

# NEXTENERGY SOLAR FUND

## ANNUAL REPORT

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March | 2026

Generating a more  
sustainable future



# NextEnergy Solar Fund's Purpose



## Investment

- To provide Ordinary Shareholders with attractive total returns and growth through a diversified portfolio of utility-scale solar assets alongside complementary technologies, such as energy storage.
- Expand and strengthen the portfolio in line with the Company's Investment Policy and maintain a dynamic capital allocation approach.
- Enhance growth and diversification through the introduction of energy storage and international solar assets.



## Social

- Contribute to energy security in the UK and other markets where we operate by increasing energy supplied to the domestic market.
- Support employment through the jobs sustained across our operations, maintenance activities, and wider supply chain.
- Continue to actively engage with and support the communities located close to our solar and energy storage assets.



## Environmental

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



## Governance

- Act in a manner consistent with our values of integrity, fairness and transparency.
- Maintain strong and constructive relationships with our shareholders and other key stakeholders.
- Fully compliant with the principles and recommendations of the AIC Code.



# Performance Highlights

## Financial Highlights as at 31 March 2026<sup>1</sup>

NAV per ordinary share	Ordinary shareholders' NAV	Gross Asset Value	Financial debt gearing <sup>2</sup>	Dividends per ordinary share for the year ended 31 March 2026	Cash dividend cover (pre-scrip dividends) for the year ended 31 March 2026
<b>76.1p</b>	<b>£437.5m</b>	<b>£922m</b>	<b>29%</b>	<b>8.43p</b>	<b>1.2x</b>
(31 March 2025: 95.1p)	(31 March 2025: £547.4m)	(31 March 2025: £1,061m)	(31 March 2025: 30%)	(31 March 2025: 8.43p)	(31 March 2025: 1.1x)
Total gearing <sup>3</sup>	NAV total return per ordinary share for the year ended 31 March 2026	Ordinary shareholder total return for the year ended 31 March 2026	Annualised total NAV return since IPO	Total capital raised from Capital Recycling Programme	
<b>51%</b>	<b>-11.1%</b>	<b>-21.8%</b>	<b>4.9%</b>	<b>c.£118.7m</b>	
(31 March 2025: 48%)	(31 March 2025: -1.1%)	(31 March 2025: 6.5%)	(31 March 2025: 6.3%)	(31 March 2025: £72.5m)	

## Operational Highlights as at 31 March 2026

Total capacity installed <sup>4</sup>	Direct operating solar assets <sup>5</sup>	Operating standalone energy storage assets	Total electricity generation for the year ended 31 March 2026 <sup>4</sup>	Generation against budget for the year <sup>6</sup>	Total capacity sold under Capital Recycling Programme
<b>838MW</b>	<b>96</b>	<b>1</b>	<b>844GWh</b>	<b>2.0%</b>	<b>245MW</b>
(31 March 2025: 937MW)	(31 March 2025: 98)	(31 March 2025: 1)	(31 March 2025: 830GWh)	(31 March 2025: -5.3%)	(31 March 2025: 145MW)
Operating solar co-investments	Investment into private equity infrastructure vehicle				
<b>2</b>	<b>\$50m</b>				
(31 March 2025: 2)	(31 March 2025: \$50m)				

## ESG Highlights as at 31 March 2026

Tonnes of CO <sub>2</sub> e emissions avoided p.a. <sup>7</sup>	Equivalent homes powered for one year <sup>7</sup>	% of land footprint managed as either (1) productive land use or (2) natural areas <sup>7</sup>	Community and charitable funding <sup>7</sup>
<b>c.275,583</b>	<b>c.256,714</b>	<b>89%</b>	<b>c.£167k</b>
(31 March 2025: c.286,900)	(31 March 2025: c.265,400)	(31 March 2025: 78%)	(31 March 2025: c.£254k)

**Click [here](#) to access the NESF Sustainability & ESG Report**

<sup>1</sup> Refer to the Alternative Performance Measures for calculation basis.

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

<sup>3</sup> Total gearing is the aggregate of financial debt and £200m of preference shares. The preference shares are equivalent to non-amortising debt with repayment in shares.

<sup>4</sup> Including share in private equity vehicle (NextEnergy III LP ("NEIII"), formerly NextPower III LP or NPIII) and co-investments (Agenor and Santarém). Inclusion of NESF's 6.21% share of NEIII on a look-through equivalent basis increases total capacity by 48MW (2025: 46MW) and increases generation by 57GWh (2025: 51GWh). Inclusion of NESF's 24.5% share of Agenor increases total capacity by 12MW (2025: 12MW) and increases generation by 19GWh (2025: 14GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases total capacity by 29MW (2025: 29MW) and increases generation by nil GWh (2025: nil GWh).

<sup>5</sup> Excluding the \$50m investment into private equity vehicle NEIII.

<sup>6</sup> Excludes performance of private equity vehicle NEIII and co-investments. Figures have been adjusted, where relevant, for events outside of the Company's control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

<sup>7</sup> For more information, please see pages 90-94.

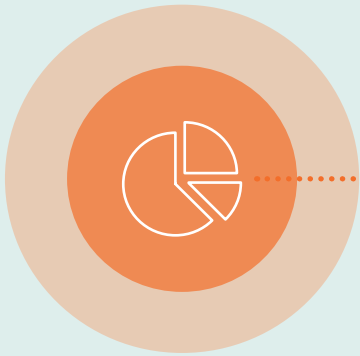
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Scan the QR code  
for more information  
about NESF



# NextEnergy Solar Fund is a specialist solar energy and energy storage fund listed on the London Stock Exchange



### Objective:

- NESF aims to deliver long-term total returns to shareholders by investing in a diversified portfolio of utility-scale solar energy assets and complementary technologies, such as energy storage

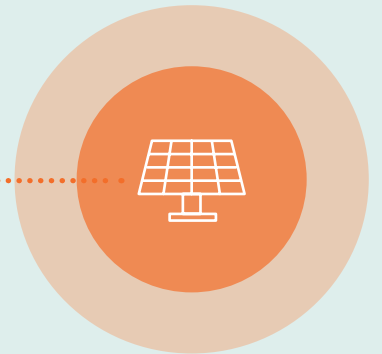
### Sustainability and ESG:

- Market-leading sustainability and ESG integration, combining financial returns with measurable environmental impact to enhance asset resilience and future-proof portfolios
- NESF was awarded the Natural Capital Fund designation by the Guernsey Financial Services ("GFSC"), a regulated recognition of NESF's delivery of measurable positive environmental impact



### Managed by solar specialists:

- NextEnergy Capital, Investment Adviser
- NextEnergy Capital IM, Investment Manager
- WiseEnergy (Great Britain), Asset Manager



### Diversified portfolio:

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

### Asset performance:

- Cumulative asset outperformance since IPO



# How does NESF deliver value to shareholders?

## 01 A defined roadmap for sustainable growth and long-term value

- Since inception the Company has declared regular Ordinary Share dividends totalling £443m as at 31 March 2026, the equivalent to 84.7p per Ordinary Share.
- Operational cashflows derived from a diverse portfolio of 838MW operational capacity offer a natural hedge against inflation with a high proportion of regulated revenues.
- Market opportunity for incremental growth to provide risk adjusted returns in the UK through Clean Power 2030 ("CP30"), and the increasing need for domestic energy security.
- The Strategic Reset was announced in March 2026 to access the immediate UK market opportunity, targeting long-term total returns of 9–11%.

## 02

### Proven and stable technology

- Solar Photovoltaic ("PV") provides a reliable and predictable source of electricity due to high consistency in average yearly irradiation and minimal sensitivity of irradiation levels to climate change.
- Demonstrated cumulative generation outperformance, with generation exceeding budget by an average of 1.2% over the past five years, reflecting effective management and operational excellence.
- High proportion of contracted cashflows from operating solar assets with a long useful life (25-40 years), attributable to specialised asset management services delivering enhancement activities.
- Continued investment in maintenance, optimisation, and upgrades ensures the long-term health and resilience of the portfolio.
- Low Operational Expenditure ("OPEX") cost relative to other renewable energy technologies due to Solar PV's limited moving parts.

## 03

### Abundant clean energy source supporting domestic energy security

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





**Cost-effective electricity generation**

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

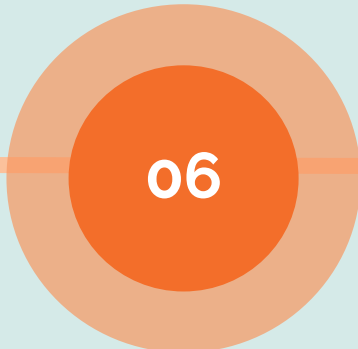


**Climate change solution**

- Fundamental to achieving a more sustainable future by contributing to the UK Government’s target of 50GW solar capacity by 2030 and the UK’s commitment to net zero by 2050.
- Meaningful contribution to reducing CO<sub>2</sub>e emissions through carbon avoidance by generating and storing clean electricity, reducing reliance on fossil fuels across the grid.
- Investment in solar provides significant biodiversity benefits to the communities that surround our assets.
- Through NextEnergy Solar Fund’s portfolio, international co-investments and direct investment in NEIII, the Company is supporting de-carbonisation globally.

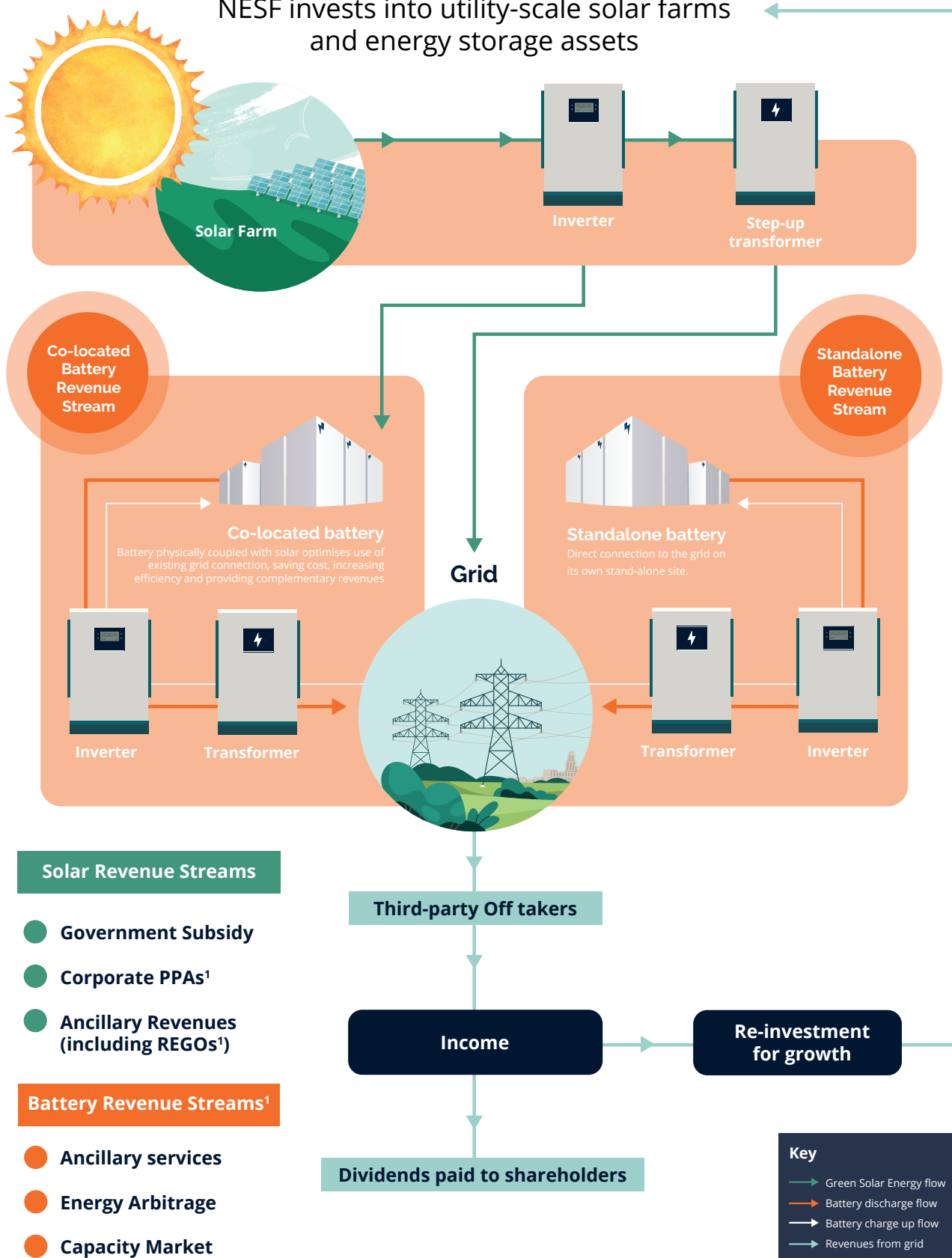
**Specialist management**

- NextEnergy Solar Fund benefits from the expertise of its Investment Manager, NextEnergy Capital IM Limited, its Investment Adviser, NextEnergy Capital Limited, and its Asset Manager, WiseEnergy (Great Britain) Limited.
- NextEnergy Capital Limited is one of the world’s largest specialist solar investors, managing over \$4.8bn funds under management worldwide.
- Proven active portfolio management and disciplined capital allocation, demonstrated by the completed Capital Recycling Programme: c.£119m realised from the sale of five subsidy-free solar assets (245MW), with proceeds used to reduce the short-term debt, support the share buyback programme and fund reinvestment opportunities across the portfolio.
- Repeated value-creation track record, underpinned by scale and execution with over 500 solar and energy storage assets acquired and 116 assets successfully exited across 27 investments, delivering a weighted average 1.8x MOIC.



