the Security Trading Policy sets out additional restrictions which apply to directors and executives of NEW and the Investment Manager.

The Insider Trading Policy is set out in section 8 of NEW's Corporate Governance Charter.

4. SAFEGUARD INTEGRITY IN CORPORATE REPORTING

NEW has established a joint Audit & Risk Committee. The members of the Audit & Risk Committee during the year were:

- James Davies (Independent Member) (Chairperson)
- Barry Sechos (Independent Member)
- Jeffrey Whalan (Independent Member)
- John Holland (Independent Member)
- Warwick Keneally (Internal Member retired 30 August 2021)

The chairperson of the Audit & Risk Committee is an independent non-executive director and is not the chairperson of the Board. The Committee consists of three independent non-executive directors of NEW and one independent advisor.

The primary function of the Audit & Risk Committee is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the following areas:

- Application of accounting policies to NEW's financial reports and statements;
- Monitoring the integrity of the financial information provided to shareholders, regulators and the general public;
- Corporate conduct and business ethics, including auditor independence and ongoing compliance with laws and regulations;
- Maintenance of an effective and efficient audit;
- Appointment, compensation and oversight of the external auditor, and ensuring that the external auditor meets the required standards for auditor independence;

- Assess the adequacy of the Business' process for managing risk;
- Regularly monitoring and reviewing corporate governance policies and codes of conduct.

The Audit & Risk Committee meets four times a year. The Audit & Risk Committee will report to the Board at a minimum of two times a year.

A copy of the Audit & Risk Committee Charter is available on NEW's website.

5. MAKING TIMELY AND BALANCED DISCLOSURE

The Board is committed to complying with its continuous disclosure obligations under the Corporations Act, as well as releasing relevant information to the market and shareholders in a timely and direct manner to promote investor confidence in NEW and its shares.

NEW has adopted a continuous disclosure policy (**Continuous Disclosure Policy**) to ensure it complies with its continuous disclosure obligations under the Corporations Act and the Listing Rules.

The Continuous Disclosure Policy is set out in section 5 of NEW's Corporate Governance Charter.

This policy is administered by the Board and the Investment Manager as follows:

- the Board is involved in reviewing significant ASX announcements and ensuring and monitoring compliance with this policy;
- the Company Secretary is responsible for the overall administration of this policy and all communications with the ASX; and
- senior management of the Investment Manager are responsible for reporting any material price sensitive information to the Company Secretary and observing NEW's no comments policy.

6. RESPECT THE RIGHTS OF SHAREHOLDERS

RIGHTS OF SHAREHOLDERS

NEW promotes effective communication with shareholders. The Board has developed a strategy within its Continuous Disclosure Policy to ensure that shareholders are informed of all major developments affecting NEW's performance, governance, activities and state of affairs. This includes using a website to facilitate communication with shareholders. Each shareholder is also provided online access to Link Market Services Limited (the Registry) to allow them to receive communications from, and send communication to, NEW and the Registry. Information is communicated through announcements published on NEW's website, releases to the media and the dispatch of financial reports. Shareholders are provided with an opportunity to access such reports and releases electronically. Copies of all announcements are available on NEW's website at **newenergysolar.com.au.**

These include:

- weekly Net Asset Value estimates;
- quarterly investment updates;
- the half-year report;
- the annual report;
- the notice of annual general meeting, explanatory memorandum and the Chairperson's address;
- announcements made to comply with NEW's continuous disclosure requirements; and
- correspondence sent to shareholders on matters of significance to the Business.

The Board encourages full participation of shareholders at the general meetings to ensure a high level of accountability and identification with NEW's strategy. Shareholders who are unable to attend the general meeting are given the opportunity to provide questions or comments in relation to the audit of the Business ahead of the meeting and where appropriate, these questions are answered at the meeting. The external auditor is also invited to attend the annual general meeting of NEW and is available to answer any questions concerning the conduct, preparation and content of the auditor's report.

7. RECOGNISE AND MANAGE RISK

The Board is responsible for identifying, assessing, monitoring and managing the significant areas of risk applicable to NEW and its operations. The Board has established an Audit & Risk Committee to deal with these matters. The Board monitors and appraises financial performance, including the approval of annual and half-year financial reports and liaising with NEW's auditors.

In order to evaluate and continually improve the effectiveness of its risk management and internal control processes, the Board has adopted a Risk Management Framework (**RMF**). The Board conducts an annual review of the RMF to satisfy itself that the framework continues to be sound.

The Board is responsible for maintaining proper financial records. In addition, the Board receives a letter half yearly from NEW's external auditor regarding their procedures and reporting that the financial records have been properly maintained and the financial statements comply with the Australian accounting standards (**Accounting Standards**).

NEW does not have a material exposure to environmental or social risks. The Board manages environmental and social risks via a comprehensive risk management framework which consists of a Significant Risks document, a Risk Appetite Statement and Risk Assessment Matrix which are regularly reviewed and updated. For further information, please see the 2021 Sustainability Report which is available on NEW's website.

The Board provides declarations required by Section 295A of the Corporations Act for all financial periods and confirms that in its opinion the financial records of the Business have been properly maintained and that the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view of the financial position and performance of the Business. This opinion is based on the Board's review of the internal control systems, management of risk, the financial statements and the letter from NEW's external auditor. The Board does not release to the market any periodic corporate reports which are not audited or reviewed by an external auditor.

8. REMUNERATE FAIRLY AND RESPONSIBLY

REMUNERATION POLICIES

Due to the relatively small size of the Business and its operations, the Board does not consider it appropriate, at this time, to form a separate committee to deal with the remuneration of the directors.

In accordance with NEW's constitution, each director may be paid remuneration for ordinary services performed as a director. Under the Listing Rules, the maximum fees payable to directors may not be increased without the prior approval of shareholders at a general meeting of NEW. Directors will seek approval from time to time as deemed appropriate. NEW does not intend to remunerate its directors through an equity-based remuneration scheme.

The maximum total remuneration of the directors of NEW has been set at $400,000 per annum to be divided among them in such proportions as they agree. Total directors' fees for the year ended 31 December 2021 were $220,817.

Details of NEW's related party transactions are set out in the notes to the financial statements in the Annual Report.

TID ground view – October 2017

Directors' Report

TID overhead view

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors of New Energy Solar Limited (the **Company** or **NEW**) present their report together with the annual financial report for the year ended 31 December 2021.

DIRECTORS

The directors of New Energy Solar Limited at any time during or since the end of the financial year are listed below:

Jeffrey Whalan	Non-Executive Chair
James Davies	Non-Executive Director
John Holland	Non-Executive Director
John Martin	Non-Independent, Non-Executive Director (from 1 October 2021)*
Maxine McKew	Non-Executive Director

*Prior to 1 October 2021, John was an executive director. John remains as a non-independent director because he was an officer of New Energy Solar Manager Pty Limited within three years of the date of this report. John resigned as an officer of New Energy Solar Manager Pty Limited on 26 August 2021.

Directors were in office from the start of the year to the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of NEW during the year were pursuing and investing in large-scale solar plants that generate emissions-free power.

DIVIDENDS

Dividends paid during the financial year were as follows:

	2021 $	2020 $
Interim dividend for the six-months ended 30 June 2021 of 3 cents (30 June 2020: nil cents) per ordinary share	10,722,552	-
	10,722,552	**-**

In the prior period, and prior to the de-stapling of the Company and the Trust, distributions of $10.6 million were paid to securityholders by the Trust. Dividends paid or declared by the Company during, or since the end of the year were as follows:

- Dividend of 3 cents per share for the six months ended 30 June 2021, paid on 26 August 2021 amounting to $10,722,552.
- Dividend of 1 cent per share for the six months to 31 December 2021, announced on 11 February 2022, to be paid on or around 6 April 2022.

REVIEW OF OPERATIONS

Please refer to the Investment Manager's Report for the details relating to the operations during the financial year.

The full-year to 31 December 2021 loss is driven by the fair value loss of financial assets. This is mainly driven by a decrease in net asset value of NESAH1, reflecting the announced sale price for the Manildra power plant and transaction fees and costs arising from asset sales and associated with delivery of strategic initiatives for investors during the year. On a like-for-like basis, the US portfolio benefitted from an uplift in value arising from improvements in discount rates as assets reached stable operating performance, and extensions to asset life assumptions where rights to occupy the land allowed extensions to be considered. This improvement was offset by a $32 million decrease to the net asset value of NES US Corp, caused by the negative impact on investment fair values from the latest merchant curve assumptions prepared by independent forecasters. This decrease is partially offset by the positive impact on investment fair value movements from an unrealised foreign exchange translation gain of $22.2 million.

At 31 December 2021, NEW's net assets are $368.7 million (31 December 2020: $376.8 million) representing a net asset value per share of $1.15. At 31 December 2020, on a combined basis, the Company and the Trust reported a net asset value per stapled security of $1.25.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of the principal activities during the year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

NEW will continue to undertake their activities described in this report. The Report to Shareholders which forms part of this financial report includes details of the outlook for solar markets in which NEW invests. Further details are included in the Report to the Shareholders and the Investment Manager's Report which forms part of the financial report.

NEW intends to further consider the recommendations of the 2020 Strategic Review, which includes the sale of its remaining United States solar assets, to maximise shareholder value.

ENVIRONMENTAL REGULATION

NEW is not subject to any significant environmental regulation under Australian Commonwealth or State law.

INFORMATION ON DIRECTORS

JEFFREY WHALAN AO, BA (UNSW), FAICD, FAIM

NON-EXECUTIVE CHAIR

Jeffrey is an Independent Director of New Energy Solar Limited. He is Managing Director of the Jeff Whalan Learning Group, a specialist human resources company. He was a senior executive officer in the Australian Public Service from 1990 to 2008.

Jeffrey was appointed an Officer in the Order of Australia in 2008 for his work as chief executive officer of Centrelink.

Among other things, the award recognised his achievements in 'the development of corporate accountability processes'.

Jeffrey is a Fellow of the Australian Institute of Company Directors. As CEO of Centrelink, Jeffrey was responsible for the largest agency of the Australian Public Service, $70 billion of government outlays and 27,000 staff. Prior to joining Centrelink, he was chief executive officer of Medicare Australia. Jeffrey has held Deputy Secretary positions in the Departments of Prime Minister and Cabinet, Defence and the then Department of Family and Community Services. He has also held senior executive positions in the Transport and Health departments.

Other current directorships: None

Former directorships (last three years): Australian Governance Masters Index Fund Limited (since 2010, delisted on 16 July 2018)

Special responsibilities: Member of the Audit and Risk Committee

Interests in shares: 541,552 ordinary shares

Interests in options: None

Interests in rights: None

Contractual rights to shares: None

JAMES DAVIES BCS (UNE), MBA (LBS)
NON-EXECUTIVE DIRECTOR

James has over 30 years of experience in investment management across real estate, private equity, infrastructure, natural resources and special situations. Most recently he was Head of Funds Management at New Forests Asset Management, overseeing $2.5 billion worth of investments in broad acre real estate, forestry assets and environmental markets. Prior to that he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland's Strategic Investments Group. He has sat on numerous Investment Committees and Boards including as Chairman of Timberlink Australia and Forico. During the past three years James has acted as a director of the Australian listed public entity of Eildon Capital Limited (since 2016) and Kiland Limited (since 2021).

James holds a Bachelor of Computer Science from the University of New England, a Masters of Business Administration from London Business School and is a Graduate of the Australian Institute of Company Directors.

Other current directorships: Eildon Capital Limited (since 2016)

Former directorships (last three years): None

Special responsibilities: Chair of the Audit and Risk Committee

Interests in shares: 43,016 ordinary shares

Interests in options: None

Interests in rights: None

Contractual rights to shares: None

JOHN HOLLAND MA (Hons) (Oxford)

NON-EXECUTIVE DIRECTOR

John holds a portfolio of complementary non-executive board roles. In particular, he chairs Virtu ITG UK, a brokerage business which is part of the Virtu Financial group, and Open Door Capital Management (a Greater China Asset Management company), as well as acting as Non-Executive Director of sQuidcard Limited (a UK and African Payments business in the Education and Aid Sectors).

Prior to his current roles, John was Managing Director and Member of UBS Investment Bank Board. Over the course of his 24-year career at UBS and its predecessor banks, John helped to build and then led UBS' leading Asian Equities and banking business based in Hong Kong, before returning to London to assume various senior management roles in the Global Equities business.

Throughout his career, John has had significant experience working with a wide range of Financial Regulators, including a three-year stint as a member of the European Securities Markets Experts Group advising the European Commission on new regulation.

John holds a Master of Arts (Hon) from Oriel College, Oxford University, majoring in Philosophy, Politics and Economics.

Other current directorships: None

Former directorships (last three years): Asian Masters Fund Limited (since 2010, delisted on 17 May 2018)

Special responsibilities: Member of the Audit and Risk Committee

Interests in shares: 256,754 ordinary shares

Interests in options: None

Interests in rights: None

Contractual rights to shares: None

JOHN MARTIN BEcon (Hons) (USYD)
NON-EXECUTIVE DIRECTOR

John is currently the Chief Executive Officer (**CEO**) of Windlab Pty Limited, a global renewable energy development company, and brings a wealth of experience and capability to the Board after more than two decades of experience in corporate advisory and investment banking with a focus on the infrastructure, energy and utility sectors.

John resigned as the CEO of the Company on 30 September 2021, after being appointed to that role in May 2016, but retained his role with the Board. John previously led the Infrastructure and Utilities business at corporate advisory firm Aquasia where he advised on more than $10 billion of infrastructure and utility M&A and financing transactions. Prior to this John held various investment bank management positions including the Head of National Australia Bank Advisory and the Joint Head of Credit Markets and Head of Structured Finance at RBS/ABN AMRO.

During his time at ABN AMRO, John managed the Infrastructure Capital business which was viewed as a market leader in the development and financing of infrastructure and utility projects in Australia. John started his career as an economist with the Reserve Bank of Australia and then worked in various treasury and risk management positions, before moving to PwC as the partner responsible for financial risk management. At PwC John advised some of Australia's largest corporations on the management and valuation of currency, interest rate and commodity exposures – with a focus on advising energy companies trading in the Australian National Electricity Market.