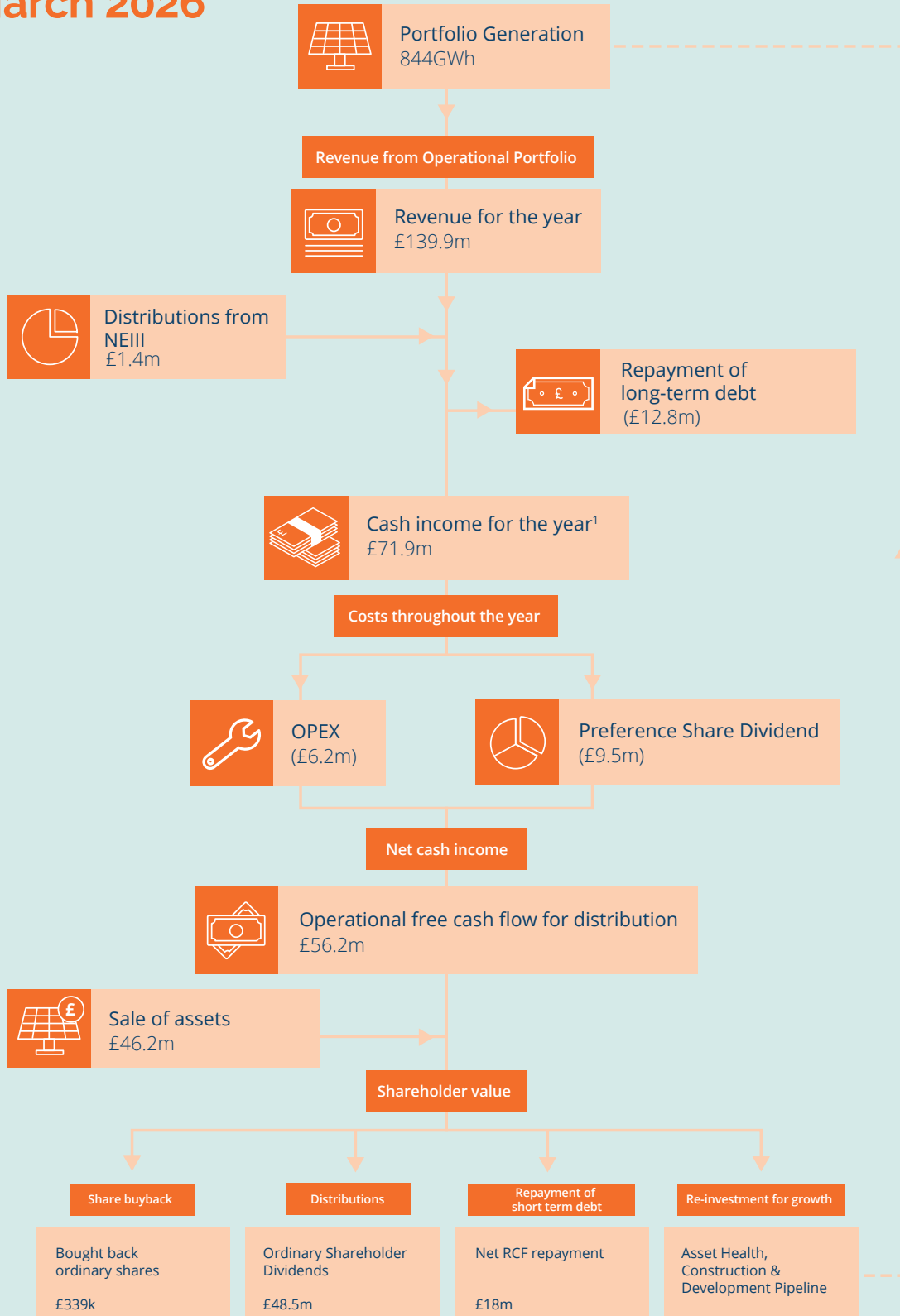
# How does **NEXTENERGY SOLAR FUND** make its revenue?

NESF invests into utility-scale solar farms and energy storage assets



<sup>1</sup> Definitions can be found in the glossary on page 190.

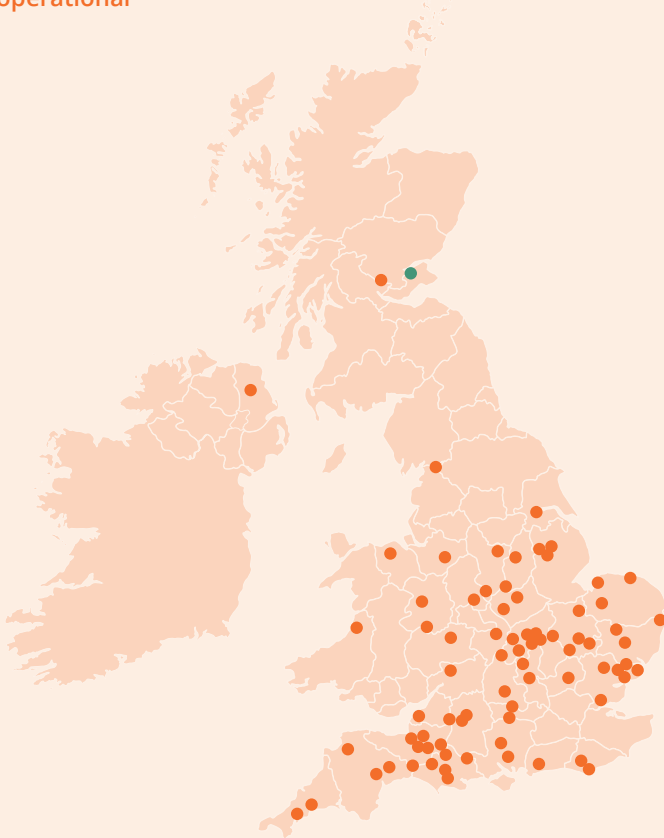
# How NESF converted solar irradiance to shareholder value for the year ended 31 March 2026



<sup>1</sup>After deducting for Group portfolio and HoldCo OPEX, tax, finance costs and working capital balance. More information can be found on page 80.

# NESF's Asset Locations

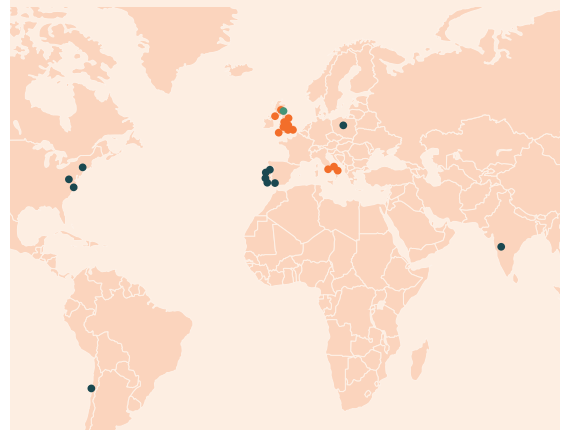
UK - c.730MW of solar PV & energy storage assets operational



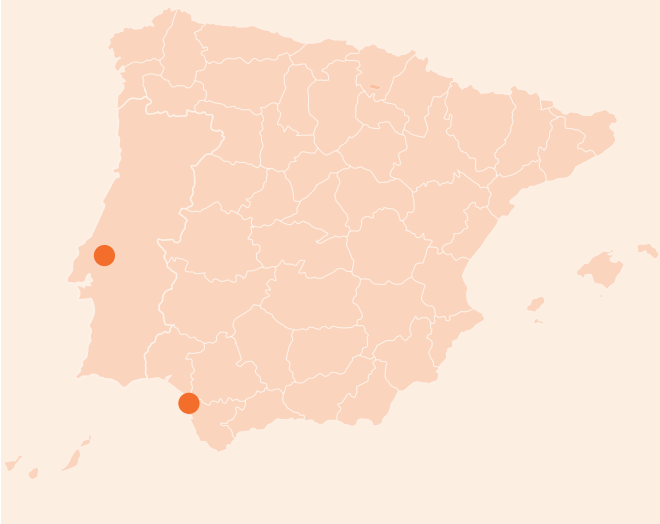
## Assets locations

- Operating Solar Assets (for more information see pages 86-87)
- Operating Energy Storage Assets
- Private Solar Infrastructure Fund's Investments

The World - including \$50m investment into NEIII, which holds 157 solar PV and 3 energy storage assets globally



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



Italy - c. 35MW of solar PV assets operational





**Tower Hill**  
Gloucestershire  
8.1MW



An aerial photograph of a solar farm with rows of blue solar panels in a green field. A large teal circle is overlaid on the right side of the image, partially covering the solar panels and the field. The text 'Strategic Report' is written in white on the teal circle.

# Strategic Report



**Hook Valley**  
Somerset  
15.3MW



# Chair's Statement

**Tony Quinlan**  
Chair



On behalf of the Board, I present the twelfth Annual Report and accounts for NextEnergy Solar Fund Limited (the "Company" or "NESF") for the financial year ended 31 March 2026.

## A Challenging Backdrop

The past 12 months have been very challenging for the Company and for its shareholders. The Board recognises the considerable frustration created by prolonged sector share price discounts to net asset value ("NAV") and the resulting share price performance.

The share price discount is being driven by a combination of factors, including higher interest rates and the relative attractiveness of risk free and investment grade yields, softened long term power price forecasts, policy uncertainty, reduced institutional

flows into investment companies, and broader UK equity outflows. This is the backdrop for a business where the underlying portfolio has continued to perform robustly.

In the Board's view, the current share price does not reflect the quality of the underlying portfolio or the durability of its cashflows, but the headwinds dominate sentiment for NESF and the sector at this current time. Throughout the financial year under review, and particularly in the period leading up to the Strategic Reset, we engaged extensively with shareholders. The feedback we heard most consistently related to gearing levels, the restrictions associated with the preference shares, and the sustainability of the Ordinary Share dividend under the previous progressive dividend policy.

Against this backdrop, the Board concluded that NESF needed a reset. Much work was undertaken before I joined the Board in December 2025, but that gave me the opportunity to review the strategic options without any bias. Announced

on 11 March 2026, the Strategic Reset is an important step-change in how the Company balances income, balance sheet strength and disciplined reinvestment, with the overarching objective of improving total shareholder return over time. It is evolutionary rather than revolutionary.

Commencing 1 April 2026, the Company has moved to an Ordinary Share dividend policy of a 75% payout of operational cashflows. This more sustainable approach is intended to support a prudent reduction in debt and to fund value accretive reinvestment, including expanding into energy storage, particularly where co-located with existing solar sites to utilise established grid connections.

The Board believes firmly in the Strategic Reset and the logic of the roadmap. However, there is no single action that can quickly re rate the Ordinary Shares. Our priority is to execute consistently, report transparently on progress, and use the levers within our control to protect and, over time, enhance Ordinary Shareholder returns.

Furthermore, the Board continues to evaluate all other options to protect and accelerate Ordinary shareholder returns.

However, one action that is likely to be value destructive would be a break-up of the Company, leading to a forced sale of individual assets. I would therefore ask shareholders to support the continuation of the Company at the upcoming 2026 AGM, whilst we execute on a sensible organic strategy to enhance NAV over time, whilst paying a reduced but healthy and sustainable dividend, alongside actively assessing inorganic paths to value.

### The Strategic Review and Strategic Reset – Restoring a Pathway to Growth

The Board, alongside third-party advisers and independent experts, undertook a thorough assessment of all potential strategic options available to the Company over a period of many months. Seven options were assessed in total:

1. maintaining the status quo;
2. a managed wind-down;
3. a structural transformation;
4. sector consolidation;
5. public-to-private;
6. third-party capital; and
7. the Strategic Reset and Roadmap that is now underway.

Following careful consideration, the Board concluded that the first three options — the status quo, a managed wind-down and a structural transformation — were not in shareholders' best interests at this point in the cycle. Options four to six — sector consolidation, public-to-private and third-party capital — remain available routes that the Board continues to keep under review should circumstances evolve. Ultimately, the Strategic Reset and Roadmap were chosen because they allow the Company to deploy levers over which it has control and, in the Board's assessment, currently represent the best path for shareholders.

I believe the Board has selected the most value-accretive organic path for delivering value to shareholders available at this point in time — one that is accessible and actionable within the Company's control.

### The Roadmap — What We Are Doing

The Strategic Reset is built on six integrated pillars, each of which reinforces the others: a revised Ordinary Share distribution policy; defined liquidity events; a programme to reduce debt; targeted NAV growth;



#### Bottom Plain

Dorset  
10.1MW

expansion into energy storage; and an overarching focus on total returns. Together, these pillars form an integrated strategy. The Ordinary Share dividend is supported by back-tested evidence, and a disciplined capital allocation framework that governs how cashflows are deployed across the business depending on the underlying market conditions at that point in time.

## Macroeconomic Environment

### Headwinds

Investment companies such as NESF are typically held, in part, for their dividend income. In a higher interest rate environment, investors can earn attractive yields from gilts and high quality corporate bonds, and, therefore, require a greater return from listed renewable infrastructure to compensate for commercial, operational and regulatory risks. Persistently elevated risk-free rates and investment grade yields have therefore weighed on sector valuations and contributed to wider discounts to NAV.

Alongside this, sustained capital outflows from UK equity strategies have created an oversupply of shares and contributed to dislocated discounts to NAV across the alternative investment company sector. Geopolitical instability, including ongoing tensions in the Middle East, energy market volatility and continued policy uncertainty, has added a further layer of complexity to the broader investment landscape.

Recent announcements by the UK Government have highlighted the impact of policy uncertainty on the listed renewables sector. The UK Government's long-term ambition to deliver clean power by 2030, achieve net zero by 2050 and reduce reliance on fossil fuels requires substantial

private capital. To attract and retain that capital, investors need confidence in a stable and predictable regulatory framework. Short term policy measures that alter the economics of existing investments, including recent changes to the basis of indexation for Renewable Obligation Certificates ("ROC") and Feed-in-Tariffs ("FIT"), risk undermining that confidence. Whilst the direct NAV impact of such measures is relatively modest at 2.0p per Ordinary Share as reflected in the NAV as at 31 March 2026, the wider impact on perceived regulatory risk and the discount applied to the sector could be more significant.

More broadly, the financial year under review has seen a series of UK Government consultations and policy developments, in addition to those relating to ROC and FIT subsidy reforms, including the Carbon Pricing Scheme ("CPS"), the Electricity Generator Levy ("EGL") and zonal pricing, each of which has contributed to uncertainty across the sector. The Investment Adviser, NextEnergy Capital Limited ("NEC"), has remained actively engaged with the UK's Department for Energy Security and Net Zero ("DESNZ") throughout the year, representing the interests of NESF, its shareholders and the wider renewable energy sector.

### Tailwinds

Set against these headwinds, a number of tailwinds are slowly emerging. The Clean Power 2030 action plan provides a clear direction for the sector, which requires tripling UK solar capacity from c. 21GW to 50GW, and a fourfold increase in energy storage capacity. This scale of deployment will require substantial private capital investment, estimated at £5 billion per annum, with the UK Solar Roadmap providing a clear delivery framework.

Under Allocation Round 7 ("AR7"), Contracts for Difference ("CfD")

contract terms have been extended from 15 to 20 years, providing enhanced long-term contracted revenue visibility for new projects. The UK Government has also proposed the addition of voluntary wholesale price CfDs for existing UK renewable assets such as those held by NESF. In parallel, proposed reforms under the UK Pension Scheme Bill aim to enable pension schemes to invest in investment companies in support of the Mansion House commitments, alongside potential changes to cash ISA limits, which may increase retail capital available for listed investment companies through reallocation into stock and shares ISAs. These represent encouraging developments for the listed renewable infrastructure sector.

Underlying electricity demand in the UK is expected to grow over time, albeit at a more measured pace than previously anticipated. The continued adoption of electric vehicles, UK Government-backed heat pump deployment and increasing demand from artificial intelligence and data centre infrastructure, all signpost to a progressively higher demand environment. Alongside this, the power price forecasting market has also matured, with greater consensus amongst consultants and a tighter range of long-term forecasts, providing increased confidence in forward revenue assumptions. Together, these developments reinforce the long-term strategic relevance of NESF's solar and energy storage portfolio in supporting the UK's clean energy transition.

### Narrowing the Discount

It remains a serious point of pain for the Board that the Company's Ordinary Shares traded at an average discount to NAV of approximately 32% over the full financial year, in line with, or more recently wider than, broader sector trends. I reiterate

## Hill Farm

Oxfordshire

5.0MW

that the Board retains the firm view that the current Ordinary Share price is not reflective of NESF's intrinsic value, the strength of its cashflows, or its long-term prospects.

The Strategic Reset is the primary organic mechanism through which we intend to create the conditions for a re-rating. However, this will take time, and we ask for your continued patience as shareholders.

These actions will not quickly narrow the discount. However, I do want to set out what has been delivered during the year, because it demonstrates the intrinsic value of the portfolio. Following shareholder dialogue, the Board, prior to my time, though a decision that I fully support, acted to create further alignment of interests between the Board, the Investment Manager, the Investment Adviser and investors through the reduction of the Investment Management fee to a 50:50 blend of the Company's market capitalisation and NAV; and the negotiation of the Operating Asset Management fee, which has been reduced by 23% by securing future cost reductions on asset operation and maintenance ("O&M") on the renewal of contracts.

Whilst the planned asset disposals and the sales were slower than

anticipated, I am pleased that we concluded the initial Capital Recycling Programme ("CRP") with three out of the five assets sold at a meaningful premium to NAV. A total of c. £119m in capital was raised through the disposal of these five UK subsidy-free solar assets with a total capacity of 245MW, leading to a total estimated NAV uplift of 2.44p per Ordinary Share (more information can be found on page 53). The proceeds of the CRP have been used to pay down short-term debt, implement the share buyback programme (which has subsequently been paused), and reinvest into the health of the existing operational portfolio.

The Strategic Reset actively targets addressing the large Ordinary share price discount to NAV, with an aim of a 9–11% gross total return target to NESF Ordinary Shareholders. It is designed to provide Ordinary Shareholders with sustainable long-term total shareholder returns through cashflow-covered dividends and a credible path to narrowing the discount. Narrowing the current discount remains a priority and an essential way of returning capital to shareholders alongside the dividend.

## Financial, Technical and Operational Performance, and Capital Allocation

### Financial performance

As at 31 March 2026, the Company's NAV stood at £437.5m, equivalent to 76.1p per Ordinary Share (31 March 2025: £547.4m, 95.1p). NESF delivered a cash-covered dividend of 8.43p per Ordinary Share, representing a yield of 19%, one of the highest dividend yields in the FTSE, and totalling £48.5m in dividends paid out to Ordinary Shareholders during the financial year.

### Technical and operational performance

Portfolio generation totalled 844GWh during the year with generation outperformance at 2.0%. Solar irradiation was above budget for much of the period, with 2025 being the sunniest year on record according to the UK Met Office, contributing to an exceptionally favourable weather backdrop for NESF.

### Active portfolio management

Active management of the NESF portfolio continued at pace. As mentioned, the initial CRP was completed in March this year, recycling approximately £119m of capital across four phases and 245MW, an average

of 82MW per financial year since April 2023. As part of the Strategic Reset, an expanded CRP has been announced of up to a further 120MW, targeting approximately 40MW per year. As noted above, the Board in conjunction with the Investment Adviser successfully negotiated a reduction in the Operating Asset Management fee in the financial year under review. The new arrangement provides a 23% fee reduction by securing future cost reductions on renewal of contracts. A renewed O&M tender has covered 67 contracts across 576MW since its implementation in 2022 with a 10% cost saving equivalent to £463k per year, or approximately £2m over five years. The inverter replacement programme has been completed across 10 sites covering 71MW as at 31 March 2026, achieving a 13% performance uplift across the two most recent replacements. A strategic spare parts management programme has also been implemented to enhance reliability and cost efficiency.

### Capital allocation

Capital allocation remains disciplined and is central to the Strategic Reset. NESF has in place a rigorous yet flexible capital allocation framework, with a clear hierarchy of capital priorities, based on market conditions and the Ordinary Share price at that time. This gives shareholders a transparent view of how capital is being allocated, while providing flexibility for the Company to act in shareholders' interests based on clear principles and market conditions at the time.

Debt repayment remains a key priority for the Board. During the financial year, the Company continued to pay down its debt from operational cashflows and asset disposals: long-term debt was paid down by £12.8m; and short-term debt was paid down by £18.0m net, alongside the reduction of the revolving

credit facility ("RCF") from £205m to £170m. Additionally, a tranche of NESF's long-term amortising debt provided by the Apollo financing is set to mature this year – in line with the planned amortisation profile and consistent with the carefully sculpted repayment schedule.

The Preference Shares continue to provide an attractive cost of capital relative to SONIA, particularly in light of recent interest rate cycles, and retain optionality for NESF from March 2030. However, covenants within the Preference Share documentation with Universities Superannuation Scheme ("USS") were triggered during the financial year and continue to impose restrictions on NESF, as the enterprise value ("EV") gearing ratio under the USS Preference Share agreement exceeds the permitted threshold. As such, the consent of USS, or their waiver, is required before NESF can undertake share buybacks, distribute special dividends or incur additional debt that could increase gearing.

The Board acknowledges that bringing gearing below the EV gearing ratio threshold is of paramount importance to shareholders. We continue to maintain a constructive dialogue with USS and remain focused on managing the Company's cash efficiently in accordance with the USS agreement.

### Dividend

In line with the prior Ordinary Share dividend policy, the fourth interim dividend of 2.11p per Ordinary Share has been approved, and is payable on 30 June 2026 to shareholders who were on the register as at 15 May 2026. This brings total dividends for the financial year ended 31 March 2026 to 8.43p per Ordinary Share (31 March 2025: 8.43p). Since IPO, NESF has paid total dividends of 84.7 per Ordinary Share, equivalent

to £443m returned to Ordinary Shareholders, and total shareholder return since IPO stands at 27.0%.

From the financial year ending 31 March 2027, the Company has transitioned to a new Ordinary Share dividend policy based on a 75% payout of operational cashflows. Under this approach, the dividend is always covered by cash income generated by NESF, eliminating the risk of an uncovered dividend amidst market volatility. We anticipate that the new dividend policy will free up c.£40m of free cashflow for both debt reduction and re-investment back into the portfolio over the next five years. The new dividend policy reflects the Board's commitment to providing healthy and sustainable cash-covered distributions for shareholders who seek income alongside long-term growth. The estimated dividend guidance range for the financial year ending 31 March 2027 is between 4.5p - 5.1p per Ordinary Share, subject to portfolio performance, which is above the estimated range previously presented during the Strategic Reset in March. This guidance is the equivalent to a dividend yield range of c.9% - c.11% as at 19 June 2026.

### AGM and Discontinuation Vote

The Board would like to thank shareholders for their strong support at the prior AGM, where approximately 88% of Ordinary Shareholders voted against discontinuation. The Company will undergo a further discontinuation vote at the 2026 AGM, triggered by the Ordinary Shares having traded at an average share price discount to NAV greater than 10% over the prior financial year.

The Board reiterates its confidence that the Company can deliver on its objectives and deliver shareholder value over the medium and long term, given the Strategic Reset now

underway. This provides a defined, executable roadmap that sets out a tangible plan that was previously absent. Alongside the sensible logic of this organic strategy and the fact that the Board continue to actively explore inorganic paths to value, I must reiterate that discontinuing the Company in an attempt to deliver value close to NAV could be value destructive. Being a forced seller of assets into a bearish market could take considerable time and not come close to achieving a good outcome for shareholders. The Board therefore unanimously recommends that shareholders vote against discontinuation at the upcoming AGM.

The Board recognises that shareholder engagement needs to continue, and I am personally committed to maintaining an open dialogue with investors as we deliver against the Strategic Reset roadmap.

## Sustainability, ESG and Biodiversity

Sustainability and ESG are part of NESF's DNA, they sit at the centre of what the Company does as a clean energy generator. During the year under review, NESF was successfully awarded the Natural Capital Fund designation from the GFSC, an important external validation of the work already done on the integration of natural capital considerations into our investment approach, ensuring best practice as a market leader and de-risking the portfolio's physical assets.

For the year ended 31 March 2026, the Company's portfolio has contributed to the avoidance of c.275,583 tCO<sub>2</sub>e, equivalent to powering c.256,714 homes for one year, representing a tangible contribution to the UK's Clean Power 2030 and Net Zero 2050 ambitions. In addition, 100%

of NESF's assets located in sensitive landscapes are covered by a Nature Management Plan, with 89% of NESF's total operational footprint managed as either productive land use or natural areas.

NESF's Sustainability and ESG Report continues to align with the International Sustainability Standards Board ("ISSB") and Taskforce on Nature-related Financial Disclosures ("TNFD") reporting frameworks, while maintaining disclosure in accordance with Article 9 of the EU Sustainable Finance Disclosure Regulation ("SFDR"). The Company's long-standing, proactive approach to assessing and communicating sustainability-related information positions it well to meet evolving disclosure requirements.

## Corporate Governance

Sound corporate governance remains a cornerstone of NESF's identity and an important enabler of long-term value creation. The Board is committed to transparency, independence, diversity, expertise, and ethical oversight, ensuring that the Company continues to operate in the best interests of shareholders and wider stakeholders. As referenced earlier, I joined the Board during the financial year under review and reaffirm my commitment to upholding and strengthening these standards. Changes were also made to the composition of the Board and its Committees during the year, further details of which are set out in the Corporate Governance Report on page 107.

The Company's governance framework is particularly important given its investment company structure, under which all functions are delivered by specialist third party service providers. This model remains a cost efficient means for public market investors

to access a diversified solar and energy storage portfolio, supported by a comparatively low operating cost base. At the same time, the outsourced nature of the model makes effective Board oversight, challenge and independent judgement essential. The Board fulfils this role through the combination of its strong, independent and experienced Directors, regular engagement with the Investment Adviser and other service providers, and the use of independent third-party advice where appropriate to inform key decisions.

During the year under review, the Board's approach was demonstrated through our leadership of the Strategic Review process, supported by third party advisers and independent experts. The Board considered a wide range of options and reached a unanimous conclusion on the actions required to protect and enhance shareholder value. The Strategic Reset reflects that active and engaged governance and provides a clear, executable plan against which shareholders can hold the Board, the Investment Manager and the Investment Adviser accountable.

## Principal Risks and Uncertainties

Risk management is embedded throughout the NESF business. The Board defines the level and type of risk it considers appropriate in line with NESF's Investment Objective and its Investment Policy. The principal risks, on page 98, remain consistent with those identified in the prior year, although they have been refreshed and updated to reflect the macroeconomic and policy changes referenced earlier in this statement, with further detail provided in the Investment Adviser's report on page 37.

## Outlook

While challenges remain and there is significant work to be done, the Board is focused on delivery and execution of the Strategic Reset and on the levers within our control. The fundamentals of the portfolio remain strong, operational performance is above forecast, revenue streams are diversified, and the asset management capability is proven.

The Strategic Reset roadmap targets 9–11% gross total returns over the long term, and the indicative modelling set out at the March seminar demonstrates the compounding benefit of acting now rather than later.

The Board is committed to regular reporting against the roadmap milestones, holding both itself, the Investment Manager and the Investment Adviser accountable for delivery. Nearer-term catalysts include the first sales under the extended CRP, and subject to the shareholder vote on the 30% energy storage limit at the upcoming AGM, the

commencement of the energy storage co-location programme, along with the execution of the NEIII exit process.

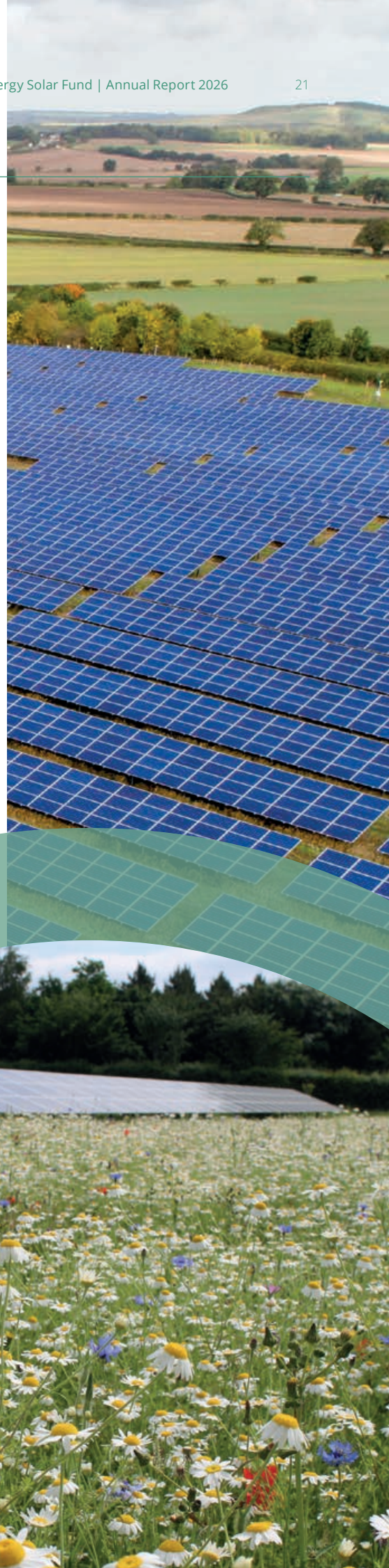
Shareholders will rightly judge us on delivery. I look forward to updating the market on progress. I would like to thank our shareholders for your continued engagement and support. The year ahead will not be without challenges, but it will be characterised by disciplined execution and clear reporting.