John has a Bachelor of Economics (Honours) from the University of Sydney. John is a past board member of Infrastructure Partnerships Australia.

Other current directorships: None

Former directorships (last three years): None

Special responsibilities: None

Interests in shares: 657,479 ordinary shares

Interests in options: None

Interests in rights: None

Contractual rights to shares: None

MAXINE MCKEW MAICD
NON-EXECUTIVE DIRECTOR

Maxine is an author and Honorary Enterprise Professor of the Melbourne Graduate School of Education at the University of Melbourne. Her most recent book, published by Melbourne University Press in 2014, is Class Act, a study of the key challenges in Australian schooling. This publication followed the success of her memoir, Tales From the Political Trenches, an account of her brief but tumultuous time in the Federal Parliament.

Maxine's background traverses both journalism and politics. For many years she was a familiar face to ABC TV viewers and was anchor of prestigious programs such as the 7.30 Report and Lateline. Her work has been recognised by her peers with both Walkley and Logie awards.

When she left journalism to enter politics, Maxine wrote herself into the Australian history books by defeating Prime Minister John Howard in the Sydney seat of Bennelong. In government she was both parliamentary secretary for early childhood and later, for regional development and local government.

Maxine serves as director of the State Library of Victoria and has served on the boards of numerous not for profits, including Per Capita John Cain Foundation and Playgroup Australia.

Other current directorships: None

Former directorships (last three years): None

Special responsibilities: None

Interests in shares: 66,666 ordinary shares

Interests in options: None

Interests in rights: None

Contractual rights to shares: None

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last three years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

INFORMATION ON THE COMPANY SECRETARIES

HANNAH CHAN BCom, MCom, CA

Hannah has a Bachelor of Commerce degree in Finance from the University of NSW and a Master of Commerce degree in Accounting from the University of Sydney. She is also a Chartered Accountant with the Institute of Chartered Accountants in Australia and New Zealand and an affiliated member of the Governance Institute of Australia. Prior to joining E&P Funds, Hannah gained extensive audit experience while working with Deloitte Touche Tohmatsu and Ernst & Young.

Hannah is also the joint Company Secretary of E&P Investments Limited and a director of Australian Fund Accounting Services Pty Limited.

Hannah was appointed as Company Secretary on 19 November 2015.

CAROLINE PURTELL BA, LLB, LLM

Caroline provides corporate governance and corporate secretariat services to the management, boards of directors and committees for a portfolio of entities within the E&P Funds. Prior to joining E&P Funds, Caroline has worked in top tier legal firms including King & Wood Mallesons, Sydney and Clifford Chance, London specialising in banking, finance and corporate law.

Caroline has a Bachelor of Arts, Bachelor of Laws and Master of Laws (Honours) all from Sydney University. She is also qualified to practice as a solicitor in both NSW and England. Caroline is a Fellow of the Governance Institute of Australia.

Caroline was appointed as Company Secretary on 20 November 2018.

DIRECTORS' MEETINGS

The number of meetings of NEW's Board held during the year ended 31 December 2021, and the number of meetings attended by each director were:

	FULL BOARD ATTENDED	ELIGIBLE*	AUDIT & RISK COMMITTEE ATTENDED	ELIGIBLE
Jeffrey Whalan	14	14	4	4
John Holland	14	14	4	4
Maxine McKew	13	14	-	-
James Davies	14	14	4	4
John Martin	13	14	-	-

* Eligible: represents the number of meetings held during the time the director/member held office.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel.

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Under ASX Listing Rules, the maximum fees payable to directors may not be increased without the prior approval from NEW in general meeting. Directors will seek approval from time to time as deemed appropriate.

Under NEW's constitution, each director may be paid remuneration for ordinary services performed as a director. However, John Martin, who acted as the CEO of NEW until 30 September 2021, had agreed not to be paid any remuneration for the services he performed as a director. John Martin who acts as CEO of NEW is remunerated by the Investment Manager (or related entities of the Investment Manager) up to 26 August 2021. Investment Management fees are set out in note 16 to the financial statements.

The independent and non-independent directors, John Holland, James Davies, Maxine McKew and John Martin (commenced 1 October 2021) each are entitled to receive $50,000 per annum respectively. As an independent chairperson, Jeffrey Whalan is entitled to receive $75,000 per annum. These fees exclude any additional fee for any service-based agreement which may be agreed upon from time to time and also excludes reimbursement of out-of-pocket expenses. These fees are inclusive of statutory superannuation, where appropriate.

In addition to the above, as members of the Audit and Risk Committee, John Holland and Jeffrey Whalan each are entitled to receive $10,000 per annum, and as chairperson, James Davies is entitled to receive $15,000 per annum.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of key management personnel of NEW are set out in the following tables.

The key management personnel of NEW consisted of the following directors of NEW:

- Jeffrey Whalan
- James Davis
- John Holland
- John Martin
- Maxine McKew

2021	DIRECTOR FEES $	SUPERANNUATION CONTRIBUTIONS $	CASH BONUS $	AUDIT AND RISK COMMITTEE(i) $	OTHER(i) $	TOTAL $
Non-Executive Directors						
Jeffrey Whalan	68,337	6,663	–	10,000	-	85,000
John Holland	50,000	-	–	10,000	-	60,000
Maxine McKew	45,558	4,442	–	-	-	50,000
James Davies	45,558	4,442	–	15,000	18,000	83,000
John Martin	11,364	1,136	–	-	-	12,500
	220,817	**16,683**	**–**	**35,000**	**17,820**	**290,500**

2020	DIRECTOR FEES $	SUPERANNUATION CONTRIBUTIONS $	CASH BONUS $	AUDIT AND RISK COMMITTEE(i) $	OTHER(i) $	TOTAL $
Non-Executive Directors						
Jeffrey Whalan	51,370	4,880	–	7,500	–	63,750
John Holland	50,000	–	–	10,000	–	60,000
Maxine McKew	34,247	3,253	–	–	–	37,500
James Davies	45,662	4,338	–	15,000	18,000	83,000
	181,279	**12,471**	**–**	**32,500**	**18,000**	**244,250**

(i) Audit and risk committee fees and other service fees are subject to GST. Other fees paid to James Davies relate to his consulting services provided to NEW.

SERVICE AGREEMENTS

NEW does not presently have formal service agreements or employment contracts with any key management personnel. The Directors remuneration is not linked to the performance of NEW.

SHARE-BASED COMPENSATION

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2021.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 31 December 2021.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2021.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

The number of shares in NEW held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS/ OTHER	BALANCE AT THE END OF THE YEAR
Ordinary shares	**$**	**$**	**$**	**$**	**$**
Jeffrey Whalan	541,552	-	-	-	541,552
James Davies	41,549	-	1,467	-	43,016
John Holland	248,003	-	8,751	-	256,754
John Martin	635,230	-	22,249	-	657,479
Maxine McKew	66,666	-	-	-	66,666
	1,533,000	**-**	**32,467**	**-**	**1,565,467**

This concludes the remuneration report, which has been audited.

INDEMNITY AND INSURANCE OF OFFICERS

NEW has agreed to provide access to board papers and minutes to current and former directors of NEW while they are directors and for a period of seven years after they cease to be directors.

NEW has agreed to indemnify, to the extent permitted by the Corporations Act 2001, each officer in respect of certain liabilities, which the director may incur as a result of, or by reason of (whether solely or in part), being or acting as a Director of NEW. NEW has also agreed to maintain in favour of each director a director's and officers' policy of insurance for the period that he or she is a director and for a period of seven years after the officer ceases to be a director.

INDEMNITY AND INSURANCE OF AUDITOR

NEW has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, NEW has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

SHARES UNDER OPTION

There were no unissued ordinary shares of NEW under option outstanding at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of NEW issued on the exercise of options during the year ended 31 December 2021 and up to the date of this report.

PROCEEDINGS ON BEHALF OF NEW

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of NEW, or to intervene in any proceedings to which NEW is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 11 February, the Board announced an unfranked dividend of 1 cent per share for the six-months ended 31 December 2021, payable on or around 6 April 2022.

On 10 February 2022, US Solar Fund plc announced its intention to exercise its option over a second 25% tranche of Mt Signal 2. Pursuant to the agreement signed in December 2020, the acquisition price for the second tranche was US$21 million, with financial close anticipated in April 2022. The investment value of MS2 at 31 December 2021 shown in the balance sheet reflects the fair market value of NEW's 75% interest in the solar power plant on a discounted cash flow basis at that time, unadjusted for option value.

On 11 February 2022, the Board advised that following its Strategic Review announced in October 2020 and the implementation of measures recommended by the review to reduce the share price discount to net asset value of the Company, it had assessed the impact of the first phase of the Strategic Review. The Board recognised that the first phase had succeeded in reducing gearing and returning some value to NEW shareholders. However, as the NEW share price has continued to trade at a significant discount to net asset value, the Board and its adviser RBC Capital Markets are revisiting the recommendations of the Strategic Review with the objective of maximising shareholder value. These recommendations include the sale of NEW's remaining United States solar assets either in whole-of-portfolio or individual asset transactions.

Other than the matter noted above, no matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect NEW's operations, the results of those operations, or NEW's state of affairs in future financial years.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 18 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for NEW, acting as advocate for NEW or jointly sharing economic risks and rewards.

OFFICERS OF NEW WHO ARE FORMER PARTNERS OF DELOITTE TOUCHE TOHMATSU

There are no officers of NEW who are former partners of Deloitte Touche Tohmatsu.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

JEFFREY WHALAN
Chair of NEW

25 February 2022

Auditor's Independence Declaration

Stanford at sunset – September 2017

TID ground view – September 2017

Auditor's Independence Declaration

FOR THE YEAR ENDED 31 DECEMBER 2021

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

25 February 2022

The Board of Directors
New Energy Solar Limited
Level 15, 100 Pacific Highway
North Sydney NSW 2060

Dear Board Members

**Auditor's Independence Declaration to
New Energy Solar Limited**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of New Energy Solar Limited.

As lead audit partner for the audit of the financial report of New Energy Solar Limited for the year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

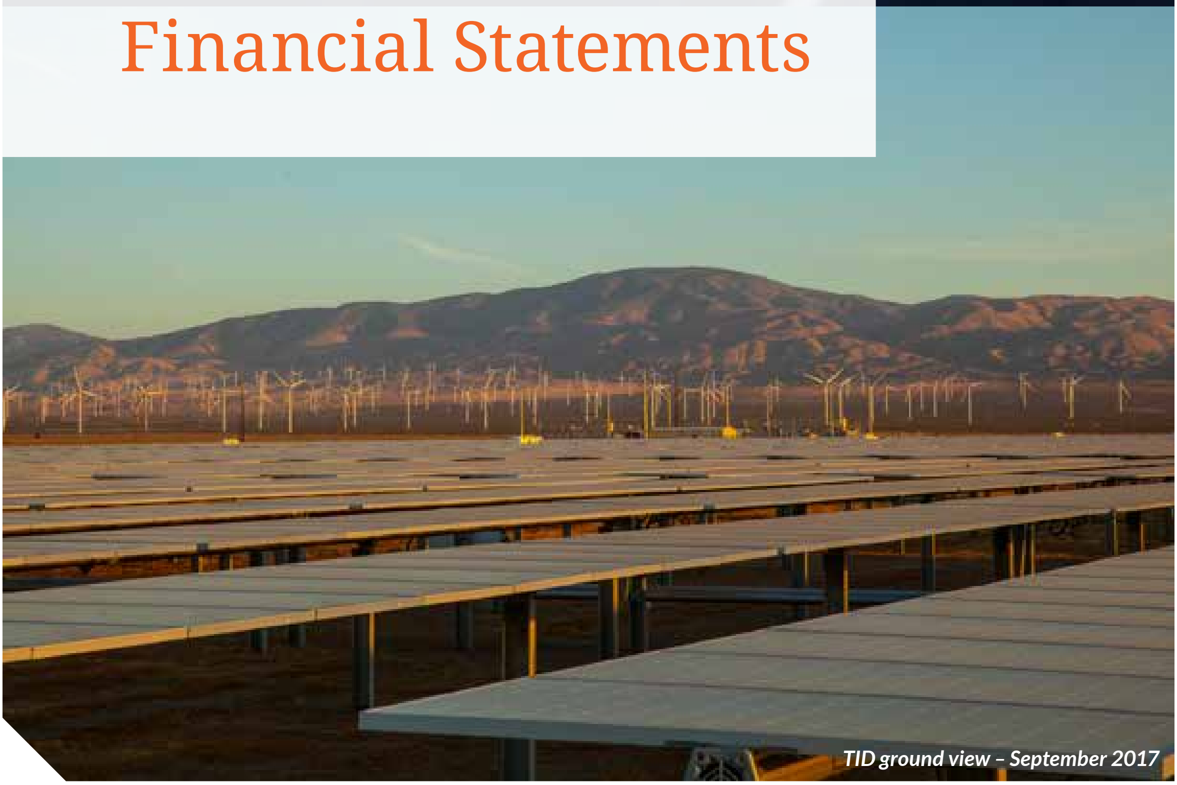
Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Yvonne van Wijk
Partner
Chartered Accountants