Tony Quinlan  
Chair

NextEnergy Solar Fund Limited

19 June 2026



# Financial Performance since IPO

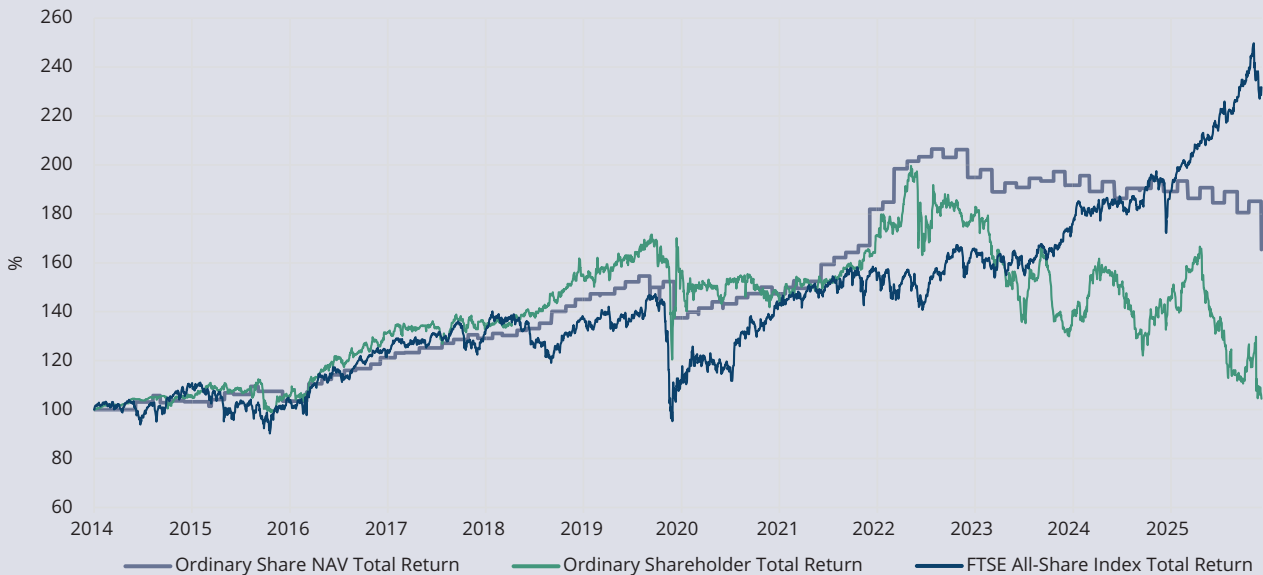
NESF's investment objective is to provide Ordinary Shareholders with attractive long-term total returns through a diversified portfolio of solar energy and

energy storage infrastructure assets. Since its inception, NESF has declared £443m of dividends to Ordinary Shareholders, equivalent to 84.7p per Ordinary Share.

Dividends per Ordinary Share



NESF total return vs FTSE all-share index total return<sup>1,2</sup>



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

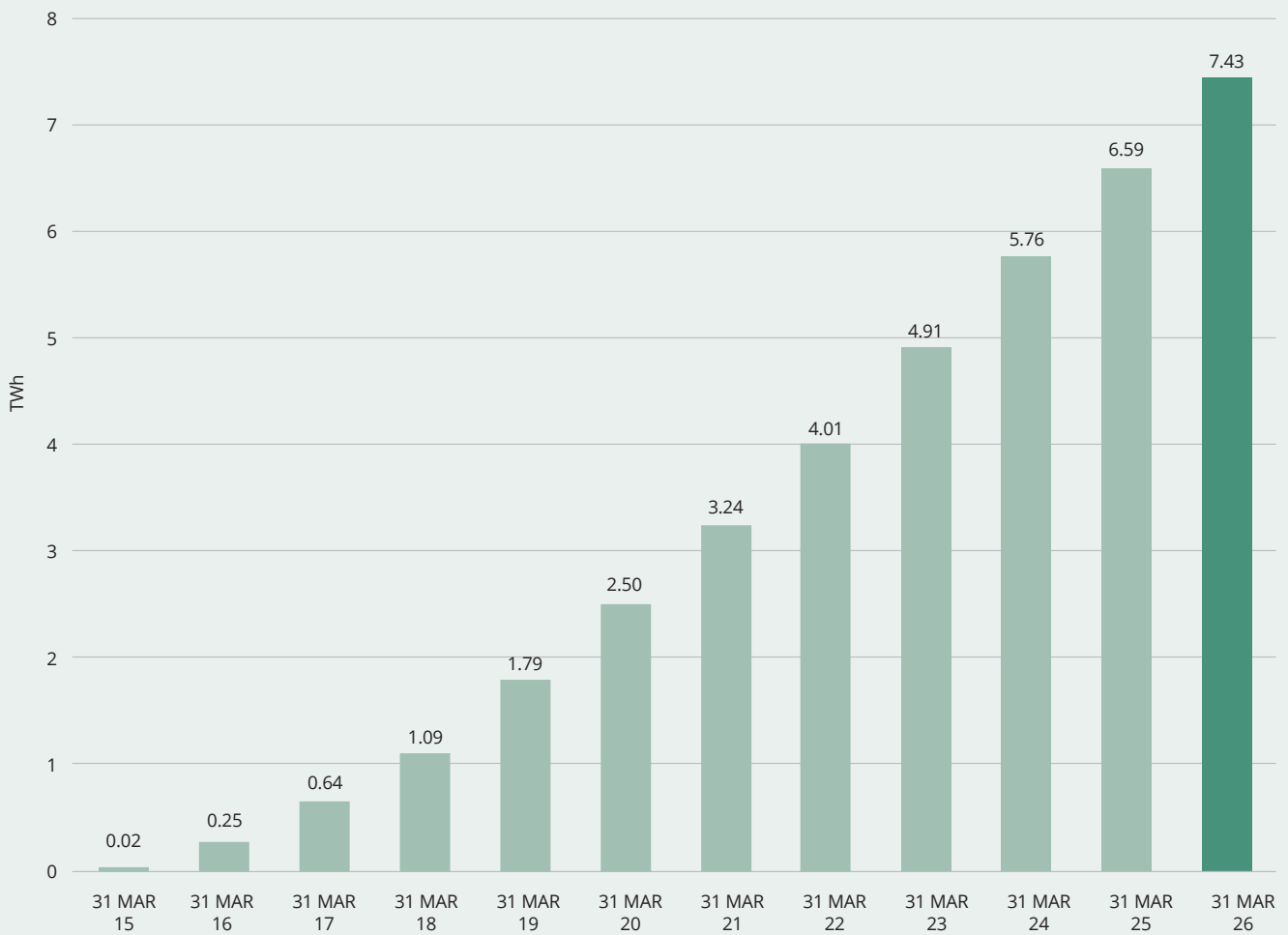
<sup>2</sup> Data as at 31 March 2026

# Technical Performance since IPO

Since its inception in 2014, NESF has generated c.7.4TWh of clean electricity which is equivalent to 3.0 megatonnes of CO<sub>2</sub>e emissions avoided since IPO. NESF has

successfully grown its portfolio to 99 operational assets and a \$50m private equity investment into NEIII, with an installed total capacity of 838MW.

Total Cumulative Generation since IPO



<sup>1</sup> Including share in private equity vehicle (NEIII) and co-investment (Agenor and Santarém). Inclusion of NESF's 6.21% share of NEIII on a look-through equivalent basis increases generation by 57GWh (2025: 51GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 19GWh (2025: 14GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases generation by nilGWh (2025: nilGWh).

£85.6m raised at IPO in April 2014

£99.6m raised December 2014

127MW total installed capacity

*Renewables gained momentum in the UK, driving a record share of low-carbon electricity generation*

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

424MW total installed capacity

*The UK voted to withdraw from the EU under Brexit*

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

£100m preference share issued

First subsidy-free asset energised

*Renewables gained ground in the UK power mix, which reinforced the broader decarbonisation trend*

2014

2016

2018

IPO



2015

2017

2019

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

£100.2m raised, 100% deployed six weeks later

276MW total installed capacity

*Low interest rates and strong investor appetite underpinned investor interest in renewable infrastructure*

£126.5m raised, 100% deployed within 14 months

First international subsidised solar assets added to the NESF portfolio in Italy (34.5MW)

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

Awarded LSE's Green Economy Mark

Largest UK subsidy-free solar asset energised in UK

First co-located battery assets

£100m preference share issues



Investment policy change unlocking:

- 10% energy storage
- 15% solar private equity funds
- 30% international solar

Sells first development subsidy-free assets (115MW)

Promoted to FTSE 250

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

£200m JV with EelPower

First standalone Sustainability & ESG report published

Article 9 status

First solar co-investments in Spain and Portugal

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

1,015MW total installed capacity

Camilla (BESS) energised

Phase 2 & 3 of CRP complete

>94% support for continuation of NESF

Commencement of a £20m Share Buyback Programme

*Labour won the UK General Election and introduced its Clean Power 2030 action plan*

2020



2022



2024

2021

*COP26 in Glasgow*

£100m JV with EelPower

First 50MW standalone battery

First \$50m commitment to NEIII

150MW subsidy-free target reached

2023

*UK produced 1 trillion kWh of electricity from renewables*

Initial CRP introduced

Phase 1 of CRP completed

2025

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

NESF's Strategic Reset and roadmap was launched to proactively close the Company's share price discount and deliver total returns to shareholders

Phase IV of CRP completed, marking the completion of the initial CRP

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

Dividend target of 8.43p per Ordinary Share achieved for the year ended 31 March 2026

# Investment Strategy

Our strategy is straightforward...

## Investment Focus

We seek to own a broad range of large-scale solar energy infrastructure assets, but may invest up to 10% of GAV in standalone energy storage systems. At the upcoming AGM, the Company will seek approval to increase this to 30% of GAV. We target assets that we expect to generate reliable cash flows over their useful lives (typically, at least 25-40 years from energisation).



## Geographic Focus

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



## Financing

We seek to optimise the long-term total returns to our Ordinary Shareholders by funding our activities through an appropriate mix of shareholder equity and debt, subject to debt being capped at 50% of GAV. As part of the Strategic Reset, the Company is targeting a reduction in financial debt gearing to 40-45% of GAV over the medium term.



## Asset Management

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



## Risk management

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



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

## Five Year Track Record

Financial Key Performance Indicators	Year Ended 31 March				
	2022	2023	2024	2025	2026
Ordinary shares in issue	589.1m	590.3m	590.8m	575.7m	575.7m
Ordinary share price	103.4p	104.8p	71.5p	67.7p	44.5p
Market capitalisation of ordinary shares	£609m	£619m	£422.4m	£398.7m	£255.7m
NAV per ordinary share <sup>1</sup>	113.5p	114.3p	104.7p	95.1p	76.1p
Total ordinary NAV <sup>1</sup>	£668m	£674m	£618.6m	£547.4m	£437.5m
Premium/(discount) to NAV <sup>1</sup>	(8.9%)	(8.3%)	(31.7%)	(28.8%)	(41.5%)
Earnings per ordinary share	21.69p	8.20p	(1.42p)	(1.86p)	(10.6p)
Dividend per ordinary share	7.16p	7.52p	8.35p	8.43p	8.43p
Dividend yield <sup>1</sup>	6.9%	7.2%	11.7%	12.5%	19.0%
Cash dividend cover – pre scrip dividends <sup>1</sup>	1.2x	1.4x	1.3x	1.1x	1.2x
Preference shares in issue	200m	200m	200m	200m	200m
Financial debt outstanding at subsidiaries level	£283m	£345m	£338m	£316m	£286m
Financial debt (financial debt/GAV) <sup>1</sup>	25%	28%	29%	30%	29%
Total gearing (financial debt + preference shares/GAV) <sup>1</sup>	42%	45%	46%	48%	51%
GAV	£1,150m	£1,225m	£1,155m	£1,061m	£922m
Weighted average cost of capital	5.3%	5.7%	6.4%	6.6%	6.9%
Ordinary shareholder total return – cumulative since IPO <sup>2</sup>	53.6%	62.4%	37.2%	41.9%	27.0%
Ordinary shareholder total return – annualised since IPO <sup>2</sup>	6.7%	7.0%	3.7%	3.8%	2.3%
Ordinary shareholder total return	11.0%	8.6%	(23.8%)	6.5%	(21.8%)
Ordinary NAV total return per Ordinary Share <sup>1</sup>	22.0%	7.3%	(1.1%)	(1.1%)	(11.1%)
Ordinary NAV total return – annualised since IPO <sup>2</sup>	8.0%	8.0%	7.1%	6.3%	4.9%
Ongoing charges ratio <sup>1</sup>	1.1%	1.1%	1.1%	1.2%	1.2%
Weighted average discount rate	6.3%	7.3%	8.1%	8.0%	8.5%
<b>Operational Key Performance Indicators</b>					
Invested capital <sup>1</sup>	£1,039m	£1,134m	£1,157m	£1,117m	£1,066.7m
Number of operating assets <sup>5</sup>	99	99	103	101	99
Total installed capacity <sup>3</sup>	884 MW	889 MW	1015MW	937MW	838MW
Annual generation	773 GWh	899 GWh <sup>3</sup>	852GWh <sup>3</sup>	830GWh <sup>3</sup>	844GWh <sup>3</sup>
Generation since IPO	4.0 TWh	4.9 TWh <sup>3</sup>	5.8 TWh <sup>3</sup>	6.6TWh <sup>3</sup>	7.4TWh <sup>3</sup>
Solar irradiation (delta vs. budget)	3.5%	7.4%	2.6%	0.1%	6.7%
Generation (delta vs. budget) <sup>4</sup>	4.1%	5.5%	0.3%	(5.3%)	2.0%
Remaining weighted average useful life	27.3 years	26.3 years	26.6 years	24.8 years	22.3 years

<sup>1</sup> Alternative performance measures. More information can be found on page 184.

<sup>2</sup> Return figures since IPO calculated based on dividends paid.

<sup>3</sup> Includes share in private equity vehicle (NEIII) and co-investments. Inclusion of NESF's 6.21% share of NEIII on a look-through equivalent basis increases total capacity by 48MW (2025: 46MW) and increases generation by 57GWh (2025: 51GWh). Inclusion of NESF's 24.5% share of Agenor increases total capacity by 12MW (2025: 12MW) and increases generation by 19GWh (2025: 14GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases total capacity by 29MW (2025: 29MW) and increases generation by nil GWh (2025: nil GWh).

<sup>4</sup> Excludes performance of private equity vehicle (NEIII) and co-investments. Figures have been adjusted, where relevant, for events outside of the Company's control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

<sup>5</sup> Excluding the \$50m commitment into private equity vehicle NEIII.

# Our Business Model

## Structure

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

The Company's capital structure comprises ordinary shares and preference shares. The Ordinary Shares are listed and traded on the London Stock Exchange's Main Market as a constituent of the FTSE All-Share Index. The preference shares provide a fixed return of 4.75% and are not listed or traded on any public market. The rights attaching to each class of shares are summarised in notes 13 and 23a to the Financial Statements on pages 165 and 179.

The Company makes its investments through holding companies ("HoldCos") which, in turn, hold underlying special purpose vehicles ("SPVs"). The Company also has a singular direct investment in NEIII which consists of a portfolio of international solar assets, and two co-investments in Agenor (50MW solar asset in Spain) and Santarém (210MW solar asset in Portugal). The NESF Group comprises the Company, the HoldCos and the SPVs. As explained in note 2(d) to the Financial Statements, as the Company is an investment entity as described by International Financial Reporting Standards ("IFRS") 10, the Company does not prepare consolidated Financial Statements and, instead, holds its investments at fair value.