TID PV module closeup – September 2017

Financial Statements


TID ground view – September 2017

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $	2020 $
Net income			
Fair value loss of financial assets at fair value through profit or loss	8	(21,311,539)	(61,599,384)
Foreign exchange gain/(loss)		152,717	(147,604)
Finance income	4	7,741	9,834
Other income		4,587	-
Dividend income	8	10,722,552	-
MSA fee income	8	6,000,000	-
Total net loss		**(4,423,942)**	**(61,737,154)**
Expenses			
Finance expenses		(2,664)	(1,215,256)
Investment management fees	17	(1,322,670)	(1,501,384)
Accounting and audit fees		(442,568)	(353,420)
Legal and advisory expenses		(1,264,112)	(1,073,075)
Director fees		(306,041)	(241,864)
Marketing expenses		(29,320)	(16,196)
Listing and registry expenses		(370,041)	(107,621)
Other operating expenses		(154,855)	(261,133)
Disposal fee and costs	17	(7,495,182)	-
Total expenses		**(11,387,453)**	**(4,769,949)**
Loss before income tax (expense)/benefit		**(15,811,395)**	**(66,507,103)**
Income tax (expense)/benefit	5	(4,363,088)	1,449,138
Loss after income tax (expense)/benefit for the year		**(20,174,483)**	**(65,057,965)**
Other comprehensive income for the year, net of tax		–	–
Total comprehensive loss for the year		**(20,174,483)**	**(65,057,965)**
		Cents	**Cents**
Basic earnings per share	23	(5.76)	(18.43)
Diluted earnings per share	23	(5.76)	(18.43)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 31 DECEMBER 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	6	5,987,334	2,329,798
Trade and other receivables	7	11,155,947	141,353
Total current assets		**17,143,281**	**2,471,151**
Non-current assets			
Financial assets held at fair value through profit or loss	8	362,126,159	377,369,006
Deferred tax assets	5	-	4,384,056
Total non-current assets		**362,126,159**	**381,753,062**
Total assets		**379,269,440**	**384,224,213**
LIABILITIES			
Current liabilities			
Trade and other payables	9	10,576,017	7,369,408
Current tax payable		-	68,459
Total current liabilities		**10,576,017**	**7,437,867**
Total liabilities		**10,576,017**	**7,437,867**
Net assets		**368,693,423**	**376,786,346**
EQUITY			
Issued capital	10	447,284,628	424,480,516
Accumulated losses		(78,591,205)	(47,694,170)
Total equity		**368,693,423**	**376,786,346**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2021

2020	ISSUED CAPITAL $	RETAINED EARNINGS/ (ACCUMULATED LOSSES) $	TOTAL EQUITY $
Balance at 1 January 2020	**339,372,774**	**17,363,795**	**356,736,569**
Loss after income tax benefit for the year	–	(65,057,965)	(65,057,965)
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive loss for the year	**–**	**(65,057,965)**	**(65,057,965)**
Transactions with owners in their capacity as owners:			
Issue of shares	3,380,500	–	3,380,500
Capital reallocation	81,727,242	–	81,727,242
Balance at 31 December 2020	**424,480,516**	**(47,694,170)**	**376,786,346**

2021	ISSUED CAPITAL $	ACCUMULATED LOSSES $	TOTAL EQUITY $
Balance at 1 January 2021	**424,480,516**	**(47,694,170)**	**376,786,346**
Loss after income tax expense for the year	–	(20,174,483)	(20,174,483)
Other comprehensive income for the year, net of tax	–	–	–
Total comprehensive loss for the year	**–**	**(20,174,483)**	**(20,174,483)**
Transactions with owners in their capacity as owners:			
Issue of shares	1,588,331	-	1,588,331
Capital reallocation (note 10)	54,741,257	-	54,741,257
Share buybacks (note 10)	(33,419,462)	-	(33,419,462)
Issue and share buyback costs (net of tax) (note 10)	(106,014)	-	(106,014)
Dividends paid (note 11)	-	(10,722,552)	(10,722,552)
Balance at 31 December 2021	**447,284,628**	**(78,591,205)**	**368,693,423**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement Of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 $	2020 $
Cash flows from operating activities			
Interest income received		7,741	9,834
Payments to suppliers		(4,317,981)	(3,429,755)
Income tax (paid)/refund		-	13,746
Dividend income received		4,587	-
Net cash used in operating activities	**21**	**(4,305,653)**	**(3,406,175)**
Cash flows from investing activities			
Payments for/(capital returned) for investments		(6,082,609)	(4,062,547)
Repayments from related parties		64,594,536	1,248,164
Disposal fee and costs		(7,495,182)	-
Net cash from/(used in) investing activities		**51,016,745**	**(2,814,383)**
Cash flows from financing activities			
Proceeds from issue of shares	10	1,588,331	3,380,500
Payments for share buy-backs		(33,419,462)	-
Share issue transaction costs		(153,507)	-
Payments of transaction costs relating to loans		-	(147,260)
Dividends paid	11	(10,722,552)	-
(Repayment)/proceeds of loans from New Energy Solar Fund to New Energy Solar Limited		(499,084)	5,460,178
Net cash from/(used in) financing activities		**(43,206,274)**	**8,693,418**
Net increase in cash and cash equivalents		3,504,818	2,472,860
Cash and cash equivalents at the beginning of the financial year		2,329,798	4,542
Effects of exchange rate changes on cash and cash equivalents		152,718	(147,604)
Cash and cash equivalents at the end of the financial year	**6**	**5,987,334**	**2,329,798**

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NC-31 Blocks 9 and 12 – February 2017

Notes to the Financial Statements

Stanford at sunset – September 2017

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The financial statements cover New Energy Solar Limited (**NEW** or **the Company**). The financial statements are presented in Australian dollars, which is NEW's functional and presentation currency.

NEW a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Level 15, 100 Pacific Highway, North Sydney NSW 2060.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Following the de-stapling of the Company from New Energy Solar Fund (**NESF** or the **Trust**), which was approved by shareholders on 26 June 2021, and the subsequent winding up of NESF and formal de-registration by the Australian Securities and Investments Commission on 14 February 2022, these financial statements and accompanying notes reflect the operating performance, financial position and cash flows, and the principal accounting policies and accompanying notes as they relate to the corporate entity New Energy Solar Limited only.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2022. The directors have the power to amend and reissue the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

NEW has adopted all of the new or revised Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for an accounting period that begins on or after 1 January 2021. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The potential impact of the new or revised Standards and Interpretations which will be applied in the financial year ending 31 December 2021 are not expected to be material. The potential impact of the new or revised Standards and Interpretations that will be effective for years ending on or after 31 December 2022 have not yet been determined.

STANDARD / INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2022 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)	31 December 2022
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2022	31 December 2022
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	31 December 2022
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 June 2021	31 December 2022

BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (**IASB**).

The financial statements have been prepared on an accrual basis and are based on historical cost with the exception of financial assets held at fair value through profit or loss, which are measured at fair value. All amounts are presented in Australian dollars unless otherwise noted.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying NEW's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

REVENUE AND EXPENSES

NEW is indirectly investing in utility scale solar power plants that generate emissions free power via its wholly owned US subsidiary, New Energy Solar US Corp.

Critical accounting estimates The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying NEW's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3. Revenue and Expenses NEW is indirectly investing in utility scale solar power plants that generate emissions free power via its wholly owned US subsidiary, New Energy Solar US Corp. New Energy Solar US Corp is funded by equity from NEW, both of which is denominated in US dollars.

As NEW is considered to meet the definition of an 'investment entity' for accounting purposes (refer to the Basis for non-consolidation note below), New Energy Solar US Corp is not consolidated in NEW's financial statements, rather it is required to be held at fair value in the financial statements.

The impact of this on the financial statements is that the main operating revenues of NEW consist of dividends or returns of capital from New Energy Solar US Corp and the fair value movements in the value of NEW's investment in New Energy Solar US Corp. NEW is also entitled to a Management Service Agreement (**MSA**) fee for the provision of management services to its wholly owned holding company New Energy Solar Holdco # 1 Pty Limited. Net operating income from underlying solar assets held in the US and all underlying subsidiary expenses are reflected through the movement in the fair value of investments in the profit or loss statement.

The underlying cash flows of solar power plants, being revenues from the sale of electricity and renewable energy certificates less expenses, are distributed on a periodic basis from underlying projects through to New Energy Solar US Corp and underpin the ability to pay dividends and returns of capital to NEW as noted above.

Additionally, as NEW's equity investment in New Energy Solar US Corp is denominated in US dollars, and NEW does not currently intend to hedge its exposure to foreign currencies, NEW is also exposed to valuation movements associated with changes in the US dollar/Australian dollar exchange rate.

OPERATING SEGMENTS

NEW currently operates in a single operating segment, being in the business of investing in solar asset plants. Following the sale of NEW's Australian solar power assets during the year, presently NEW's solar assets plants are all located in the United States of America.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency of NEW is Australian dollars.

Transactions in foreign currencies are initially recorded in Australian dollars by applying the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are retranslated at the rate of exchange at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

BASIS FOR NON-CONSOLIDATION

NEW is considered to meet the definition of an 'Investment Entity' as described in AASB 10 'Consolidated Financial Statements' (AASB 10) (refer below). Under AASB 10 an Investment Entity is required to hold its subsidiaries at fair value through the profit and loss rather than consolidate them.

Subsidiaries are entities over which control is exercised. Control exists when the entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

As noted above because NEW is considered to be an investment entity, its financial statements reflect its financial assets, including loan receivables and its investment in direct and indirect subsidiaries, at fair value.

Investment Entity Classification

NEW satisfies the three tests of an Investment Entity described in AASB 10 in consideration of the following factors:

- NEW has multiple investors, having obtained funds from a diverse group of shareholders that would not otherwise have access individually to invest in renewable power generation assets;
- The business purpose of NEW is to invest funds for investment income and potential capital growth. The intended underlying assets, including those held directly or indirectly, will have limited operational lives and therefore minimal residual value and so will not be expected to be held indefinitely; and
- NEW measures and evaluates performance of their existing and intended future underlying investments on a fair value basis which is most relevant for its shareholders.

The Board has also assessed that NEW meets the typical characteristics of an Investment Entity described in AASB 10 in that:

- It is a separate legal entity;
- Ownership interests in the entity are held by a wide pool of investors who are not related parties; and
- Directly through its subsidiaries, it holds a portfolio of investments.

REVENUE RECOGNITION

Dividend and distribution income

Dividend and distribution income are recognised on the date that NEW's right to receive the dividend/distribution is established.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

INCOME TAX

Under current Australian income tax laws, NEW is liable to pay income tax at the prevailing corporate tax rate, currently 30%.

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and NEW intends to settle its current tax assets and liabilities on a net basis.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

TRADE RECEIVABLES AND OTHER SHORT-TERM FINANCIAL ASSETS

Short term trade receivables and other financial assets are recorded at amortised cost if the following conditions are met, otherwise they are measured at fair value:

- where the financial asset is held within a business model with the objective to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specific dates to cash flows that are solely repayment of principal and interest on the principal amount outstanding.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments may be utilised to manage exposure to foreign exchange rate risks (foreign currency forward contracts) and interest rate risks (interest rate swap contracts).

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company and/or the Trust have both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

INTERESTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Pursuant to AASB 128 'Investments in Associates and Joint Ventures', NEW, as an Investment Entity, has elected to measure investments in associates and joint ventures at fair value through profit or loss.

FINANCIAL ASSETS

Being an "Investment Entity", the financial assets of NEW are measured initially and (except for trade receivables and other short term financial assets) on an ongoing basis at fair value through profit or loss. Financial assets of the Company measured at fair value includes investments in subsidiaries, loan receivables and investments in listed equity instruments.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged or cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions at the measurement date. The directors of NEW determine the fair value of subsidiary investments based on underlying assets information received from the Investment Manager. The Investment Manager's assessment of fair value of underlying investments is determined in accordance with AASB 13 – 'Fair Value Measurement', using discounted cash flow principles unless a more appropriate methodology is applied. The Investment Manager may at its discretion source independent valuers to undertake these valuations, or to corroborate the results of its own valuations.

Impairment of financial assets

NEW assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the expected loss, which is recognised in profit or loss.

Debt instruments carried at amortised cost (principally trade receivable balances) are assessed on a forward-looking basis for any lifetime expected credit losses. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and interest receivable, NEW applies the simplified approach permitted by *AASB 9 – 'Financial Instruments'*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

No impairment assessment is performed in respect of financial assets where fair value changes are recorded in profit or loss.

TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to NEW prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

PROVISIONS

Provisions are recognised when NEW has a present (legal or constructive) obligation as a result of a past event, it is probable NEW will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

ISSUED CAPITAL

Ordinary shares are classified as equity. Issued capital is recognised at the fair value of consideration received by NEW.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

DIVIDENDS

Dividends are recognised in the reporting year in which they are declared by the Board of NEW.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders by the weighted average number of share outstanding during the financial year. Diluted earnings per share is the same as there are no potential dilutive ordinary share as at reporting date.

GOODS AND SERVICES TAX ('GST')

Revenues, expenses and assets are recognised net of the amount of GST, except to the extent the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the unrecoverable GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Where fees are stated to be exclusive of GST and GST is payable on any fee, the fee will be increased by an amount equal to the GST payable. Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

COMPARATIVE INFORMATION

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

GOING CONCERN

NEW incurred a loss after tax for the year of $20.2 million. After excluding fair value losses of financial assets and liabilities and disposal fees in relation to asset sales, an operational profit before tax of $1.1 million was recognised. During the financial period, the Company generated net cash outflows from operating activities of $4.3 million, net cash inflows from investing activities of $30.4 million and net cash outflows from financing activities totalling $22.6 million, and had an available cash balance of $6 million at 31 December 2021.

Further, management has prepared a cash flow forecast for the Company for the 14-month period following the reporting date through to 28 February 2023, which incorporates recurring operating cash flows and certain assumptions relating to asset sales and repayment of debt facilities maturing during the forecast period. Included in the cash flow forecast are the following events which occurred during the period, but which impact cash flows subsequent to balance date:

- NEW has satisfactorily progressed extension with KeyBank regarding the US$45.0 million revolving loan facility. The facility, which was scheduled to mature on 31 December 2021, has been extended to 19 July 2024; and
- As announced to the market during the reporting period, the sale process for its two Australian solar plants, being Manildra and Beryl was successfully completed and the proceeds were received in July 2021. The majority of the proceeds from these assets sales assisted NEW to undertake capital management initiatives which included repayment of debt facilities expiring during the forecast, as well as share buybacks. At reporting date, deferred consideration connected with the sales are forecast for collection in 2022.

As a result, the Board is satisfied that NEW will be able to meet its working capital requirements and other obligations for a period of at least 12 months from the date of the financial statements. The Board believes it is appropriate to prepare the financial report on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by NEW for the annual reporting period ended 31 December 2021. NEW has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of NEW's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

INVESTMENT ENTITY CLASSIFICATION

The Board has assessed that NEW continues to meet the definition of an Investment Entity. This assessment includes judgement of the factors supporting Investment Entity classification as set out in note 2.

FAIR VALUE RECOGNITION

As the definition of an Investment Entity under AASB 10 is met, NEW accounts for its subsidiaries at fair value through profit or loss, rather than consolidating them. In performing this fair value assessment equity interests are therefore measured at fair value for financial reporting purposes. Once an underlying operating solar asset held by a subsidiary has been owned for a period of no more than twelve months, the Board will appoint the Investment Manager to produce formal investment valuations on an appropriate basis. Such valuations will be performed at least annually thereafter. The valuations of the solar asset equity interests are based on discounted post tax equity cash flow models which are subject to key estimates and assumptions relating to cost of equity, electricity prices, electricity production, operating expenses, gearing levels and taxation. The valuations include unobservable inputs and will therefore be categorised as Level 3 investments. The Investment Manager may at its discretion source independent valuers to undertake these valuations. Refer note 8 and note 14 for further information relating to fair value assessments.

4. FINANCE INCOME

	2021 $	2020 $
Interest income on cash at bank	**7,741**	**9,834**

5. INCOME TAX

	2021 $	2020 $
Income tax expense/(benefit)		
Current tax	-	-
Deferred tax – in respect of current year	4,363,088	(1,449,138)
Deferred tax – in respect of prior years	-	-
Aggregate income tax expense/(benefit)	**4,363,088**	**(1,449,138)**
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Loss before income tax (expense)/benefit	(15,811,395)	(66,507,103)
Tax at the statutory Australian tax rate of 30%	(4,743,419)	(19,952,131)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Fair value losses not deductible	(1,331,321)	18,479,815
Non-deductible expenses	9,198	23,178
Deferred tax asset on loss derecognised*	10,428,630	-
Income tax expense/(benefit)	**4,363,088**	**(1,449,138)**
Deferred tax assets recognised at balance date comprises		
Tax revenue	-	4,092,593
Deductible temporary differences	-	291,463
Total	**-**	**4,384,056**

* In the year, the Company has derecognised realised and unrealised tax and capital losses of $35 million with the tax effect of $10.4 million.

6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2021 $	2020 $
Cash and bank balances	**5,987,334**	**2,329,798**

7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Other receivables - subsidiary entity, New Energy Solar US Corp	11,023,127	114,538
GST receivable	66,103	26,815
Other receivable	66,717	-
	11,155,947	**141,353**

8. NON-CURRENT ASSETS – FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

NEW owns its existing underlying solar asset portfolio through its immediate subsidiary companies. As an Investment Entity NEW records its equity investment at fair value, which comprises the assessed fair value of the underlying solar asset portfolio and associated debt and the residual net assets of NEW and its controlled entities.

At balance date, the fair value of NEW's total investment in immediate subsidiaries and its controlled entities comprises the following:

		2021 $	2020 $
Investment in New Energy Solar Australia HoldCo #1 Pty Limited	Equity	33,046,318	104,879,695
Investment in New Energy Solar US Corp	Equity	329,079,841	272,489,311
		362,126,159	**377,369,006**

The investment in subsidiaries comprises on a 'look-through' basis as follows:

	2021 $	2020 $
Fair value of equity interests held in solar assets (i)	368,686,830	486,141,490
Fair value of debt in solar assets	427,654,792	732,268,920
Cash or cash equivalents	12,842,338	24,934,950
Loan funding provided by New Energy Solar Fund to New Energy Solar US Corp	-	(56,006,873)
3rd party loan funding provided (ii)	(437,976,510)	(710,693,192)
Fair value of interest rate swaps on 3rd party loan funding provided (ii)	(39,768,489)	(99,573,517)
Deferred tax assets	19,042,966	11,144,600
Other net assets/(liabilities)	11,644,232	(10,847,372)
	362,126,159	**377,369,006**

(i) The balance recorded at 31 December 2021 relates to the company's interest in underlying solar assets constituting the NC-31, NC-47, Stanford, TID, Cypress Creek portfolio, Boulder and a 75% interest in Mount Signal 2 solar power plants. The fair value of these assets totaling $368.7 million is based on a discounted cash flow valuation as further described in note 14.

As disclosed to security holders on 7 June 2021, the Australian Manildra and Beryl solar plants assets held indirectly through the Company's subsidiary New Energy Solar Australia Holdco #1 Pty Limited (NESAH1) at market value of $105.4 million (31 December 2020: $112.2 million) were sold and the transaction was completed on 30 July 2021. Net proceeds of approximately $88 million were available to NEW for capital management initiatives and reduce debt below NEW's long-term gearing target of 50% and undertake both an off-market and on-market buyback.

As disclosed to shareholders on 19 March 2021, NEW closed the first tranche of the sale to US Solar Fund plc (**USF**) of a 25% interest in the 200MWDC Mount Signal 2 solar plant operating in the Imperial Valley of Southern California. The buyer has exercised the option to acquire a further 25% asset interest within a 12-month period of financial close of the Tranche 1 sale for consideration of US$22 million subject to a performance-based adjustment mechanism that can adjust the price upwards or downwards by US$1 million.

(ii) 3rd party loan funding is comprised of the following. Total drawn face value is A$425.3 million and total drawn fair value is A$438.0 million.

HELD BY:	AVAILABLE FACILITY (BASE CURRENCY) (US$M)	DRAWN DOWN FACE VALUE* (BASE CURRENCY) (US$M)	31 DEC 2021 FX RATE	DRAWN FACE VALUE (A$M)	DRAWN FAIR VALUE (A$M)
NES US Funding 1 LLC (i)	19.1	19.1	0.7263	26.3	26.3
NES Antares HoldCo LLC (ii)	58.2	58.2	0.7263	80.1	88.6
NES Perseus HoldCo LLC (iii)	22.7	22.7	0.7263	31.3	35.5
NES Hercules Class B Member LLC (iv)	150.9	150.9	0.7263	207.8	207.8
NES Hercules Class B Member LLC (iv)	6.4	-	0.7263	-	-
NES Galaxy LLC (v)	45.0	36.4	0.7263	50.1	50.1
NES Orion HoldCo LLC (vi)	21.6	21.6	0.7263	29.7	29.7

*Balance outstanding as at 31 December 2021. Facility face values adjusted for committed amortisation payments.

(i) In June 2019, NEW refinanced the existing term credit facility held by NES US Funding 1 LLC, a wholly-owned indirect subsidiary of NEW, with KeyBank National Association to increase the term facility to US$27.3 million. The refinanced term facility is fully amortising and matures in March 2027. The facility has an underlying LIBOR rate which is hedged with a fixed interest rate swap for the full duration of the Loan. As part of the refinancing agreement, KeyBank National Association holds a charge over the NC-31 and NC-47 solar plant assets.

(ii) US$62.5 million senior secured fixed rate notes issued in October 2017 by NES Antares HoldCo LLC, a wholly-owned indirect subsidiary of NEW, to notes purchasers via the United States private placement market. The notes are amortising over 24 years maturing 30 September 2041. As part of the note purchase agreements, the noteholders hold a charge over the Stanford SGS and TID SGS asset interests held.

(iii) US$22.7 million senior secured fixed rate notes issued in July 2018 by NES Perseus HoldCo LLC, a wholly-owned indirect subsidiary of NEW, to notes purchasers via the United States private placement market. The notes are amortising over 18.5 years maturing 28 February 2037. As part of the note purchase agreements, the noteholders hold a charge over NES Perseus HoldCo LLC, the entity which owns the underlying membership interest in the Boulder solar asset.

(iv) US$203.4 million term loan facility held by NES Hercules Class B Member LLC, a wholly-owned indirect subsidiary of NEW, with Santander Bank N.A., Cobank ACB, CIT Bank N.A., Société Générale, Canadian Imperial Bank of Commerce – New York Branch, KeyBank National Association and Seine Funding, LLC as lenders. In March 2020 the previously existing Construction Loan facility was converted to this term facility, which also resulted in the cancellation of the ITC bridge loan facility. As at 31 December 2021, the term loan was fully drawn. The loan matures on 31 January 2028. NEW owns 75% interest in the plant therefore only 75% of the drawn face value and facility size have been recorded.

NES Hercules Class B Member LLC also has a US$8.5 million revolving loan facility which became available at the Term Loan Conversion Date on 31 March 2020. The purpose of this facility is to provide short-term liquidity for the payment of Debt Service and O&M Expense as required by the project. As at 31 December 2021, the revolving loan drawn down value was nil. The loan matures on 31 January 2028. NEW owns 75% interest in the plant therefore only 75% of the available facility value has been recorded.

The Term Loan is secured by the assets of NES Hercules Class B Member LLC with collateral pledges of various material project documents.

(v) US$45.0 million revolving loan and letter of credit facility established in June 2018 held by NES Galaxy LLC, a subsidiary of NEW, with KeyBank National Association (**KeyBank**). As at 31 December 2021, the revolving loan expiring on 19 July 2024 was drawn down to US$36.4 million. This loan is secured by a first lien on cash flows from underlying subsidiaries of NES Galaxy LLC.

(vi) In February 2019, NES Orion HoldCo LLC, a wholly-owned subsidiary of NEW, entered into a US$22.6 million Corporate Revolving Credit Facility with KeyBank National Association. The amortising loan is repayable no later than February 2026. As at 31 December 2021, the loan was drawdown to US$21.6 million. As part of the financing agreement, KeyBank National Association hold a charge over the Cypress Creek solar plant assets.

In addition to the above, the following Letters of Credit have been issued:

- KeyBank National Association has provided Letter of Credit to NES US Funding 1 LLC to the value of US$7.7 million expiring in March and May 2027, and to NES Antares HoldCo LLC to the value of US$21.5 million expiring on 6 June 2027.
- CoBank, ACB provides a Letter of Credit Facility to NES Hercules Class B Member LLC on behalf of Imperial Valley Solar 2, LLC. There are currently two Letters of Credit issued under this facility – a US$17.0 million LC expiring in December 2027 and a US$7.9 million LC expiring in March 2021.
- KeyBank National Association has provided a Letter of Credit to NES Perseus HoldCo LLC to the value of US$8.3 million expiring on 25 July 2028.
- KeyBank National Association has provided a Letter of Credit to NES Orion HoldCo LLC to the value of US$1.7 million expiring on 14 February 2026.
- KeyBank National Association, Ltd has provided a Letter of Credit to NES Galaxy LLC to the value of US$89,979 expiring on 5 February 2022.

Movement in the equity investments associated with NEW in immediate subsidiaries during the year were as follows:

	2021 $	2020 $
Investment in financial assets held at fair value through profit or loss opening balance	377,369,006	353,178,601
Total funds (returned)/invested during the year in New Energy Solar Australia HoldCo #1 Pty Limited	(46,084,102)	(8,544,190)
Total funds invested during the year in New Energy Solar US Corp	52,152,794	94,333,979
Movement in fair value through profit or loss (i)*	(4,588,987)	(61,599,384)
MSA fee income – recognised as other income for the Company (ii)*	(6,000,000)	-
Dividend income (iii)*	(10,722,552)	-
Investment in financial assets held at fair value through profit or loss closing balance	**362,126,159**	**377,369,006**

*Net movement in fair value through profit or loss is a loss of $21,311,539.

(i) NEW's 'movement in fair value' decrement amount of $4.6 million is comprised of a $2.1 million decrease in the value of its investment in its immediate subsidiary New Energy Solar US Corp (NES US), which is net of a $10.7 million decrease from the dividend paid to NEW (refer note (iii) below) an unrealised foreign exchange translation gain of $17.2 million, and a $19.7 million decrease in the value of its investment in its immediate subsidiary New Energy Solar HoldCo #1 (**NESAH1**).

The $2.1 million decrease in the value of its investment in NES US (net decrease from dividend, refer to (iii) below) includes a fair value loss impact of $7.4 million relating to NES US's investment in entities holding its underlying solar assets, offset by a $5.4 million fair value gain in respect of interest bearing loans made to NES US Corp by the Trust that were repaid in full during the year.

As at 31 December 2021, the fair value of NEW's US dollar investment in NES US has been converted to Australian dollars at the prevailing A$:US$ spot rate of 0.7263 (31 December 2020 spot rate 0.7694) resulting in the unrealised foreign exchange gain noted of $17.2 million.

The $19.7 million decrease in the value of its investment in NESAH1 mainly attributable to the difference between the sale price net of transaction fees and costs and the fair value of NESAH1's investments in entities holding its underlying Australian solar assets as a result of the asset sales.

(ii) On 25 May 2021, NEW entered into a Management Services Agreement (MSA) with its subsidiary NESAH1. The Board, with further assistance by delegation of its duties to the Investment Manager, provides strategic management services to NESAH1 relating to its portfolio of Australian Solar assets. The net movement in fair value through and loss for the year to 31 December 2021 includes an MSA fee of $6,000,000 (period to 31 December 2020: $nil). At a group level, this movement is offset at the Company which recognises MSA fee income in the statement of profit or loss and other comprehensive income.

(iii) NES US reported net realised profits and determined a distribution to the Company, for it to pass on to NEW shareholders as current year profits. NEW recognises the dividend income in the statement of profit or loss and other comprehensive income.

9. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	387,771	66,637
Accrued liabilities	160,519	558,238
Other liabilities	20,876	91,878
Other liabilities - New Energy Solar Fund	-	4,982,656
Other liabilities - New Energy Solar Australia HoldCo #1 Pty Limited	10,006,851	1,669,999
	10,576,017	**7,369,408**

The average credit period for trade payables is generally 30 days. No interest is charged on trade payables from the date of invoice. NEW has risk management policies to ensure payables are paid within credit terms.

Refer to note 13 for further information on financial instruments.

10. EQUITY – ISSUED CAPITAL

	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares – fully paid	320,587,986	355,269,911	447,284,628	424,480,516

Details	Date	Shares	$
Balance	**1 January 2020**	**351,059,886**	**339,372,774**
Capital reallocation – December 2020		-	81,727,242
Issue of securities – February 2020		2,282,068	2,002,451
Issue of securities – August 2020		1,927,957	1,378,049
Balance	**31 December 2020**	**355,269,911**	**424,480,516**
Issue of securities – March 2021		2,148,490	1,588,331
Capital reallocation – June 2021		-	54,741,257
Share buybacks		(36,830,415)	(33,419,462)
Issue and share buyback costs (net of tax)		-	(106,014)
Balance	**31 December 2021**	**320,587,986**	**447,284,628**

All issued shares are fully paid. The holders of shares were entitled to one vote per share at meetings of the Company and are entitled to receive dividends declared from time to time by NEW.