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

## Operating Model

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

## Management of the Company

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

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

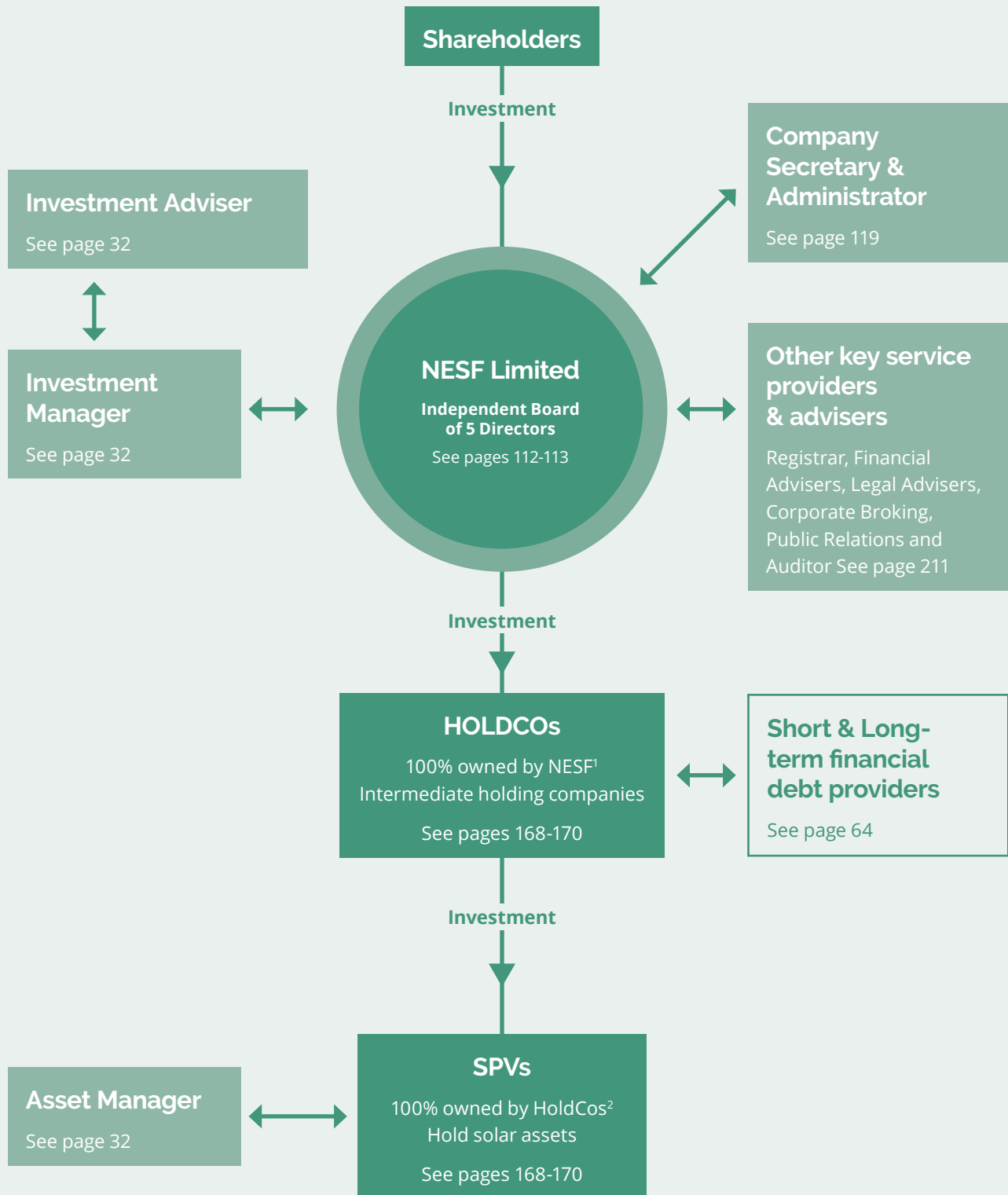
Further information on the division of responsibilities for the management of the Company can be found in the Corporate Governance Statement.

## Administration of the Company

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

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

Business Structure



<sup>1</sup> Excluding NESF's direct investment into NEIII.

<sup>2</sup> Except for one 70% subsidiary, one associate and one investment (see note 18 for more information).

## Dividend Policy for Financial Year Ending 31 March 2027

The Company's principal purpose is to provide ordinary shareholders with attractive total returns. As announced in the Strategic Reset in March 2026, commencing 1 April 2026, the Company transitioned to a dividend policy to distribute on a 75% payout ratio of operational free cashflows. In respect of each financial year, the Company intends to pay a quarterly interim dividend under the new dividend policy with reference

to the operational free cashflow for the quarter, with dividends declared in August, November, February and May and paid in or around September, December, March and June respectively.

In line with the new dividend policy, the Company will not set a dividend target for the year ending 31 March 2027 (31 March 2026 dividend target: 8.43p). However, the Company has provided an estimated dividend guidance range over that year to be 4.5p-5.1p per Ordinary Share, subject to portfolio performance.



## Investment Adviser's Investment Committee

The Investment Adviser to NESF has a dedicated Investment Committee with over 76 years of combined industry experience. This Investment Committee at NextEnergy Capital is a crucial governance function within the NESF structure that is responsible for assessing all matters related to NESF's investment activities. Once reviewed by the Investment Committee, recommendations are made to the Investment Manager and NESF's Board of Directors for their consideration and approval.

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

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

Michael has over 26 years' specialist experience in the power and energy sector.



**Giulia Guidi** is Head of ESG of the NextEnergy Group.

Giulia has over 26 years' experience in ESG and risk management in the financial sector.



**Ross Grier** is Chief Investment Officer.

Ross has deployed over £1.5bn of capital into UK solar and energy storage over the last 12 years, including c.1GW of transactions for NESF.



**Stephen Rosser** is Investment Director.

Stephen oversees all NESF activity. He has over 21 years' experience in clean technologies and renewable generation.



**Andrew Newington** is Strategic Advisor and Chair of the Investment Committee.

Andrew has over 11 years' experience in renewable energy investment and business.



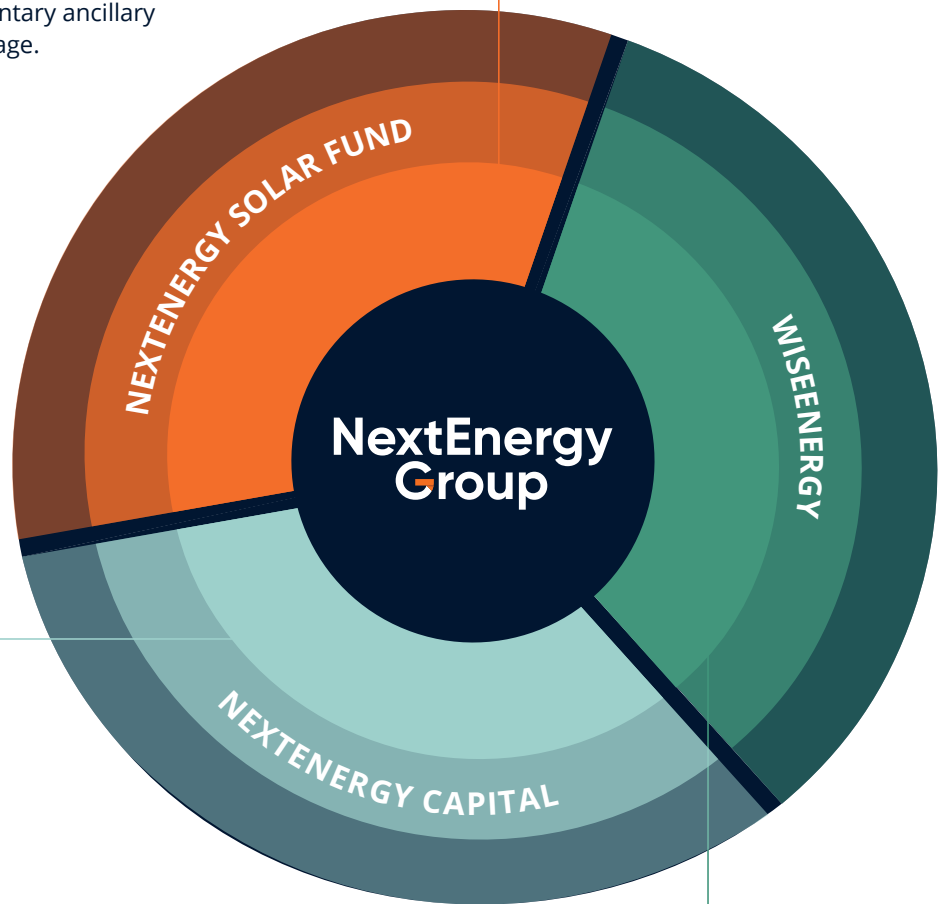
The collective experience of the NextEnergy Group of investing in and managing renewables assets enables NESF to implement efficiencies at both the investment and operating asset levels. The technical and

operating outperformance of the Company's portfolio against budget underlines the benefits of this comprehensive strategic relationship.

<p><b>Investment Manager</b></p> <p>Management Agreement with the Company see note 1 in the Financial Statements on page 158</p> 	<ul style="list-style-type: none"> <li>• Acting as the Company's Alternative Investment Fund Manager ("AIFM").</li> <li>• Discretion to make investments in accordance with the Company's Investment Policy, subject to investment recommendations by the Investment Adviser.</li> <li>• Portfolio and risk management services as required by the EU's AIFM Directive.</li> <li>• Reporting to the Board on all operational, financial and technical issues and the valuation of the investments.</li> </ul>
<p><b>Investment Adviser</b></p> <p>Advisory Agreement with the Investment Manager and NESF</p> 	<ul style="list-style-type: none"> <li>• Provide investment and other advice and recommendations to the Investment Manager in respect of the Company's existing and potential investments.</li> <li>• Identify investment opportunities for the Company.</li> <li>• Evaluate investment opportunities and co-ordinate external due diligence activities.</li> <li>• Negotiate all project contracts with counterparties.</li> <li>• Prepare investment proposals and provide general advice and recommendations to the Investment Manager concerning the Company's portfolio, financing, strategy, market developments, etc.</li> <li>• Review performance of the Company's portfolio together with the Asset Manager.</li> <li>• Manage Investor Relations for the Company.</li> </ul>
<p><b>Asset Manager</b></p> <p>Asset Management Agreements with the HoldCos and SPVs</p> 	<ul style="list-style-type: none"> <li>• Asset management of solar power assets.</li> <li>• Technical and financial analysis of each site to assess performance and identify potential improvements. Periodic site visits on each plant.</li> <li>• Ensure each SPV's suppliers perform in accordance with contracts.</li> <li>• Managing unexpected occurrences at assets and ensures prompt response to any asset management requirements of the Company.</li> <li>• Manage each SPV's administrative and financial functions and requirements.</li> <li>• Periodic financial, technical and administrative reports to the Investment Adviser.</li> </ul>

## NEXTENERGY SOLAR FUND

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



## NEXTENERGY CAPITAL

NextEnergy Capital IM is the Investment Manager to NextEnergy Solar Fund. A Management Agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority and responsibility such as the discretion to make investments in accordance with the Company's Investment Policy, subject to investment recommendations by the Investment Adviser.

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



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

## Investment Policy

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

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

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

The Company typically seeks to acquire sole ownership of individual solar PV assets through SPVs but may invest in solar PV assets through entering into joint ventures, acquiring minority interests or via private equity structures, provided that not more

than 15% of the GAV may be invested in private equity structures (calculated at the time of investment). Where a controlling interest of less than 100% in a particular solar PV asset is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Where a non-controlling interest is being acquired (either directly in a solar PV asset or through a private equity structure) the Company intends to secure minority protection rights or protections through limited partnership agreements in line with typical private equity structures. Investments by the Company in solar PV assets may be either by way of equity or a mix of equity and shareholder loans.

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

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

The Company may also agree to forward-fund by way of secured loans the construction costs of solar

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

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

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

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

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

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

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

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

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

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

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

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

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



# Investment Adviser's Report

**Ross Grier**  
Chief Investment Officer



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

"It has been a challenging year for the Company's share price performance, with the discount to NAV widening. I recognise the frustration felt by NESF shareholders, as a shareholder myself, that progress in narrowing the discount has been slow and influenced by external factors beyond our control.

Despite this, the Company has taken decisive action and delivered tangible strategic progress during the year. The initial CRP was successfully completed, with the sale of 245MW of assets in total. The Company repaid £12.8m of long-term debt, net £18.0m of short-term debt and delivered a fully covered full year dividend of 8.43p per Ordinary Share.

Alongside this, the Company continued to reinvest in the health and performance of the portfolio and announced a Strategic Reset and Roadmap designed to take control of the key variables within its influence and to act decisively. The Strategic Reset is focused on reducing gearing, narrowing the Ordinary Share price discount to NAV, and positioning the platform for future growth, with the objective of delivering long-term shareholder value.

We recognise that the short-term share price reaction to these actions has been uncomfortable for shareholders and the Company's NAV has been declining. However, the Strategic Reset was necessary to preserve value within the Company and is firmly in the best interests of shareholders. We now look forward to delivering tangible momentum against this strategy, demonstrating its value through both growth and a sustained narrowing of the discount to NAV.

As part of the reset strategy the Company has shifted to a new

dividend percentage-based payout policy for Ordinary Shares where 75% of the operational free cash flow generated over the year will be distributed to shareholders. Based on conservative forecasts, the indicative guidance range for this dividend payout will be 4.5p to 5.1p per Ordinary Share for the year ending 31 March 2027, depending on portfolio performance.

We strongly believe the percentage payout dividend policy appropriately balances the interests of the Company, investors and other stakeholders in the current macroeconomic climate, where the Company's new dividend range still offers an attractive c.9% to 11% dividend yield as at 19 June 2026, in addition to the potential upside from future growth of the platform.

Since IPO, NESF has been a key player in the UK's push for energy security and its net zero goals, deploying significant homegrown domestic clean energy for the

UK. It is our belief that with this Strategic Reset, NESF can continue to meaningfully contribute to these goals whilst providing shareholders with long-term value alongside reducing bills for consumers.

In total, including the assets disposed of via the completed CRP, NESF has delivered an operational UK portfolio of 1GW capacity of solar energy and energy storage assets since IPO, against a total of c.22GW of solar currently deployed across the UK.

With approximately 4% of the UK's solar deployed by this listed investment company vehicle and the sustainable growth strategies underway for the portfolio, we believe that NESF will continue to drive the UK towards a secure, sustainable, and affordable energy system; one which is resilient to the on-going global energy volatility derived from continued geo-political instability. Companies such as NESF have and should continue paving the way

for the UK to become more energy independent and resilient to these shocks to the global energy market.

Having been part of the NESF journey since 2014, I am extremely proud of the impact, momentum, and value the Company has delivered since its listing on the London Stock Exchange twelve years ago. The Company remains firmly focused on narrowing the share price discount to NAV and delivering long term value through total return, of which both the Board and the NEC team remain laser focused on delivering. As we prepare the platform for the next phase of growth, while continuing to pay a long-term sustainable dividend, I would like to thank our shareholders for their continued support and patience as we implement and progress the new strategy."