SHARE BUY-BACK

NEW announced an on-market security buyback program on 31 May 2021 to be conducted over the period from 16 June 2021 to 1 June 2022. Practically, the on-market buyback was undertaken following the completion of the Australian solar asset sales and subsequent off-market buyback as an active capital management tool to provide liquidity to existing shareholders who sought to exit their investment at a discount to net asset value (**NAV**). Since the completion of the off-market buyback, NEW commenced an on-market buyback, within any applicable ASX trading restrictions. On 11 February 2022, NEW issued a business update announcement advising that the Board would be revisiting the recommendations of its Strategic Review and that, as a result, the on-market buyback would not operate at this time.

11. EQUITY – DIVIDENDS

Dividends paid during the financial year were as follows:

	2021 $	2020 $
Interim dividend for the six-months ended 30 June 2021 of 3 cents (30 June 2020: nil cents) per ordinary share	**10,722,552**	-

In the prior period, and prior to the de-stapling of the Company and the Trust, distributions of $10.6 million were paid to securityholders by the Trust.

Dividends paid or declared by the Company during, or since the end of the year were as follows:

- Dividend of 3 cents per share for the six months ended 30 June 2021, paid on 26 August 2021 amounting to $10,722,552.
- Dividend of 1 cent per share for the six months to 31 December 2021, announced on 11 February 2022, to be paid on or around 6 April 2022.

12. OPERATING SEGMENTS

IDENTIFICATION OF REPORTABLE OPERATING SEGMENTS

NEW operated solely in a single segment being investing in solar assets. Solar assets were in Australia and the United States of America. Revenue, profit/(loss), net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Statement of Profit & Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

The Board is considered to represent the CODM for the purposes of assessing performance and determining the allocation of resources.

GEOGRAPHICAL INFORMATION

NEW operates in two principal geographic areas – Australia (country of domicile) and the United States of America.

NEW 's revenue and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	INCOME		NON-CURRENT ASSETS	
	2021 $	2020 $	2021 $	2020 $
Revenue				
Australia	(19,736,947)	(8,770,025)	33,046,318	104,879,695
United States of America	15,313,005	(52,967,129)	329,079,841	272,489,311
	(4,423,942)	**(61,737,154)**	**362,126,159**	**377,369,006**

13. FINANCIAL INSTRUMENTS

CAPITAL MANAGEMENT

NEW manages its capital to ensure it will be able to continue as a going concern, while maximising the return to shareholders. NEW's principal use of cash raised was to fund investments as well as ongoing operational expenses.

The directors monitor and review the broad structure of NEW on an ongoing basis. At balance date, the capital structure consists of equity only. There are no externally imposed capital requirements.

FINANCIAL RISK MANAGEMENT OBJECTIVES

NEW is exposed to the following risks from its use of financial instruments:

- market risk (market price risk, foreign exchange risk and interest rate risk)
- credit risk
- liquidity risk.

The Board has overall responsibility for the establishment and oversight of the risk management framework, including developing and monitoring risk management policies.

A) MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices. NEW is primarily exposed to market risks arising from fluctuations in market prices, foreign currency and interest rates. Refer to note 14 for further details of market price risk relating to NEW's investment portfolio.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency. Foreign exchange rate movements will impact on the Australian dollar value of NEW 's financial assets and liabilities denominated in a currency that is not NEW's functional currency.

NEW is exposed to US$ foreign exchange risk through their US$ denominated cash and receivable balances, their investment activities and income derived from these activities.

The table below details the carrying amounts of NEW's foreign currency denominated assets and liabilities (US$) at the reporting date that are denominated in a currency different to the functional currency. This represents the Australian dollar exposure, converted at an exchange rate of 0.7263 at 31 December 2021.

	2021	2020
	$	$
Cash and cash equivalents	4,721	96
Financial assets (equity investments)	329,079,841	272,489,311
Other receivables - subsidiary entity, New Energy Solar US Corp	11,023,127	114,538
	340,107,689	**272,603,945**

Sensitivity Analysis

The effect of the foreign exchange risk relating to equity investments (in New Energy Solar US Corp) is recorded in profit or loss as part of the overall fair value movement in the assets. The effect of foreign exchange risk relating to cash and cash equivalents, and other receivables is recorded in profit or loss as a foreign exchange gain or loss.

NEW considers a 5% movement in the A$ against US$ as at balance date to be a reasonable possibility at the end of the reporting period. The impact of the strengthening and weakening of A$ against US$ in profit or loss is shown by the amounts below as it relates to cash and cash equivalents, debt investments and other receivables. This analysis assumes that all other variables remain constant.

		AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX		AUD WEAKENED EFFECT ON PROFIT BEFORE TAX
2021	**% Change**	**$**	**% Change**	**$**
Cash and cash equivalents	5%	(225)	(5%)	248
Financial assets (equity investments)	5%	(15,670,469)	(5%)	17,319,992
Financial assets (loans receivables)	5%	(524,911)	(5%)	(580,165)
		(16,195,605)		**16,740,075**

		AUD STRENGTHENED EFFECT ON PROFIT BEFORE TAX		AUD WEAKENED EFFECT ON PROFIT BEFORE TAX
2020	**% Change**	**$**	**% Change**	**$**
Cash and cash equivalents	5%	(5)	(5%)	5
Financial assets (equity investments)	5%	(12,975,681)	(5%)	14,341,543
		(12,975,686)		**14,341,548**

In management's opinion the above sensitivity analysis is not representative of the inherent foreign exchange risk,

as the period end exposure does not necessarily reflect the exposure during the course of the entire period.

Interest rate risk

Interest rate risk is the risk that cash flows associated with financial instruments will fluctuate due to changes in market interest rates.

NEW was directly exposed to interest rate risk on their variable rate bank deposits and currently does not hedge against this exposure.

Sensitivity analysis

NEW considers a 50-basis point increase or decrease to be a reasonably possible change in interest rates. The impact of a 50-basis point movement in interest rates on profit or loss and equity is shown in the table below.

2021	+50 BASIS POINTS EFFECT ON PROFIT BEFORE TAX $	EFFECT ON EQUITY	-50 BASIS POINTS EFFECT ON PROFIT BEFORE TAX $	EFFECT ON EQUITY
Variable rate deposits	**29,937**	**-**	**(29,937)**	**-**

2020	+50 BASIS POINTS EFFECT ON PROFIT BEFORE TAX $	EFFECT ON EQUITY	-50 BASIS POINTS EFFECT ON PROFIT BEFORE TAX $	EFFECT ON EQUITY
Variable rate deposits	**11,649**	**-**	**(11,649)**	**-**

NEW did not hold significant cash balances exposed to interest rates in other currencies and did not have any borrowings or other financial liabilities or assets with direct exposure to changes in interest rates and accordingly was not exposed to material interest rate risk.

B) CREDIT RISK

Credit risk is the risk that contracting parties to a financial instrument will cause a financial loss for NEW by failing to discharge an obligation. NEW manages credit risk by ensuring deposits are made with reputable financial institutions and power purchase agreements with underlying solar projects are made with investment grade counterparties.

The majority of funds of the Company was deposited with Australia and New Zealand Banking Group Limited and Macquarie Bank Limited.

The carrying amount of financial assets that represents the maximum credit risk exposure at the reporting date are detailed below:

	2021 $	2020 $
Summary of exposure		
Cash and cash equivalents	5,987,334	2,329,798
Other receivables – related party	11,023,127	114,538
GST receivables	66,103	26,815
	17,076,564	**2,471,151**

C) LIQUIDITY RISK

Liquidity risk is the risk that NEW will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. NEW 's approach to managing liquidity is to ensure, as far as possible, that they will always have sufficient liquidity to meet their liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to NEW's reputation.

NEW's liquidity primarily comprised cash at bank totalling $5,987,334 at which was held to cover their day-to-day running costs and expenditures.

The following is the contractual maturity of financial liabilities. The table has been drawn based on the undiscounted cash flows of liabilities based on the earliest date on which NEW can be required to settle the liability.

	ON CALL	LESS THAN 12 MONTHS	REMAINING CONTRACTUAL MATURITIES
2021	**$**	**$**	**$**
Non-derivatives			
Non-interest bearing			
Trade and other payables	-	10,576,017	-
Total non-derivatives	**-**	**10,576,017**	**-**

	ON CALL	LESS THAN 12 MONTHS	REMAINING CONTRACTUAL MATURITIES
2020	**$**	**$**	**$**
Non-derivatives			
Non-interest bearing			
Trade and other payables	-	7,369,408	-
Total non-derivatives	**-**	**7,369,408**	**-**

14. FAIR VALUE MEASUREMENT

NEW is exposed to market price risk based on investments in underlying solar assets which were measured on a fair value basis.

FAIR VALUE

The fair value of financial assets and financial liabilities approximate their carrying values at the reporting date.

The table below analyses recurring fair value measurements for financial assets. The fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to the valuation techniques used. The different levels are defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2021	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $
Assets			
Financial assets held at fair value through profit or loss	-	-	362,126,159
Total assets	**-**	**-**	**362,126,159**

2020	LEVEL 1 $	LEVEL 2 $	LEVEL 3 $
Assets			
Financial assets held at fair value through profit or loss	-	-	377,369,006
Total assets	**-**	**-**	**377,369,006**

Refer below for a description of the valuation basis adopted for the material asset class constituting NEW's equity investment in its subsidiaries, being the underlying solar assets held at balance date.

TRANSFERS DURING THE YEAR

NEW recognises transfers between levels of the fair value hierarchy during the reporting period which the transfer has occurred. There were no transfers between levels during the financial period.

Reconciliation of level 3 fair value measurements

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

	INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS $
Balance at 1 January 2020	353,178,601
Losses recognised in profit or loss	(61,599,384)
Return of capital during the year from New Energy Solar Australia HoldCo #1 Pty Limited	(8,544,190)
Total funds invested during the year in New Energy Solar US Corp	94,333,979
Balance at 31 December 2020	**377,369,006**
Return of capital during the year from New Energy Solar Australia HoldCo #1 Pty Limited	(46,084,102)
Total funds invested during the year in New Energy Solar US Corp	52,152,794
Losses recognised in profit or loss	(4,588,987)
MSA fee income - recognised as other income for the Company	(6,000,000)
Dividend income	(10,722,552)
Balance at 31 December 2021	**362,126,159**

SOLAR ASSET VALUATION METHODOLOGY AND PROCESS

For investments in underlying entities holding solar assets which are operational at balance date, the Board bases the fair value of the investments on valuation information received from the Investment Manager. At a minimum, valuations will be performed annually and otherwise as determined by the Board. The investment Manager engages suitably qualified independent valuation firms to assist in its assessment of fair value.

The Board reviews and considers the fair value arrived at by the Investment Manager, including any independent external valuation obtained, before making their assessment of the fair value of the investments. Fair value is calculated with reference to a discounted cash flow (**DCF**) methodology.

In a DCF analysis, the underlying investment entity valuation is derived using discounted post tax equity cash flows that are comprised of cash flows from the underlying solar assets after allowing for debt. The future cash flows incorporate a range of operating assumptions for revenues, costs, gearing, and an appropriate post tax cost of equity range. Given the long-term nature of the solar asset investments, the valuation inputs are assessed using long-term historical data to reflect the asset's lives. Where possible, assumptions are based on observable market and externally sourced technical data. The Investment Manager uses technical experts such as independent engineers to assess operating and asset life assumptions as well as long-term electricity price forecasters to provide reliable long-term data of use in valuations.

In the current reporting period, an independent valuation of the equity interest held in underlying entities holding of each of NEW's solar power assets was obtained.

FAIR VALUE OF SOLAR ASSET INVESTMENTS

As at 31 December 2021, the fair value of equity interests held in operating solar asset investments (valued by DCF methodology) was $368.7 million, comprising:

PLANT	FAIR VALUE AS AT 31 DECEMBER 2021 (US$ million)	FAIR VALUE AS AT 31 DECEMBER 2020 (US$ million)
Stanford/TID	69.3	74.1
NC-31/NC-47	62.3	62.3
Boulder Solar I	35.3	35.0
Rigel	23.6	25.5
MS2	77.2	90.8
Subtotal US plants (US$)	**267.7**	**287.7**
A$ to US$ foreign exchange rate at balance date	0.7263	0.7694
Subtotal US plants (A$)	**368.7**	**373.9**
Manildra	-	51.1
Beryl	-	61.1
Subtotal AUS plants (A$)	**-**	**112.2**
TOTAL (A$)	**-**	**486.1**

The fair value of NEW's renewable energy asset investments as at 31 December were determined as described above, using a cost of equity range of 5.00% to 5.75% for contracted cash flows, and 5.75% to 6.75% for uncontracted cash flows.

NEW has established a control framework with respect to measurement and assessment of fair values. The Board has overall responsibility for analysing the performance and fair value movements of underlying US investments during each reporting period.

While NEW's day-to-day operations have continued relatively unimpacted by the effects of COVID-19 variants, the Investment Manager has identified a number of potential longer-term risks impacting both the current period and potentially future period solar asset values. The unfavourable macroeconomic impact of the pandemic, together with the high degree of uncertainty as to future economic conditions (particularly the outlook for US inflation) may impact the future availability and cost of debt, and more broadly volatility in the electricity market pricing. These factors may impact the future fair value of solar plant interests held by NEW.

SENSITIVITY ANALYSIS

Set out below are the key assumptions the Board believes would have a material impact upon the fair value of NEW's solar asset investments and NAV per Share should they change. The following sensitivities assume the relevant input is changed over the entire useful life of each of the underlying renewable energy assets, while all other variables remain constant. All sensitivities have been calculated independently of each other.

The Board considers the changes in inputs to be within a reasonable expected range based on their understanding of market transactions. This is not intended to imply that the likelihood of change or that possible changes in value would be restricted to this range.

		31 DECEMBER 2021		31 DECEMBER 2020	
Input	**Change in input**	**Change in fair value of investments (A$ million)**	**Change in NAV per Share (A$ cents)**	**Change in fair value of investments (A$ million)**	**Change in NAV per Share (A$ cents)**
AUD/USD foreign exchange rate (+/-5%)	5.0%	(17.2)	(5.4)	(17.8)	(5.0)
	- 5.0%	19.0	5.9	19.6	5.5
Discount rate (+/- 0.5%)	0.5%	(26.9)	(8.4)	(36.6)	(10.3)
	- 0.5%	29.9	9.3	39.7	11.2
Electricity production (change from P50)	P90	(73.2)	(22.8)	(103.2)	(29.1)
	P10	57.7	18.0	91.4	25.7
Merchant Period Electricity Prices	- 10.0%	(30.1)	(9.4)	(46.9)	(13.2)
	10.0%	29.9	9.3	46.7	13.1
Operations and maintenance expenses	10.0%	(25.7)	(8.0)	(34.9)	(9.8)
	- 10.0%	23.8	7.4	32.4	9.1

FOREIGN EXCHANGE RATE

The fair value of NEW's solar asset investments located in the United States of America are first determined in US$ for financial reporting purposes. The sensitivity shown looks at the impact of a change in the A$ to US$ exchange rate. A 5% appreciation and 5% depreciation of the assumed US$ to A$ exchange rate (of A$: US$0.7263 as at 31 December 2021) has been considered to determine the resultant impact on NEW's fair value of investments and NAV per Share.

DISCOUNT RATE

As at 31 December 2021, the fair value of the underlying solar asset investments were determined using a post-tax cost of equity approach based on the Capital Asset Pricing Model. This approach takes into account long-term assumptions regarding risk-free rates, market risk premia, gearing, counterparty quality and asset specific items.

The post-tax cost of equity range used is 5.00% to 5.75% for contracted cash flows, and 5.75% to 6.75% for uncontracted cash flows.

The sensitivity demonstrates the impact of a change in the post-tax cost of equity applied to the equity interest of all of NEW's renewable energy asset investments as at 31 December 2021. A range of + / - 0.5% has been considered to determine the resultant impact on NEW's NAV per Share and the fair value of its solar asset investments.

ELECTRICITY PRODUCTION

NEW's solar asset investments are valued based upon a forecast P50 solar energy generation profile (being a 50% probability that this generation estimate will be met or exceeded). A technical adviser has derived this generation estimate by taking into account a range of irradiation datasets, satellite and ground-based measurements, and site-specific loss factors including module performance degradation, module mismatch and inverter losses. These items are then considered in deriving the anticipated production of the individual solar asset (MWh per annum) based upon a 50% probability of exceedance.

The sensitivity shown looks at the impact on the fair value of solar asset investments and NAV per Share of a change of production estimates to P90 (90% likely probability of exceedance) and a P10 generation estimate (10% probability of exceedance).

As P10 generation estimates were not independently obtained for each solar asset on or about the time of the asset acquisition, the Board has determined a proxy P10 estimate for those assets by assessing the relationship between the independently determined P50 and P90 generation estimates for each of the assets in the Operating Portfolio (e.g. a 1-year P90 generation estimate might be 92.5% of a 1-year P50 generation estimate, implying that it is 7.5% lower than the P50 generation estimate).

In determining the proxy P10 generation estimate, the Board has assumed that the relationship between a P50 generation estimate and a P10 generation estimate is the same as that between a P50 generation estimate and a P90 generation estimate in absolute terms. Therefore a 1-year P10 generation estimate by this methodology would be 107.5% (i.e. 100% + 7.5%) of the asset's P50 generation estimate.

MERCHANT PERIOD ELECTRICITY PRICES

Each of the assets underlying NEW's solar asset investments have long-term PPAs in place with creditworthy energy purchasers and thus the PPA prices are not impacted by energy price changes during this period. For the post-PPA period of each solar asset, the Board uses long-term electricity price forecasts that have been prepared by a market consultant in their determination of the fair value of NEW's operating solar asset investments. As noted above the COVID-19 pandemic poses risks in the form of economic uncertainty and related volatility in future electricity price forecasts applicable to the post PPA periods.

The sensitivities show the impact of an increase / decrease in power prices for each year of the power price curve for each plant over the plant's remaining economic life after the conclusion of the existing PPAs. A flat 10% increase/ decrease in market electricity prices from forecasted levels over the remaining asset life of all plants have been used in the sensitivity analysis.

OPERATING EXPENSES

The operating costs of the assets underlying NEW's solar asset investments include annual operations and maintenance (**O&M**), asset management (**AM**), insurance expenses, land lease expenses, major maintenance and general administration expenses.

The sensitivity above assumes a 10% increase/decrease in annual operating costs for all underlying assets and the resultant impact on NEW's fair value of investments and NAV per Share.

15. CONTROLLED AND JOINTLY CONTROLLED ENTITIES

As an 'Investment Entity' NEW recognises all underlying investments in their direct and indirect subsidiaries and jointly controlled entities at fair value through profit or loss. Below is the legal name for the Holding Company and the remaining legal entities controlled or jointly controlled through the investment in the HoldCo entities at reporting date.

New Energy Solar US Corp. and New Energy Solar Australia HoldCo #1 Pty Limited are directly held and all other entities are indirectly held.

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	ECONOMIC INTEREST 2021	ECONOMIC INTEREST 2020
New Energy Solar US Corp.	United States of America	HoldCo	100.00%	100.00%
NES Rosamond 1S, LLC	United States of America	SPV	100.00%	100.00%
SSCA XLI Class B Member HoldCo, LLC	United States of America	SPV	99.90%	99.90%
SSCA XLI Class B Member, LLC	United States of America	SPV	99.90%	99.90%
NES Rosamond 2T, LLC	United States of America	SPV	100.00%	100.00%
GFS I Class B Member HoldCo, LLC	United States of America	SPV	99.90%	99.90%
GFS I Class B Member, LLC	United States of America	SPV	99.90%	99.90%
NES US NC-31 LLC	United States of America	SPV	100.00%	100.00%
NES US NC-47 LLC	United States of America	SPV	100.00%	100.00%
NES US Funding 1, LLC	United States of America	SPV	100.00%	100.00%
NES Antares HoldCo, LLC	United States of America	SPV	100.00%	100.00%
NES Orion HoldCo, LLC	United States of America	SPV	100.00%	100.00%
NES Callisto Lender, LLC (ii)	United States of America	SPV	-	100.00%
SSCA XLI Holding Company, LLC (i)	United States of America	SPV	-	-
GFS I Holding Company, LLC	United States of America	SPV	-	-
US-NC-31 Sponsor, LLC	United States of America	SPV	100.00%	100.00%
IS-31 Holdings, LLC (i)	United States of America	SPV	-	-
Innovative Solar 31, LLC (i)	United States of America	SPV	-	-
US-NC-47 Sponsor, LLC	United States of America	SPV	100.00%	100.00%
IS-47 Holdings, LLC (i)	United States of America	SPV	-	-
Innovative Solar 47, LLC (i)	United States of America	SPV	-	-
NES Rigel HoldCo, LLC	United States of America	SPV	100.00%	100.00%
NES Rigel MM, LLC	United States of America	SPV	100.00%	100.00%
NES Rigel Tenant, LLC (i)	United States of America	SPV	-	-
NES Rigel Lessor, LLC (i)	United States of America	SPV	-	-
New Energy Solar Australia HoldCo #1 Pty Limited	Australia	Holdco	100.00%	100.00%
NES Galaxy, LLC	United States of America	SPV	100.00%	100.00%
NES Perseus HoldCo, LLC	United States of America	SPV	100.00%	100.00%
BSPCB Class B Member, LLC	United States of America	SPV	100.00%	100.00%
BSP Class B Member Holdco, LLC (i)	United States of America	SPV	-	-
BSP Class B Member, LLC (i)	United States of America	SPV	-	-

NAME OF ENTITY	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES	ECONOMIC INTEREST 2021	ECONOMIC INTEREST 2020
BSP Holding Company, LLC (i)	United States of America	SPV	-	-
NES Hercules HoldCo, LLC	United States of America	SPV	75.00%	100.00%
NES Hercules Class B Member, LLC	United States of America	SPV	75.00%	100.00%
NES Hercules Buyer, LLC	United States of America	SPV	75.00%	100.00%
NES Hercules TE Holdings, (i)	United States of America	SPV	-	-
NES Hercules Project Holdings, LLC (i)	United States of America	SPV	-	-
NES Hercules ProjectCo, LLC (i)	United States of America	SPV	-	-
Imperial Valley Solar 2, LLC (i)	United States of America	SPV	-	-
NES IVS Holdings, LLC (ii)	United States of America	SPV	-	100.00%
NES SREC Holdco, LLC	United States of America	SPV	100.00%	100.00%
VivoRex, LLC	United States of America	SPV	100.00%	100.00%
Manildra Hold Trust	Australia	SPV	-	100.00%
Manildra Prop Hold Pty Limited	Australia	SPV	-	100.00%
Manildra Asset Trust	Australia	SPV	-	100.00%
Manilda Prop Pty Limited	Australia	SPV	-	100.00%
Manildra Finco Pty Limited	Australia	SPV	-	100.00%
Manildra Solar Farm Pty Limited	Australia	SPV	-	100.00%
FS NSW Project No 1 Hold Trust	Australia	SPV	-	100.00%
FS NSW Project No 1 HT Pty Limited	Australia	SPV	-	100.00%
FS NSW Project No 1 Asset Trust	Australia	SPV	-	100.00%
FS NSW Project No 1 AT Pty Limited	Australia	SPV	-	100.00%
FS NSW Project No 1 Finco Pty Limited	Australia	SPV	-	100.00%

(i) The economic interest percentage held is not readily determinable since the investors have different classes of shares with entitlements which change over time, including preferential entitlements and entitlements to tax losses.

(ii) Entity was dissolved during the year.

16. KEY MANAGEMENT PERSONNEL

DIRECTORS

The following persons were directors of New Energy Solar Limited during the financial year:

Jeffrey Whalan Non-Executive Chair

James Davies Non-Executive Director

John Holland Non-Executive Director

Maxine McKew Non-Executive Director

John Martin Non-Independent, Non-Executive Director (from 1 October 2021)*

*Prior to 1 October 2021, John was an executive director. John remains as a non-independent director because he was an officer of New Energy Solar Manager Pty Limited within three years of the date of this report. John resigned as an officer of New Energy Solar Manager Pty Limited on 26 August 2021.

KEY MANAGEMENT PERSONNEL REMUNERATION

The aggregate compensation made to directors and other members of key management personnel of the Company is set out below:

	2021 $	2020 $
Short-term benefits	255,817	213,779
Superannuation	16,683	12,471
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Other	18,000	18,000
	290,500	**244,250**

17. RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 16.

INVESTMENT IN OTHER ENTITY MANAGED BY THE INVESTMENT MANAGER

Related Party Fees

John Martin is a director of New Energy Solar Limited at the date of this report and was also a director of New Energy Solar Manager Pty Limited, the Investment Manager, until 26 August 2021. The fees below represent the total transactions between the Company and the Investment Manager for the year ended 2021, however only the fees relating to the period up to 26 August 2021 are deemed related party transactions.

	2021 $	2020 $
Paid or payable for the year ended:		
Investment Manager Fee (a)	1,286,385	1,466,521
Project Management Fee (b)	-	25,308
Asset Management Fee (c)	763,660	462,474
Disposal Fee (d)	3,971,536	-
Fund Administration Fee (e)	114,000	86,400
	6,135,581	**2,040,703**

(A) INVESTMENT MANAGEMENT FEE

New Energy Solar Manager Pty Limited, as Investment Manager of NEW and for part of the period E&P Investment Pty Ltd as Responsible Entity for the Trust (together the "Fund") receives an Investment Manager Fee based on the sliding scale fee structure as set out below. Fees are calculated on the Enterprise Value of the Fund, payable quarterly in arrears.

Effective 16 April 2019, the Investment Manager waived payment of part of the Base Management Fee that's otherwise payable by the Fund in respect of its investment in US Solar Fund plc (**USF**). The Enterprise Value used to calculate the Base Management Fee is reduced by market value of the Fund's investment in USF.

The waiver results in a lower Base Management Fee structure set out in the following table:

	BASE MANAGEMENT FEE (% OF ENTERPRISE VALUE (EV))	ACQUISITION AND DISPOSAL FEE (% OF CUMULATIVE PURCHASE PRICE OR NET SALE PROCEEDS)
Threshold Value		
< A$1.0bn	0.625%	1.50%
A$1.0bn to A$1.5bn	0.55%	0.90%
A$1.5bn to A$2.0bn	0.40%	0.90%
> A$2.0bn	0.40%	0.40%

Threshold Value means:

Base Management Fee – Percentage of Enterprise Value: Enterprise Value is calculated as the total of NEW's market capitalisation, external borrowing, debt or hybrid instruments issued by NEW as defined in the Investment Management Agreement. All fees are applied on a marginal basis to each Threshold Value band and calculated at the end of each quarter. For example, the revised Base Management Fee for a Threshold Value of A$1,500 million would be A$9.0 million (excluding GST) which is the sum of (A$1,000 million multiplied by 0.625%) and (A$500 million multiplied by 0.55%).

Total Investment Management fees paid or payable for the period ended 31 December 2021 was $1,286,385 (31 December 2020: $1,466,521), exclusive of GST, and included in Investment management fees in profit or loss.

Acquisition and Disposal Fee – **Percentage of Cumulative Purchase Price or Net Sale Proceeds**: Purchase Price and Sale price as defined in the Investment Management Agreement and assessed in A$ at the time the purchase or sale takes effect where purchases add to the cumulative total and sales reduce the cumulative total. All fees are applied on a marginal basis to each Cumulative Purchase Price or Net Sale Proceeds band. Gross purchase price and gross sale price as they are referred to in the definitions of Purchase Price and Net Sale Proceeds respectively mean the value of the equity and debt of an Asset acquired or disposed.