**Bilsthorpe**

Nottinghamshire  
5.0MW

## Management of the Company's Investment Activities and Assets

NextEnergy Solar Fund is managed and advised by NextEnergy Capital, part of the NextEnergy Group. The NextEnergy Group was founded

in 2007 and has evolved into a leading specialist investment and asset manager in the international renewable energy infrastructure sector. Since its inception, it has been active in the development, construction and ownership of solar power and energy storage assets

across multiple jurisdictions.

NextEnergy Group operates via its three business units: NextEnergy Capital (Investment Management), WiseEnergy (Operating Asset Management), and Starlight (Asset Development).



### NextEnergy Capital

Over 19 years of specialist solar expertise, having invested in over 53 individual solar plants across the world. NextEnergy Capital currently manages four institutional funds with a total capacity in excess of 4GW. More information is available at [www.nextenergycapital.com](http://www.nextenergycapital.com).



### WiseEnergy®

A leading specialist operating asset manager in the solar sector. Since its founding, WiseEnergy has provided solar asset management, monitoring and technical due diligence services to over 1,600 utility-scale solar power plants with an installed capacity in excess of 3.5GW. More information is available at [www.wise-energy.com](http://www.wise-energy.com).



### Starlight

Developed over 100 utility-scale projects internationally and continues to progress a large pipeline of c.9GW of both green and brownfield project developments across global geographies. More information is available at [www.starlight-energy.com](http://www.starlight-energy.com).

The NextEnergy Group has a team of c. 400 individuals worldwide and is responsible for the acquisition and management of the Company's portfolio, including the sourcing and structuring of new investments, asset enhancement and advising on the Company's financing strategy. It has significant experience in energy and infrastructure transactions across international jurisdictions.

As at 31 March 2026, the NextEnergy Capital had funds under management of c.\$4.8 billion and operating capacity of c.7.5GW. In addition to NESF, it manages three private equity funds:

1. **NextEnergy III LP ("NEIII", formerly "NextPower III LP" or "NPIII"):** Raised \$896m (including \$90m co-investment) at final close and has acquired 1.8GW of solar and energy storage capacity across 172 individual assets across the USA, Chile, Portugal, Spain,

Greece, India and Poland. NESF invested \$50m in NEIII which it was able to access exclusively through NextEnergy Capital.

2. **NextEnergy UK I LP ("NEUK I", formerly "NextPower UK LP" or "NPUK"):** A new build, UK subsidy-free solar plus strategy that has raised commitments of £733m, exceeding its target of £500m.
3. **NextPower V SCSp ("NPV"):** An OECD solar plus strategy that has raised \$974m, including \$277m of co-investments allocations. The current portfolio has assets across the USA, Spain, Italy and Poland.

NextEnergy Capital has a well-established track record of successfully exiting investments, with experience dating back to 2011. In 2022, NextEnergy Capital completed the divestment of NextPower II LP ("NPII"), a 2016 vintage fund, which had built an investment portfolio

of 105 subsidised operating solar plants in Italy with an installed capacity of 149MW. The sale of NPII achieved an internal rate of return ("IRR") exceeding 25% and a multiple of invested capital of 2.46x.

NextEnergy Capital's expertise is actively leveraged by NESF, for example through the successful delivery of its initial Capital Recycling Programme where the Company sold Hatherden (60MW) at an exit IRR of 57%, Whitecross (36MW) at 14%, Staughton (50MW) at 7% and The Grange (50MW) and South Lowfield (50MW) collectively at 2%. NESF is also positioned to benefit from the anticipated exit of NEIII, which is targeting an IRR of 13–15%, thereby realising the value of its \$50 million direct investment in the fund.

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

## Introduction

NESF has a resilient underlying portfolio of 99 operating assets, comprised of 96 operating solar assets, two operational solar co-investments in Spain and Portugal, and one operating standalone energy storage asset; in addition to a \$50 million investment into a private international solar fund, NEIII.

Despite the current Ordinary Share price performance, NESF's portfolio continued to perform as expected over the financial year ended 31 March 2026. Supported by its inflation-linked revenues, the Company delivered its full-year target dividend of 8.43 pence per Ordinary Share, achieving dividend cover of 1.2x. Alongside this, the Board worked closely with NextEnergy Capital,

its Investment Adviser, to maintain NESF's strong asset performance and preserve capital discipline.

The Company is cognisant of its persistent share price discount to NAV over the past four years, driven by macroeconomic uncertainty, market volatility and broader external pressures across the alternative investment company and renewable infrastructure sectors. The on-going discount has restricted the Company's ability to raise new equity on the equity capital markets for growth which, alongside other structural factors, has contributed to NAV erosion over time. Without growth, these pressures can compound, which is one of the fundamental issues the Company

is addressing through its Strategic Reset announced on 11 March 2026.

The Investment Adviser remains of the view that the current share price materially undervalues the Company's intrinsic value, as demonstrated by all five assets selected for the CRP being realised around or above their NAV. NESF's fundamentals remain robust, its portfolio continues to perform well and in line with expectations.

After reviewing a broad range of options during the Board's independent strategic review and assessing sentiment from investors, the Company announced that the Strategic Reset was and still is the best option currently available to the Company and that pursuing it is in the best interests of its shareholders.



**Hook Valley**

Somerset  
15.3MW

### The Strategic Reset:

- **A shift in focus to total returns:** The Company will deliver a balanced total return profile that provides Ordinary Shareholders with both attractive income and capital growth, targeting total long term returns of between **9% to 11%**.
- **Long term income distribution:** The Company has transitioned from a progressive dividend policy to a percentage based dividend policy, targeting a **75%** distribution of operating free cashflows, post debt servicing and portfolio and fund operating expenses. The new dividend policy is expected to free up approximately **£40m** of operational free cash flows over the next five years, unlocking capital for the Company to strengthen its balance sheet through additional debt repayments, while also supporting future NAV growth opportunities.
- **A reduction in debt:** The Company will reduce and maintain its total gearing in a range between **40% to 45%** of Gross Asset Value ("GAV"), comfortably below the Company's investment policy target of 50%.
- **Initiate more frequent capital recycling events for reinvestment:** The Company has expanded its CRP to include an initial **120MW** of additional assets for sale, with the Investment Adviser now progressing discussions with potential buyers regarding the first **45MW** of this extended CRP. The Company will also benefit from the realisations of its private solar fund investment and two co-investments from 2027 onwards, representing the equivalent of **116MW**.
- **Restart NAV growth:** The Company is targeting renewed NAV growth through repowering existing solar assets with the latest technology to increase power output alongside the addition of co-located energy storage, which would enable the

Company to ensure long-term asset health and performance, whilst adding revenue diversification.

- **Increase energy storage exposure:** The Company will ask for shareholder approval to increase its allocation to energy storage up to **30%** of GAV at this year's AGM. This will enhance the Company's existing stable revenues generated by its operational solar assets and support future revenues post the end of the Company's subsidised asset period.

This Strategic Reset provides a Roadmap that is a clear and deliverable route for the Company to reduce its total debt and accelerate NAV growth. It is also the best option that is available to NESF at this current point in time, and will enable it to free up capital to access a range of investment opportunities that align with long-term structural trends in the sector, with the aim of providing shareholders with long-term visibility and enhancing long-term returns.

The Board and the Investment Adviser continue to assess, and are exploring, additional options, alongside the Strategic Reset, to capture value for shareholders with third-party capital structures to unlock additional value. More information on the Company's Strategic Reset can be found on page 45.

Throughout the year under review, the Company progressed its capital allocation framework via:

- **Completion of the initial CRP:** Executed Phase IV of the CRP through the sale of two operational subsidy-free solar assets, The Grange (50MW) and South Lowfield (50MW). The initial CRP added in aggregate +2.44p to the NAV per Ordinary Share.
- **Short-term debt repayment:** Repaid net £18m of the NESF Group's short-term revolving

credit facilities ("RCF");

- **NEIII and co-investment distributions:** Received its second capital distributions from NEIII and Agenor totalling £1.4m during the year; and
- **Shareholder distribution:** Declared £48m in Ordinary Shareholder dividends.

During the year ended 31 March 2026, NESF benefitted greatly from the favourable weather conditions experienced across the UK, with 2025 confirmed by the Met Office as the UK's sunniest year on record. This resulted in solar irradiance across NESF's portfolio being 6.7% above budget contributing to 2.0% above budget generation. Solar energy generation continues to demonstrate its reliability and predictability as a renewable energy source, as fluctuations in solar irradiation remain relatively minor compared to the variability seen in other forms of renewable energy generation such as wind. Combining predictable irradiation patterns with increasing consistency and less variability in the future solar capture price forecasts, produced by independent third-party power curve consultants, gives the Company greater visibility and a higher degree of certainty over the expected generation and the price secured for this energy. This enables the Company to achieve more predictable future cashflows through the rolling PPA programme delivered by our in-house Energy Sales desk.

The Company's energy storage asset, Camilla, continues to perform amongst the top-earning energy storage assets in the GB grid. Camilla has complemented the Company's solar assets by delivering high revenues during the winter months, when electricity demand and gas prices were elevated and increased wind generation drove heightened grid volatility.

The Company continued to progress its asset health and optimisation programme, replacing inverters across 10 sites as at 31 March 2026. The most recent inverter replacements led to an average increase in asset performance of 13% across two sites. The Company will continue progressing the inverter replacement with inverters covering 65MW of capacity across six sites to be completed within the next two years.

NESF's Ordinary Shareholders' NAV was £437.5m as at 31 March 2026 (31 March 2025: £547.4m), equivalent to 76.1p per Ordinary Share (31 March 2025: 95.1p). The decrease in NAV over the year notably reflects a decrease in power price forecasts (7.1p per Ordinary Share), UK Government led retrospective changes to the inflation indexation of the ROC and FiT subsidy schemes (2.0p per Ordinary Share) and an increase of 50bps to the UK unlevered projects' discount rate to 8.00% driven by recent market volatility and increases in UK gilt yields (1.6p per Ordinary Share). More information on the NAV movements can be found on page 70.

The Company and its Investment Adviser remain optimistic about NESF's future, despite ongoing headwinds. The UK Government's confirmed move from RPI to CPI indexation for ROC buy-out and FiT prices from 1 April 2026 was the less adverse of the two options consulted on; however, despite the Board and the Investment Adviser's robust consultation response, they remain disappointed by a policy change that risks undermining investor confidence in UK infrastructure when energy transition investment is most needed. As highlighted by international conflicts, there is increasing political priority being placed on secure, domestic energy as a means of reducing exposure to global fossil-fuel

price volatility. Investment companies such as NESF are strategically placed to continue contributing to the UK's energy security, deploying solar capacity which remains the lowest cost and fastest-to-deploy generation technology, alongside the falling cost of, and increasing demand for, energy storage assets. This directly feeds into the Roadmap set out in the Strategic Reset, presenting opportunities and a plan to capture them.

The Company welcomes the UK Government's recent amendments to the Pension Schemes Bill to include investment companies, allowing pension schemes to use investment companies to meet requirements to invest in private markets in the UK. The proposed changes to cash ISA limits, which could drive the reallocation of retail capital into stocks and shares ISAs, offer a constructive tailwind for listed investment companies and the renewable infrastructure sector.

















NESF's Sustainability and ESG activity continues to lead the market. In June 2025, NESF was awarded Renewables Fund of the Year in Environmental Finance's 2025 Sustainable Investment Awards, reflecting its differentiated approach as the first renewable energy investment company to embed nature into its solar strategy, as outlined in the Company's Approach to Nature. NESF also achieved designation by the GFSC as a Natural Capital Fund, which is awarded to schemes which make a positive contribution to the natural world, recognising NESF's action to promote nature-positive investment. The Company provides comprehensive disclosures on its Sustainability and ESG activity in its standalone Annual Sustainability and ESG Report, and is proud to publish this in line with the standards of the

International Sustainability Standards Board and the Recommendation of the Taskforce on Nature-related Financial Disclosures, of which NESF is an early and voluntary adopter. The standalone NESF Annual Sustainability and ESG Report to 31 March 2026, can be found on the Company's [website](#).

Since IPO, NESF has played a significant role in supporting the UK's net zero and energy security ambitions, having acquired and built, in total, including assets disposed of, a 1GW portfolio of solar and energy storage assets that has generated 7.5TWh of clean energy to date. Alongside this, the Company has delivered substantial value to shareholders, declaring £443 million of dividends to Ordinary Shareholders since inception, equivalent to 84.7 pence per Ordinary Share. Chronologically, the UK is over half-way in its journey to net zero by 2050, NESF remains well positioned to continue contributing to this goal whilst returning long-term value to NESF shareholders.



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

 <p><b>Michael Bonte-Friedheim</b> Founding Partner and CEO</p>	 <p><b>Ross Grier</b> Chief Investment Officer &amp; Head of UK Investment</p>	 <p><b>Stephen Rosser</b> Investment Director</p>	 <p><b>Giulia Guidi</b> Head of ESG</p>	 <p><b>Peter Hamid</b> Senior Vice President of Investor Relations</p>
 <p><b>Ben Adams</b> Head of Fund Management</p>	 <p><b>Dario Hernandez</b> Head of Energy Storage</p>	 <p><b>Christopher McKaig</b> Head of Grid Connections</p>	 <p><b>Paul Barwell</b> Head of Energy Sales</p>	 <p><b>Kevin McLelland</b> Global Construction &amp; Procurement Director</p>
 <p><b>Hing Kin Lee</b> Global Lead on Nature</p>	 <p><b>Trang Tran</b> UK Investments</p>	 <p><b>Charles Hadley</b> UK Investments</p>	 <p><b>Kevin McCann</b> ESG</p>	 <p><b>Olivia Arden</b> ESG</p>
	 <p><b>Andres Abad</b> Fund Management</p>	 <p><b>Katrina Murdoch</b> Fund Management</p>	 <p><b>Peter Walsh</b> Investor Relations</p>	





# Strategic Reset and Roadmap

The Board and the Investment Adviser launched a Strategic Reset and Roadmap for the Company, to close its share price discount to NAV and deliver total returns to NESF shareholders.

## Why is the Company acting now?

The Company, alongside its peers, has for the last four years operated against a significant backdrop of structural and sectoral challenges. This is evident by the persistent share price discounts to NAV and sustained NAV erosion that has occurred in the years where renewable investment companies have been restricted in

being able to raise new capital for growth. These issues are driven by external headwinds including elevated interest rates, falling long-term future power price forecasts, UK Government energy policy change, capital outflows from UK equities and wider geo-political instability. This has restricted the Company's ability to raise new equity, limited its investment in growth opportunities and, over time, placed greater pressure on NAV progression and the Company's gearing. Yet the long-term fundamentals for the platform and the sector remain compelling: a strong portfolio of 99<sup>1</sup> operational assets, a significant immediate NESF owned pipeline, rising electricity demand, the

<sup>1</sup> Includes standalone energy storage asset and two co-investments, excluding NEIII.

demand for domestic energy security becoming increasingly important in the more volatile and uncertain geopolitical environment, alongside solar and energy storage continuing to offer some of the most cost-effective, scalable and strategically important solutions in transitioning to a secure, domestic, resilient, affordable, and sustainable energy system. In light of these challenges and gathering tailwinds, the Board believes the time for change is now, with the Strategic Reset designed to re-position NESF to respond proactively to current and future market

conditions whilst creating a stronger platform for delivering sustainable long-term shareholder value.