(B) PROJECT MANAGEMENT FEE

New Energy Solar US Corp, a subsidiary of the Company, entered into a non-exclusive arrangement dated 27 October 2017 with NES Project Services, LLC for the provision of asset management, operations and maintenance services and/or construction management services (Services). The agreement is for an initial one year term, with rolling one year extensions if the agreement has not been terminated. The Services will be provided upon request by NES US Corp. at market rates. The primary focus of these activities is to ensure that construction service providers successfully deliver projects on time and cost. Key tasks include construction project management, regular site visits, contract supervision, identification and resolution of potential issues and construction payment approvals. For the year ended 31 December 2021, $nil project services fees (31 December 2020: $25,308) were paid or payable by New Energy Solar US Corp, a Controlled Entity of the Company.

(C) ASSET MANAGEMENT SERVICE FEE

New Energy Solar US Corp, a subsidiary of NEW, entered into a non-exclusive arrangement dated 17 September 2018 with NES Project Services, LLC for the provisions of asset management services in relation to construction and operation of solar farms. The Services will be provided upon request by NES US Corp, at an agreed hourly rate.

Key tasks include facility development and operations services, insurance, government approvals, reporting and inspections.

For the full-year ended 31 December 2021, asset management fees of $763,660 (31 December 2020: $462,475) calculated at average exchange rate were paid or payable by New Energy Solar US Corp, a Controlled Entity of NEW.

(D) DISPOSAL FEE

New Energy Solar Manager Pty Limited, in its capacity as Investment Manager, is responsible for identifying and providing recommendations to NEW with respect to Asset acquisitions and disposals, sourcing and undertaking due diligence investigations, recommending solar energy asset acquisitions as well as advising, providing recommendations, and executing investment exit strategies.

The Investment Manager receives a Disposal fee based on the sliding scale fee structure in Table 1 under "Investment Manager Fee" above. The fees are calculated on the sale pricing (excluding selling costs) of assets disposal by NEW or its respective Controlled Entities. The Disposal fee is payable to the Investment Manager upon completion of the disposal of any assets by NEW or its Controlled Entities, and pro-rated fee payment in the case of an disposal by instalments/part-payments.

For the full-year ended 31 December 2021, Disposal fee of $3,971,536 (31 December 2020: nil), exclusive of GST, was paid or payable to the Investment Manager by NEW.

(E) FUND ADMINISTRATION SERVICES

Australian Fund Accounting Services Pty Limited, a related party of the Investment Manager, provides fund administration services to the Company under an agreement with the Investment Manager. Time spent by staff is charged to the Company at agreed rates up to an annual cap. These services include net asset valuation, management accounting, statutory reporting, capital management and taxation.

Total fund administration fees paid or payable for the period ended 31 December 2021 was $114,000 (31 December 2020: $86,400), exclusive of GST, and included in Accounting and audit fees in profit or loss.

18. REMUNERATION OF AUDITORS

During the financial period the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	2021	2020
	$	$
Deloitte Touche Tohmatsu		
Audit or review of the financial statements*	274,800	200,880
Other advisory services	1,155	37,800
Taxation services*	92,874	5,250
	368,829	**243,930**

*New Energy Solar Limited has agreed to bear the fees paid or payable to Deloitte Touche Tohmatsu for audit and taxation services incurred.

Fees were also paid by subsidiaries of NEW to Deloitte Touche Tohmatsu as follows:

Audit of subsidiary financial statements:	$124,800 (2020: $120,000)
Taxation services:	$2,400 (2020: $2,400)

Fees were also paid by subsidiaries of NEW to other firms affiliated with the parent auditor, including Deloitte Tax LLP as follows:

Taxation services:	Nil (2020: $11,671)

19. CAPITAL COMMITMENTS

As at 31 December 2021, NEW does not have any direct outstanding capital commitments.

20. CONTINGENT LIABILITIES

Other than as disclosed in the financial report, the Board is not aware of any other potential liabilities or claims against NEW as at the end of the reporting period.

21. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2021 $	2020 $
Loss after income tax (expense)/benefit for the year	(20,174,483)	(65,057,965)
Adjustments for:		
Payment of transaction costs relating to disposal of assets	7,495,182	-
Fair value movement of financial assets at fair value through profit or loss	21,311,539	61,599,384
Net foreign exchange (gains)/losses	(152,717)	147,604
Amortisation of deferred borrowing costs	-	1,067,649
Payments of transaction costs relating to loans and borrowings	-	147,260
Change in operating assets and liabilities:		
– Increase in receivables	(10,999,812)	(102,612)
– Decrease/(increase) in deferred tax assets	4,431,548	(1,449,138)
– (Decrease)/increase in payables	(6,148,450)	227,897
– (Increase)/decrease in provision for income tax	(68,459)	13,746
Net cash used in operating activities	**(4,305,653)**	**(3,406,175)**

22. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	OTHER LIABILITIES $
Balance at 1 January 2020	-
Non-cash transactions	(477,522)
Financing cash movements	5,460,178
Balance at 31 December 2020	4,982,656
Financing cash movements	(499,084)
Non-cash transactions	(4,483,572)
Balance at 31 December 2021	**-**

23. EARNINGS PER SHARE

	2021 $	2020 $
Loss after income tax	(20,174,483)	(65,057,965)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	350,277,183	353,061,372
Weighted average number of ordinary units used in calculating diluted earnings per unit	**350,277,183**	**353,061,372**
	Cents	**Cents**
Basic earnings per share	(5.76)	(18.43)
Diluted earnings per share	(5.76)	(18.43)

There are no transactions that would significantly change the number of units at the end of the reporting period.

24. EVENTS AFTER THE REPORTING PERIOD

On 11 February, the Board announced an unfranked dividend of 1 cent per share for the six-months ended 31 December 2021, payable on or around 6 April 2022.

On 10 February 2022, US Solar Fund plc announced its intention to exercise its option over a second 25% tranche of Mt Signal 2. Pursuant to the agreement signed in December 2020, the acquisition price for the second tranche was US$21 million, with financial close anticipated in April 2022. The investment value of MS2 at 31 December 2021 shown in the balance sheet reflects the fair market value of NEW's 75% interest in the solar power plant on a discounted cash flow basis at that time, unadjusted for option value.

On 11 February 2022, the Board advised that following its Strategic Review announced in October 2020 and the implementation of measures recommended by the review to reduce the share price discount to net asset value of the business, it had assessed the impact of the first phase of the Strategic Review. The Board recognised that the first phase had succeeded in reducing gearing and returning some value to shareholders. However, as the NEW share price has continued to trade at a significant discount to net asset value, the Board and its adviser RBC Capital Markets are revisiting the recommendations of the Strategic Review with the objective of maximising shareholder value. These recommendations include the sale of NEW's remaining United States solar assets either in whole-of-portfolio or individual asset transactions.

Other than the matter noted above, no matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect NEW's operations, the results of those operations, or NEW's state of affairs in future financial years.

Directors' Declaration

FOR THE YEAR ENDED 31 DECEMBER 2021

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, including compliance with the Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of NEW's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that NEW will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Board

JEFFREY WHALAN

Chair of the NEW

25 February 2022

Independent Auditor's Report

FOR THE YEAR ENDED 31 DECEMBER 2021

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

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Independent Auditor's Report
to the Members of New Energy Solar Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Energy Solar Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declarations.

In our opinion the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Fair Value Recognition - Company
 	
As at 31 December 2021 the fair value of the Company's investment in equity instruments is represented by its investment in New Energy Solar US Corp. of $329.1 million and its investment in New Energy Solar Australia HoldCo #1 Pty Ltd of $33.0 million, as disclosed in Note 8.
 	
As disclosed in Notes 2, 3 and 14, significant estimation uncertainty is involved in the determination of the fair value of equity interests. The Company determines the fair value of its equity interests using discounted post tax equity cash-flow (DCF) models applied to entities holding the underlying solar assets and associated debt, with the key assumptions including:
- electricity production
- electricity prices
- operating expenses
- gearing levels
- taxation
- the cost of equity (COE).
	Our procedures included, but were not limited to:
	
	• Updating our understanding of and evaluating management's key processes and internal controls. In addition, performing walk through tests to assess the design and implementation of relevant controls in so far as they apply to fair value determination of the equity interests;
	
	• For equity interests which are valued using DCF models, obtaining management's valuations and:
	
	    • In conjunction with our valuation specialists assessing the appropriateness of the approach adopted in the valuation models and assessing the reasonableness of the key assumptions, including those underlying the COE, electricity production, electricity price forecasts, operating expenses, gearing levels and taxation;
	
	    • Assessing the cash flow projections by agreeing a sample of revenue, cost and debt inputs to underlying power purchase contracts, debt facility and supplier agreements and external data sources; and
	
	    • Testing the mathematical accuracy of the valuation models.
	
	• Comparing independent valuation reports of the Company's equity interests which have been sourced by management as at reporting date, in order to identify any material inconsistencies between management's DCF model valuation outputs and the external valuer valuation outputs.
	
	• Assessing the appropriateness of the disclosures included in Notes 2, 8 and 14 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

Deloitte.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18-20 of the Directors' Report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of New Energy Solar Limited, for the year ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Yvonne van Wijk

Yvonne van Wijk
Partner
Chartered Accountants
Sydney, 25 February 2022

TID PV modules – ground view – September 2017

Stock Exchange Information

TID panel rows closeup – September 2017

Stock Exchange Information

STATEMENT OF QUOTED SECURITIES AS AT 31 JANUARY 2022

- There are 7,657 shareholders holding a total 320,587,986 ordinary shares
- The 20 largest shareholders between them hold 27.08% of the total shares on issue.

DISTRIBUTION OF QUOTED UNITS AS AT 31 JANUARY 2022

DISTRIBUTION OF SECURITYHOLDERS CATEGORY (SIZE OF HOLDING)	NUMBER OF SECURITYHOLDERS	PERCENTAGE
1–1,000	1,308	17.08%
1,001–5,000	1,679	21.93%
5,001–10,000	764	9.98%
10,001–100,000	3,326	43.44%
100,001 and over	580	7.57%
Totals	**7,744**	**100%**
Holding less than marketable parcel	603	7.88%

SUBSTANTIAL SECURITYHOLDINGS AS AT 31 JANUARY 2022

There are no substantial shareholders pursuant to the provisions of section 671B of the *Corporations Act 2001*.

DIRECTORS' SHAREHOLDINGS

As at 31 January 2022 directors of NEW held a relevant interest in the following NEW securities on issue.

DIRECTOR OF THE COMPANY	ORDINARY SECURITIES
Jeffrey Whalan	541,552
John Holland	256,754
James Davies	43,016
Maxine McKew	66,666
John Martin	657,479

RESTRICTED SECURITIES

There are no restricted securities on issue by NEW.

TOP 20 HOLDERS OF ORDINARY SECURITIES AT 31 JANUARY 2022

SECURITYHOLDER NAME	NUMBER OF SECURITIES HELD	% OF TOTAL
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	33,176,319	10.349%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	12,929,629	4.033%
BNP PARIBAS NOMS PTY LTD	8,537,090	2.663%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,901,947	2.465%
A B DIXON PTY LTD	6,616,660	2.064%
BNP PARIBAS NOMINEES PTY LTD	3,576,799	1.116%
CITICORP NOMINEES PTY LIMITED	3,116,708	0.972%
ZONDA CAPITAL PTY LTD	1,333,334	0.416%
BNP PARIBAS NOMINEES PTY LTD BARCLAYS	1,174,357	0.366%
DIXON PRIVATE INVESTMENTS PTY LIMITED	941,598	0.294%
NWOD MONTPELIER INVESTMENTS PTY LIMITED	843,995	0.263%
NETWEALTH INVESTMENTS LIMITED	822,403	0.257%
MR LESLIE PETER WOZNICZKA	765,776	0.239%
NEWECONOMY COM AU NOMINEES PTY LIMITED	757,835	0.236%
CONTINENTAL HOLDINGS PTY LTD	750,000	0.234%
JOBE FAMILY HOLDINGS NO 3 PTY LTD	750,000	0.234%
MR SEAN MICHAEL NUNAN	599,139	0.187%
KATDAR PTY LTD	572,762	0.179%
GRUEN SUPERANNUATION PTY LTD	567,074	0.177%
MR DAMIEN JOSEPH KENNEALLY & MRS CANDACE LYNN KENNEALLY	566,575	0.177%
Total held by top 20 holders of ordinary securities	**86,300,000**	**26.919%**

Stanford at sunset – September 2017

Unaudited Aggregated historical financial information

TID ground view – September 2017

Unaudited Aggregated Historical Financial Information

FOR THE YEAR ENDED 31 DECEMBER 2021

UNAUDITED AGGREGATED HISTORICAL FINANCIAL STATEMENTS

New Energy Solar Limited (the **Parent Company**) and E&P Investments Pty Ltd (**E&P**) as Responsible Entity for New Energy Solar Fund (the Trust) were stapled together to form a stapled entity known as New Energy Solar whose securities were officially quoted on the Australian Securities Exchange (**ASX**).

At a general meeting of the Trust held on 25 June 2021, the members of the Trust resolved that E&P be directed to wind up the Trust in accordance with its constitution. As a result of the above resolution, the Trust units were unstapled from the Parent Company shares with effect from 30 June 2021. The Trust units were delisted from the ASX on 2 July 2021 with the Parent Company continuing as a single listed investment company, NEW, carrying on the New Energy Solar business. ASIC has confirmed the Trust was de-registered as a managed investment scheme on 14 February 2022.

The unaudited aggregated historical statement of profit or loss and other comprehensive income, aggregated historical statement of financial position, aggregated historical statement of changes in equity and aggregated historical statement of cash flows (together "**Aggregated Historical Financial Information**") of the Parent Company and the Trust set out below is presented to provide investors with the comprehensive and relevant information about the performance and position of New Energy Solar for the entire 12 months including the stapling period.

The unaudited aggregated historical financial information has been prepared to reflect the combined interest in the Parent Company and the Trust by aggregating the Parent Company and the Trust financial information after eliminating transactions and balances between the Parent Company and the Trust. The accounting policies adopted in the preparation of the unaudited aggregated historical financial information is consistent with that adopted in respect of the Parent Company and the Trust financial statements.