Change is needed and the time to act is here. The Board has taken the decision to act proactively to reset NESF to prepare for growth and the delivery of returns to shareholders. As per the graph below we see that, by acting now, NESF can generate better outcomes sooner rather than waiting for markets to change.

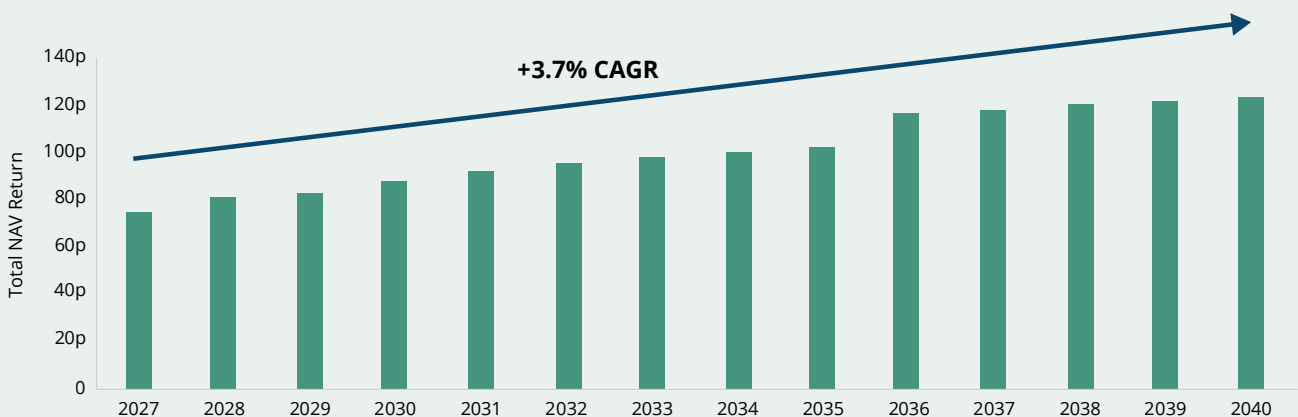
The Strategic Reset is intended to enhance shareholder returns at a time when capital raises remain

constrained. It does this by reshaping the Ordinary Share dividend policy to a 75% payout ratio to release capital for reinvestment and reduce debt, strengthening NAV by mitigating the risk of gradual NAV erosion, and creating greater optionality through internal levers such as asset sales and reinvestment into higher-yielding opportunities. Taken together, these actions are intended to deliver a more resilient platform capable of sustaining a long-term dividend alongside capital growth.

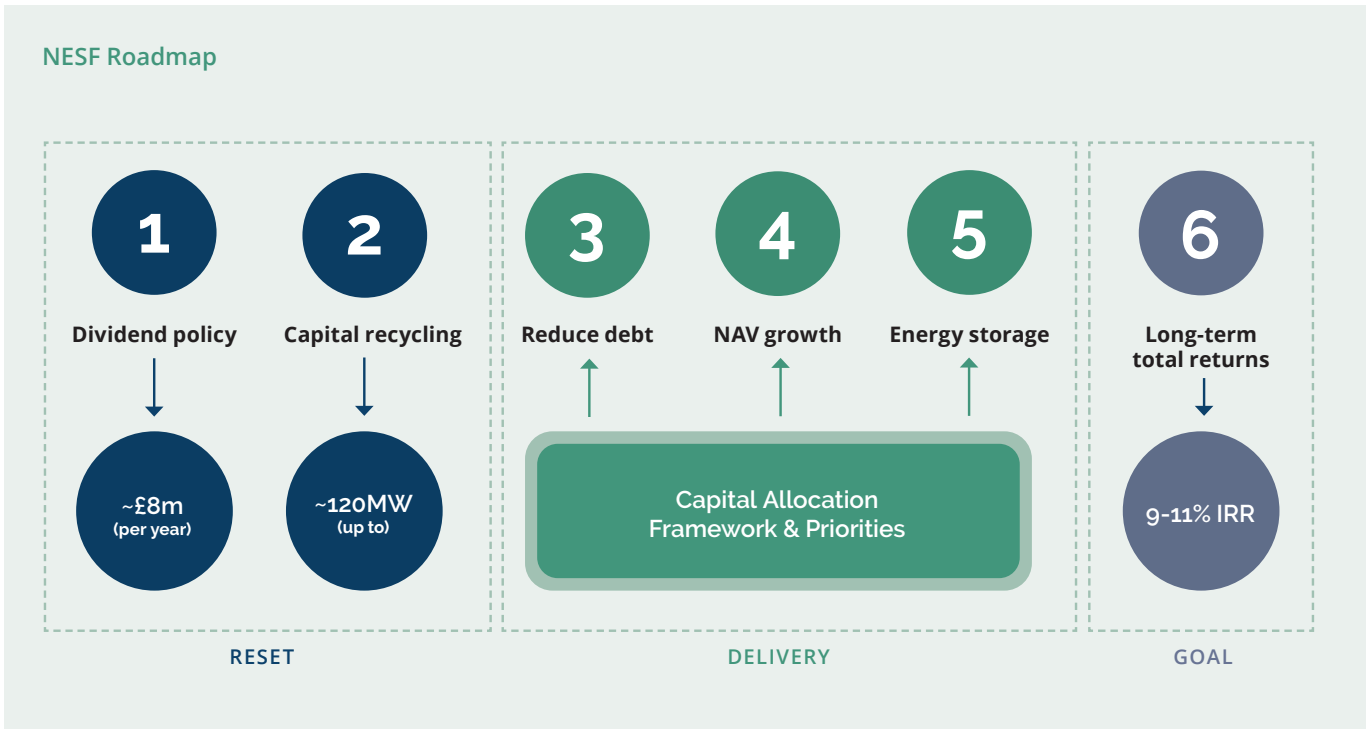
Indicative NESF NAV forecast without change



Indicative guidance: Long-term cumulative NAV return<sup>1</sup>



<sup>1</sup>The indicative guidance holds the following assumptions: 75% of earnings distributed for dividend; NAV as at 31 March 2026; RCF and Preference shares are maintained in the structure indefinitely.



### What is the Strategic Reset?

The Strategic Reset sets out the affirmative actions and strategic direction taken by the NESF Board to address the share price discount to NAV and to deliver long-term total returns of 9% to 11%. It is designed to reposition the Company for its next phase of growth by releasing capital through the revised dividend policy and creating regular liquidity events for reinvestment. Key elements include transitioning to a 75% dividend payout policy, expanding the Capital Recycling Programme by up to 120MW, and realising the \$50m investment in NEIII alongside the co-investments. Capital will then be deployed in line with the Capital Allocation Framework, prioritising debt reduction, reinvestment into portfolio performance, repowering and co-location, and increasing exposure to higher-yielding assets such as energy storage.

### Governance and Options Considered

During the reporting year, the Board undertook a thorough strategic review, assessing a full suite of options, namely: maintaining the status quo, a managed wind-down, structural transformation, sector consolidation, utilising third-party capital, a public-to-private transaction and the Strategic Reset. Each option was evaluated rigorously alongside independent advisers through the lens of maximising long-term shareholder value and what was available to the Company at the time. Following this process, the Board concluded that a Strategic Reset represents the most compelling path forward: one that utilises levers entirely within the Company’s control and does not require external capital market conditions to achieve value for shareholders. It is important to note that the Board has not ruled out sector consolidation, using third-party capital, nor a public-to-

private transaction. In the event of progressing any of these three options, the Strategic Reset through on-going re-investment will strengthen the portfolio, its performance and in turn, its capital value.

### Dividend Policy Reset

The Strategic Reset involves transitioning NESF’s progressive dividend model for Ordinary Shareholders to a 75% payout policy based on operational cash flows. The estimated dividend range for FY27 would be 4.5p to 5.1p per Ordinary Share. The new policy is expected to generate approximately £40m of cash for reinvestment over the next five years whilst maintaining a healthy income for investors. By continually reinvesting a portion of its free cash flows into the portfolio, the Board believes NESF can continue to deliver predictable and, over time, increasing income for investors alongside capital growth. The mechanics

supporting the dividend policy and the Company's capital allocation framework can be found on page 81.

### Why NextEnergy Capital is the Right Team to Deliver

NESF is supported by a highly experienced Investment Adviser and management team, drawing on 19 years of solar and energy storage expertise. NextEnergy Capital has a well-established track record of value creation, having realised 27 investments at a weighted average MOIC of 1.8x and IRR of 30%. Importantly, the team's capabilities extend well beyond finance, encompassing development, construction, legal, grid, power markets and ESG expertise, providing NESF with a breadth and depth of resource that differentiates it from many of its peers. Over time, NextEnergy Capital has built an operating model focused on delivering strong investor outcomes through a close partnership between NextEnergy Capital and WiseEnergy, bringing together comprehensive skillsets across the full value chain. This integrated platform, combined with NESF's high-quality portfolio and the attractive opportunity ahead, positions the Company strongly for the future.



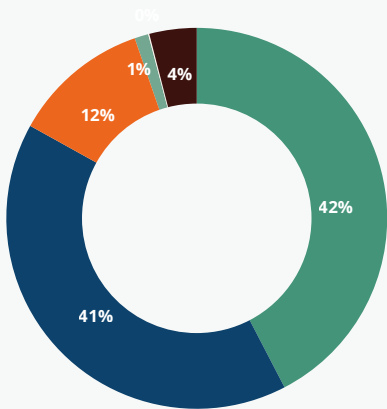


**Emberton**

Buckinghamshire  
9.0MW

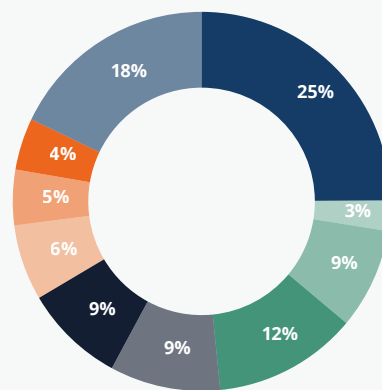
# Operating Portfolio Breakdown<sup>1,3</sup>

By Revenue Type



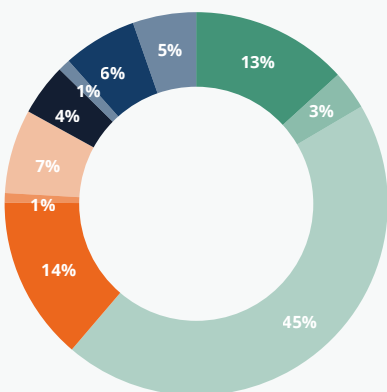
- Fixed PPAs
- ROCs
- FITs (UK & Italy)
- Wholesale Revenues
- Other

By Solar Module Manufacturer



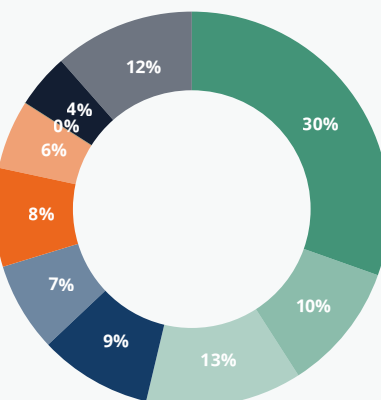
- Hanwha Q Cells
- TRINA
- Yingli
- REC
- LDK Solar
- Canadian Solar
- BYD
- Renesola
- Other

By Subsidy/Regulatory Regime



- 1.2 ROCs
- 1.3 ROCs
- 1.4 ROCs
- 1.6 ROCs
- 2.0 ROCs
- FITs UK
- FITs Italy
- Long-term PPA
- Subsidy-free (incl CfDs)
- 1.4NIROCs

By Inverter Manufacturer<sup>2</sup>



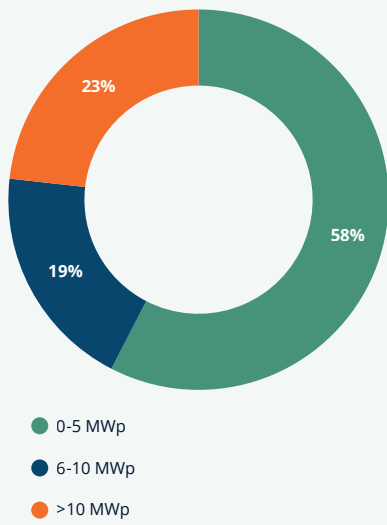
- SMA
- Huawei
- Power Electronics
- Emerson
- Schneider
- Gamesa
- ABB
- Sungrow
- Power-One
- Other

<sup>1</sup> Figures are stated to the nearest 0.1% which may lead to rounding differences.

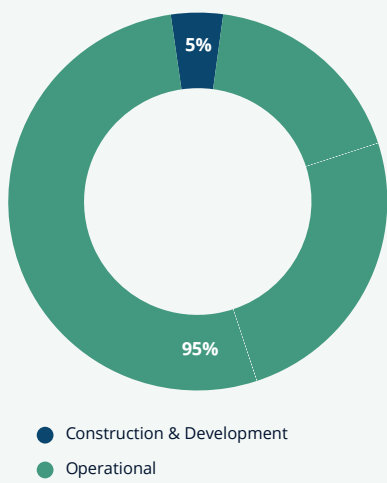
<sup>2</sup> Excluding energy storage assets.

<sup>3</sup> Excluding the \$50m investment into private equity vehicle (NEIII).

### By Installed Capacity



### By Project Status



<sup>1</sup> Figures are stated to the nearest 0.1% which may lead to rounding differences.

<sup>2</sup> Excluding energy storage assets.

<sup>3</sup> Excluding the \$50m investment into private equity vehicle (NEIII).



# Operating Portfolio Overview

NESF has a well-diversified and high-quality portfolio of operating assets. As at 31 March 2026, NESF had a portfolio with an installed capacity of 838MW, on a look-through basis, from 99 operating assets and a \$50m investment into NEIII, a private international solar private equity.



## Solar Assets:

- Direct solar assets<sup>1</sup>:
  - 88 UK solar assets totalling 680MW (100% owned by NESF)
  - 8 Italian solar assets totalling 35MW (100% owned by NESF)
- Co-investment solar asset:
  - 1 Spanish solar co-investment totalling 50MW (24.5% owned by NESF)
  - 1 Portuguese solar co-investment totalling 210MW (13.6% owned by NESF)



## Energy storage assets:

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



## Private International Solar Infrastructure Investment:

- \$50m investment into NEIII (6.21% owned by NESF)
  - Portfolio is fully invested with a total capacity of 1.4GW (744MW operational) across USA, Chile, Italy, Portugal, Spain, India, Poland, Greece.