The unaudited aggregated historical financial information is a presentation of the financial results of the Parent Company and the Trust for the period of 1 January 2021 to 31 December 2021. The comparative information presented in the aggregated historical financial information represents the stapled group financial information as of 31 December 2020.

The unaudited aggregated historical financial information does not form part of the financial statements of NEW.

AGGREGATED HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME – FOR THE YEAR ENDED 31 DECEMBER 2021

	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR FUND (TRUST)	TOTAL (COMBINED)	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR FUND (TRUST)	TOTAL (COMBINED)
	31-Dec-21	31-Dec-21	**31-Dec-21**	31-Dec-20	31-Dec-20	**31-Dec-20**
	$	$	**$**	$	$	**$**
Net income						
Fair value loss of assets classified as held for sale	-	-	**-**	-	(3,944,789)	**(3,944,789)**
Fair value loss of financial assets at fair value through profit or loss	(21,311,539)	(3,928,149)	**(25,239,688)**	(61,599,384)	(18,191,755)	**(79,791,139)**
Foreign exchange (loss)/gain	152,717	(105,234)	**47,483**	(147,604)	1,212,574	**1,064,970**
Finance income	7,741	1,403,389	**1,411,130**	9,834	8,074,341	**8,084,175**
Dividend income	10,722,552	-	**10,722,552**	-	331,131	**331,131**
Finance income	6,000,000	-	**6,000,000**	-	-	**-**
Dividend income	4,587	369	**4,956**	-	-	**-**
Total net loss	(4,423,942)	(2,629,625)	**(7,053,567)**	(61,737,154)	(12,518,498)	**(74,255,652)**
Finance expenses	(2,664)	(381)	**(3,045)**	(1,215,256)	(559)	**(1,215,815)**
Responsible entity fees	-	(23,538)	**(23,538)**	-	(140,979)	**(140,979)**
Investment management fees	(1,322,670)	(112,696)	**(1,435,366)**	(1,501,384)	(674,991)	**(2,176,375)**
Accounting and audit fees	(442,568)	(8,633)	**(451,201)**	(353,420)	(132,130)	**(485,550)**
Disposal fee and costs	(7,495,182)	-	**(7,495,182)**	-	-	**-**
Legal and advisory expenses	(1,264,112)	(67,299)	**(1,315,828)**	(1,073,075)	(283,898)	**(1,356,973)**
Director fees	(306,041)	(4,437)	**(310,478)**	(241,864)	(15,630)	**(257,494)**
Marketing expenses	(29,320)	(62,583)	**(91,903)**	(16,196)	(75,521)	**(91,717)**
Listing and registry expenses	(370,041)	(34,954)	**(404,996)**	(107,621)	(93,606)	**(201,227)**
Other operating expenses	(154,855)	(25,052)	**(195,490)**	(261,133)	(102,382)	**(363,515)**
Total expenses	(11,387,453)	(339,573)	**(11,727,027)**	(4,769,949)	(1,519,696)	**(6,289,645)**
Loss before tax	(15,811,395)	(2,969,198)	**(18,780,594)**	(66,507,103)	(14,038,194)	**(80,545,297)**
Income tax (expense)/ benefit	(4,363,088)	-	**(4,363,089)**	1,449,138	-	**1,449,138**
Loss after tax for the year	(20,174,483)	(2,969,198)	**(23,143,682)**	(65,057,965)	(14,038,194)	**(79,096,159)**
Other comprehensive income, net of income tax	-	-	**-**	-	-	**-**
Total comprehensive loss for the year	(20,174,484)	(2,969,198)	**(23,143,682)**	(65,057,965)	(14,038,194)	**(79,096,159)**
Earnings per security						
Basic and diluted loss (cents per security)	(5.76)	(0.84)	**(6.61)**	(18.43)	(0.15)	**(22.40)**

AGGREGATED HISTORICAL STATEMENT OF FINANCIAL POSITION

	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR FUND (TRUST)	TOTAL (COMBINED)	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR FUND (TRUST)	TOTAL (COMBINED)
	31-Dec-21	31-Dec-21	**31-Dec-21**	31-Dec-20	31-Dec-20	**31-Dec-20**
ASSETS	$	$	**$**	$	$	**$**
Current assets						
Cash and cash equivalents	5,987,333	-	**5,987,333**	2,329,798	7,186,008	**9,515,806**
Trade and other receivables	11,155,947	-	**11,155,948**	141,353	5,188,142	**346,839**
Total current assets	17,143,280	-	**17,143,281**	2,471,151	12,374,150	**9,862,645**
Non-current assets						
Financial assets held at fair value through profit or loss	362,126,159	-	**362,126,159**	377,369,006	56,006,873	**433,375,879**
Deferred tax assets	-	-	**-**	4,384,056	-	**4,384,056**
Total non-current assets	362,126,159	-	**362,126,159**	381,753,062	56,006,873	**437,759,935**
Total assets	379,269,439	-	**379,269,440**	384,224,213	68,381,023	**447,622,580**
LIABILITIES						
Current liabilities						
Trade and other payables	10,576,020	-	**10,576,020**	7,369,408	249,807	**2,636,559**
Current tax payable	-	-	**-**	68,459	-	**68,459**
Total current liabilities	10,576,020	-	**10,576,020**	7,437,867	249,807	**2,705,018**
Total liabilities	10,576,020	-	**10,576,020**	7,437,867	249,807	**2,705,018**
Net assets	368,693,419	-	**368,693,420**	376,786,346	68,131,216	**444,917,562**
EQUITY						
Issued capital	447,284,627	-	**447,284,627**	424,480,516	49,280,653	**473,761,169**
(Accumulated losses)/ retained earnings	(78,591,207)	-	**(78,591,207)**	(47,694,170)	18,850,563	**(28,843,607)**
Total equity	368,693,420	-	**368,693,420**	376,786,346	68,131,216	**444,917,562**

AGGREGATED HISTORICAL STATEMENT OF CHANGES IN EQUITY

	NEW ENERGY SOLAR LIMITED (COMPANY)		
	Issued capital $	Retained earnings/ (accumulated losses) $	Total $
Balance at 1 January 2020	**339,372,774**	**17,363,795**	**356,736,569**
Loss after tax for the year	-	(65,057,965)	(65,057,965)
Total comprehensive loss for the year	**-**	**(65,057,965)**	**(65,057,965)**
Issue of securities	3,380,500	-	3,380,500
Capital reallocation	81,727,242	-	81,727,242
Balance at 31 December 2020	**424,480,516**	**(47,694,170)**	**376,786,346**

	NEW ENERGY SOLAR LIMITED (COMPANY)		
	Issued capital $	Retained losses $	Total $
Balance at 1 January 2021	**424,480,516**	**(47,694,170)**	**376,786,346**
Loss after tax for the year	-	(20,174,484)	(20,174,484)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive loss for the year	**-**	**(20,174,484)**	**(20,174,484)**
Issue of shares	1,588,331	-	1,588,331
Share buybacks	(33,419,462)	-	(33,419,462)
Buyback costs, net of income tax	(106,014)	-	(106,014)
Capital reallocation	54,741,257	-	54,741,257
Dividend	-	(10,722,552)	(10,722,552)
Balance at 31 December 2021	**447,284,628**	**(78,591,206)**	**368,693,422**

AGGREGATED HISTORICAL STATEMENT OF CHANGES IN EQUITY (*CONT'D*)

	NEW ENERGY SOLAR FUND (TRUST)		
	Issued capital	**Retained earnings/ (accumulated losses)**	**Total**
	$	**$**	**$**
Balance at 1 January 2020	**134,313,666**	**38,454,937**	**172,768,603**
Loss after tax for the year	-	(14,038,194)	(14,038,194)
Total comprehensive loss for the year	**-**	**(14,038,194)**	**(14,038,194)**
Issue of securities	1,728,309	-	1,728,309
Capital reallocation	(81,727,242)	-	(81,727,242)
Distributions	(5,034,080)	(5,566,180)	(10,600,260)
Balance at 31 December 2020	**49,280,653**	**18,850,563**	**68,131,216**

	NEW ENERGY SOLAR FUND (TRUST)		
	Issued capital	**Retained earnings/ (accumulated losses)**	**Total**
	$	**$**	**$**
Balance at 1 January 2021	**49,280,653**	**18,850,563**	**68,131,216**
Loss after tax for the year	-	(2,969,198)	(2,969,198)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the year	**49,280,653**	**15,881,365**	**65,162,018**
Issue of securities	237,337	-	237,337
Capital reallocation	(42,985,998)	(11,755,260)	(54,741,258)
Distributions	(6,531,992)	(4,126,105)	(10,658,097)
Balance at 31 December 2021	**-**	**-**	**-**

AGGREGATED HISTORICAL STATEMENT OF CHANGES IN EQUITY (CONT'D)

	FUND (COMBINED COMPANY AND TRUST)		
	Issued capital $	Retained earnings/ (accumulated losses) $	Total $
Balance at 1 January 2020	**473,686,440**	**55,818,732**	**529,505,172**
Loss after tax for the year	-	(79,096,159)	(79,096,159)
Other comprehensive income, net of income tax	-	-	-
Total comprehensive loss for the year	**-**	**(79,096,159)**	**(79,096,159)**
Issue of securities	5,108,809	-	5,108,809
Distributions	(5,034,080)	(5,566,180)	(10,600,260)
Balance at 31 December 2020	**473,761,169**	**(28,843,607)**	**444,917,562**

	FUND (COMBINED COMPANY AND TRUST)		
	Issued capital $	Accumulated losses $	Total $
Balance at 1 January 2021	**473,761,169**	**(28,843,607)**	**444,917,562**
Loss after tax for the year	-	(23,143,682)	(23,143,682)
Total comprehensive loss for the year	**-**	**(23,143,682)**	**(23,143,682)**
Issue of securities	1,825,668	-	1,825,668
Securities buybacks	(33,419,462)	-	(33,419,462)
Buyback costs, net of income tax	(106,014)	-	(106,014)
Capital reallocation	66,496,517	(11,755,260)	54,741,257
Distributions	(6,531,992)	(4,126,105)	(10,658,097)
Dividends	-	(10,722,552)	(10,722,552)
Balance at 31 December 2021	**502,025,885**	**(78,591,206)**	**423,434,679**

AGGREGATED HISTORICAL STATEMENT OF CASH FLOWS

	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR LIMITED (COMPANY)	NEW ENERGY SOLAR FUND (TRUST)	NEW ENERGY SOLAR FUND (TRUST)	FUND (COMPANY AND TRUST)	FUND (COMPANY AND TRUST)
	31-Dec-21	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**
	$	**$**	**$**	**$**	**$**	**$**
Cash flows from operating activities						
Interest income received	7,741	9,834	1,514,174	4,482,394	1,521,915	4,492,228
Other income received	4,587	-	-	-	4,587	-
Payments to suppliers	(4,317,981)	(3,429,755)	(563,182)	(1,554,771)	(4,881,163)	(4,984,526)
Income tax refund	-	13,746	-	-	-	13,746
Dividend income received	-	-	-	418,725	-	418,725
Net cash flow from operating activities	**(4,305,653)**	**(3,406,175)**	**950,992**	**3,346,348**	**(3,354,661)**	**(59,827)**
Cash flows from investing activities						
Payments for investments	(6,082,609)	(4,062,547)	-	18,487,913	(6,082,609)	14,425,366
Repayments from/(loans to) subsidaries	64,594,538				64,594,538	
Repayments from/(loans to) related parties	33,419,462	1,248,164	2,392,668	10,908,070	2,392,668	12,156,234
Disposal fee and costs	(7,495,183)				(7,495,183)	
Net cash flow from investing activities	**51,016,746**	**(2,814,383)**	**2,392,668**	**29,395,983**	**53,409,414**	**26,581,600**
Cash flows from financing activities						
Proceeds from issue of securities	1,588,330	3,380,500	237,337	1,728,309	1,825,667	5,108,809
Payments for securities buybacks	-	-	-	-	-	-
Payment of issue and buyback costs	(33,419,462)	-	-	-	(33,419,462)	-
Share issue transaction costs	(153,507)		-	-	(153,507)	-
Payments of transaction costs relating to loans	-	(147,260)	-	-	-	(147,260)
Receipt of foreign currency derivatives	-	-	-	2,311,540	-	2,311,540
Proceeds/(repayment) of loans from New Energy Solar Fund to New Energy Solar Limited	(499,084)	5,460,178	-	(5,460,178)	(499,084)	-
Distributions paid	-	-	(10,658,097)	(24,642,654)	(10,658,097)	(24,642,654)
Dividends paid	(10,722,552)	-	-	-	(10,722,552)	-
Net cash flow from financing activities	**(43,206,275)**	**8,693,418**	**(10,420,760)**	**(26,062,983)**	**(53,627,035)**	**(17,369,565)**
Net (decrease)/increase in cash and cash equivalents	**3,504,818**	**2,472,860**	**(7,077,100)**	**6,679,348**	**(3,572,282)**	**9,152,208**
Cash at beginning of the year	2,329,798	4,542	7,186,008	1,610,618	9,515,806	1,615,160
Effect of exchange rate changes	152,717	(147,604)	(108,908)	(1,103,958)	43,809	(1,251,562)
Cash and cash equivalents at the end of the year	**5,987,333**	**2,329,798**	**-**	**7,186,008**	**5,987,333**	**9,515,806**

Stanford at sunset – September 2017

Additional Disclosures

TID ground view – September 2017

Additional Disclosures

FOR THE YEAR ENDED 31 DECEMBER 2021

OTHER

Since admission to the ASX on 4 December 2017 to the date of the financial report, NEW has used the cash assets at the time of admission in a way consistent with its business objectives.

Directory

31 DECEMBER 2021

The Company's securities are quoted on the official list of the Australian Securities Exchange Limited (**ASX**).

ASX Code is NEW.

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John Holland (Non-Executive Director)
Maxine McKew (Non-Executive Director)
James Davies (Non-Executive Director)
John Martin (Non-Independent, Non-Executive Director)

SECRETARIES

Hannah Chan
Caroline Purtell

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