<sup>1</sup> Solar assets include 2 co-located energy storage assets totalling 1MW (100% owned by NESF)

## Portfolio Highlights

During the year, the Company's portfolio remained robust and greatly benefited from the UK's sunniest year on record. The Company completed its CRP whilst its two international solar co-investments, energy storage asset and NEIII investment continue to perform as expected.

### 1. UK Solar Investments:

Over the year, the Company's UK solar assets have continued to perform strongly, delivering operational outperformance and financial performance in line with expectations. The Company remains committed to portfolio optimisation and enhancement initiatives aimed at further strengthening

long-term shareholder value. Further details on these activities are provided on page 60.

### Capital Recycling Programme

During the year, the Company completed its final phase of its initial CRP, Phase IV, through the sale of two operational subsidy-free solar assets: The Grange (50MW); and South Lowfield (50MW). They were sold as a combined 100MW portfolio to Atrato Onsite Energy for £46.2m. The transaction represents a 1.1x Multiple on Invested Capital and a sale IRR 2.2%, underpinning the value that the Company has generated over the course of their holding period. Proceeds from this transaction have been used to reduce the Company's short-term debt via its RCF.

The Company has now completed its initial CRP, having crystallised the returns of five high-quality subsidy-free solar assets totalling 245MW of capacity and raising a total of £119m in the process, adding an estimated 2.44p of NAV uplift per Ordinary Share across the Programme. The proceeds from this Programme are being used to repay the Company's RCF and invest in long-term growth for its shareholders.

The below table summarises the completed Capital Recycling Programme:

Subsidy-free solar asset	Installed Capacity	Project Status	Location	Status	Price	NAV movement	Sale IRR
Hatherden	60MW	Ready to Build	Hampshire, UK	Sold in Phase I	£15.2m	+1.27p <sup>1</sup>	57%
Whitecross	36MW <sup>2</sup>	Operational	Lincolnshire, UK	Sold in Phase II	£27.0m <sup>3</sup>	+0.57p <sup>4</sup>	14%
Staughton	50MW	Operational	Bedfordshire, UK	Sold in Phase III	£30.3m	+0.92p <sup>5</sup>	7%
The Grange	50MW	Operational	Nottinghamshire, UK	Sold in Phase IV	£46.2m	-0.32p <sup>6</sup>	2%
South Lowfield	50MW	Operational	Yorkshire, UK				
<b>Total</b>	<b>245MW</b>				<b>£118.7m</b>	<b>+2.44p</b>	

<sup>1</sup> Realised in NAV as at 31 December 2023.

<sup>2</sup> Originally included in the Capital Recycling Programme with a 36MW design capacity, 35.22MW is the final installed capacity.

<sup>3</sup> Excluding deferred consideration. Including deferred consideration: Price would be £28m and IRR would be 15%.

<sup>4</sup> Realised in the NAV as at 30 June 2024 excluding deferred consideration. Including deferred consideration, it would generate an estimated uplift of 0.70p reflected in the Company's NAV per Ordinary Share as at 30 June 2024.

<sup>5</sup> Realised in NAV as at 31 December 2024.

<sup>6</sup> Realised in NAV as at 31 March 2026.

The proceeds from the initial CRP have been used to:

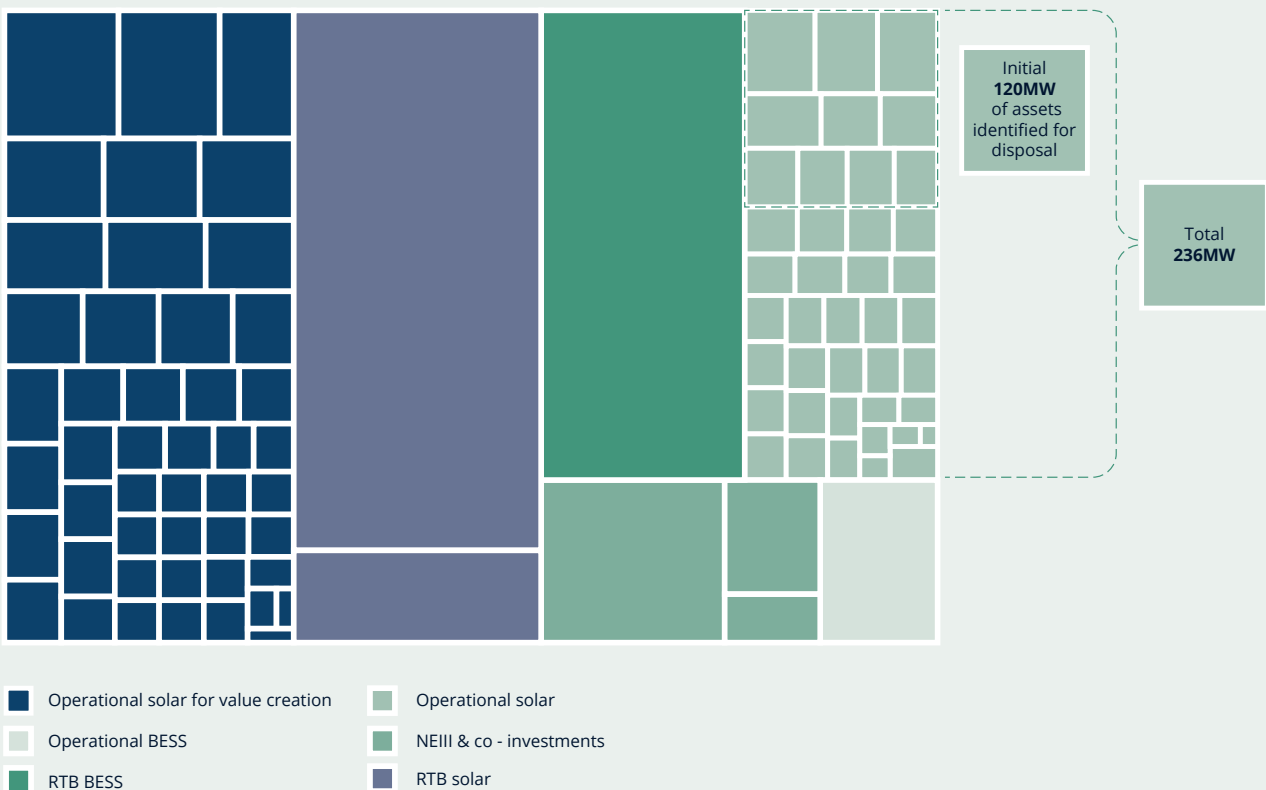
- **Reduce Short-Term Debt:** Pay down the NESF Group’s short-term debt level, known as an RCF, which is the only debt in NESF’s capital structure that is unhedged floating rate debt. The reduction in gearing has reduced debt service burden, strengthen free cash flows, and further increased dividend cover;
- **Implement the Share Buyback Programme:** Finance the share buyback programme which aid in reducing the Company’s Ordinary Share price to NAV discount; and
- **Progress New Investments:** The Company has an attractive pipeline of value-accretive solar energy and energy storage projects, both of which are integral to NESF’s

long-term growth and shareholder value, and vital for society’s drive towards a decarbonised grid.

The Company Strategic Reset includes the expansion of the Company’s Capital Recycling Programme with additional asset sales of up to 120MW by 2030, alongside the realisations of NEIII and co-investments. The Company has evaluated all the assets in the portfolio to identify value creation opportunities versus asset sales. The treemap below illustrates NESF’s total portfolio including its proprietary pipeline offers significant potential through either value enhancement or targeted disposals to recycle capital. The size of each box represents an individual asset as a proportion of the whole portfolio. Assets were scored against different

criteria from cashflow, debt terms, future actionable optionality, strategic location, and buyer appetite in the market to identify the best fit for value creation opportunities and strategic value as NESF moves to evolve its portfolio composition, ensuring the right strategy is matched to the right asset. The Company is already in the advanced stages of its first asset disposal under the extended Capital Recycling Programme, with proceeds expected to be used to repay amounts drawn under the RCF.

Treemap showing NESF’s entire portfolio of operating and development assets



## 2. International Solar Investments:

Since June 2021, NESF has a 6.21% direct interest, and a fully drawn \$50m commitment, in NEIII, a NextEnergy Capital-managed private equity solar infrastructure fund that invests in OECD markets globally. It has a target gross IRR of between 13%-15% and a fund life of 10 years. As at 31 March 2026, NEIII has 1.2GW in capacity and 166 solar energy and energy storage assets in the USA, India, Chile and Europe. As a result of this holding, NESF benefits from international diversification which de-risks its portfolio, and the expertise of the NEIII team. NEIII's exit sale will be managed by NextEnergy Capital which has a proven track record of exiting large solar portfolios at attractive returns for its investors.

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

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

Co-investments, alongside NEIII, allow NESF to invest in international solar assets alongside large international

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

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

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

As at 31 March 2026, NESF has received £6.8m in distributions from NEIII and Agenor. NESF expects to continue to receive periodic distributions where these inflows will continue to support the existing asset portfolio and provide strategic capital for future deployment.

## 3. Energy Storage Investments:

### Standalone UK Energy Storage

In March 2024, NESF became the first solar investment company with an operating standalone energy storage asset named Camilla. It is the Company's first standalone 50MW energy storage asset and is located in Scotland. Camilla connected to the National Grid in December 2023 and progressed successfully through to its final phases of commissioning in early 2024. Camilla is a 50MW 1 hour lithium-ion battery located in Fife, Scotland, which has been pre-configured for augmentation

to 2 hours. Camilla continues to demonstrate strong operational performance, with high availability of 98% while operating on low cycles. Its latest State of Health test recorded 54MWh, materially above its warranted level of 43MWh. This performance has supported Camilla's position as consistently being one of the top-earning assets in its class across the GB grid since commissioning, with the asset remaining on track for continued high performance into FY2027.

Camilla was acquired as part of the first joint venture partnership ("JVP1") with Eelpower ("Eelpower") of up to £100m and is owned 70% by NESF and 30% by Eelpower. Camilla was selected to provide energy storage capacity in the UK Government's T-1 Capacity Market Auction, securing contract with a clearing price of £35.79/kWh. The contract was secured with a derated capacity of 5.659MW and had generated £202k (£4k/MWh on a total capacity basis) of additional contracted revenue for the period from 1 October 2024 through to September 2025. For the period between October 2025 and September 2026, Camilla has secured a T-4 contract with a derated capacity of 9.68MW and a price of £30.59/kWh (real 2023). This is expected to generate c. £350k of contracted revenue.

The Company also has a second joint venture partnership ("JVP2") of up to £200m with Eelpower. JVP2 offers enhanced terms by increasing NESF's ownership to 75%, with Eelpower holding the remaining 25%, reflecting the successful relationship built with Eelpower.

### Co-located Energy Storage and its Opportunities

Co-located energy storage provides both upside opportunities and insulates from variations in solar generation and potential price cannibalisation, by charging during the day when solar output is high

and discharging at night when solar output is low and electricity demand is greater. The Company regards UK energy storage as a highly complementary asset class to the existing solar portfolio that will provide multiple diversification benefits for shareholders over the medium term.

The graph below is an indicative example of a repowered 19MW solar asset, co-located with a 5MW DC 4-hour duration storage. The energy storage system charges from energy which would otherwise be “clipped” during the morning to midday generation period as it would exceed the site’s export limit (represented by the grid limit line) in those hours. Charging of the energy storage system is shown by the green bars. The energy storage system then discharges in the evening when solar generation is falling off, as shown by the blue bars. In doing so, the energy storage system is shifting load from the point of peak generation into the point of peak demand, when prices are typically highest. This results

in more electricity being exported overall, at an overall higher wholesale price than solar can achieve on its own. As demonstrated, co-location unlocks additional, growing revenues for NESF by utilising existing grid connections, removing the need for a new import connection and improving cost and delivery timelines.

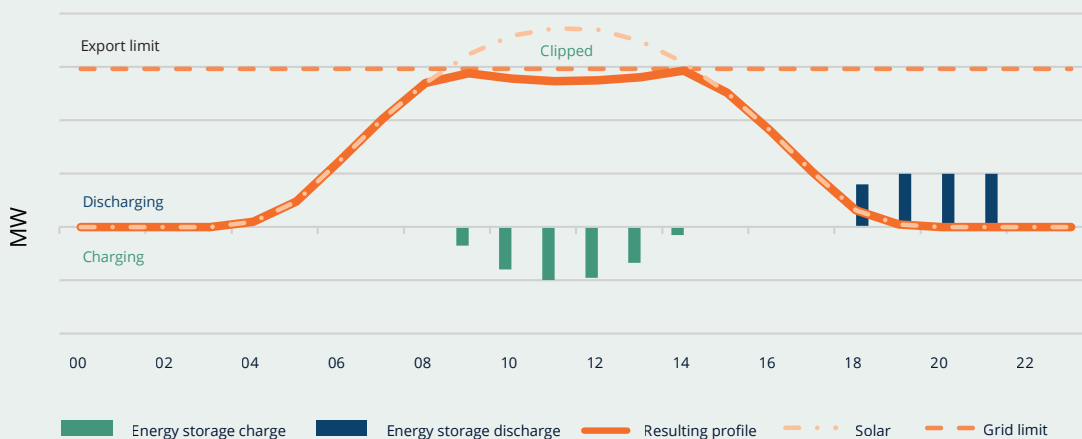
The Company demonstrated the additional value of co-located energy storage through the sale of Hatherden (60MW ready-to-build solar project) for £15.2m in 2023 which was sold with the associated rights for installation of a 7MW co-located energy storage project, increasing the installed capacity of the project from 50MW to 60MW through technical optimisation and enhanced the capital return of the project for NESF shareholders. In April 2022, NESF announced a new co-located energy storage retrofit programme across the Company’s UK operating solar farms. Currently, three sites (21MW) have been identified, including an extension to the existing 11MW North Norfolk solar farm to include a 6MW/12MWh energy

storage system. These extensions to the Company’s current portfolio highlight the value-attractive growth above NAV opportunities present with co-located energy storage systems.

Likewise with solar, the UK Government recognises the critical role of energy storage in supporting grid stability, its effective integration with solar, and its critical role in achieving the UK’s legally binding net zero target by 2050. The CP30 Action Plan targets 23–27 GW of battery storage capacity by 2030, representing a four-fold increase from current levels and underpinning a significant structural growth opportunity. Alongside declining energy storage costs at 11% per annum, the UK Government’s Long Duration Electricity Storage (“LDES”) investment support scheme is expected to provide revenue certainty for longer-duration projects and accelerate investment into this critical area of grid infrastructure.

With this structural policy background, co-locating energy storage represents a capital-efficient deployment route

Indicative example: Repowered 19MW solar asset, co-located with 5MW DC 4-hour duration storage

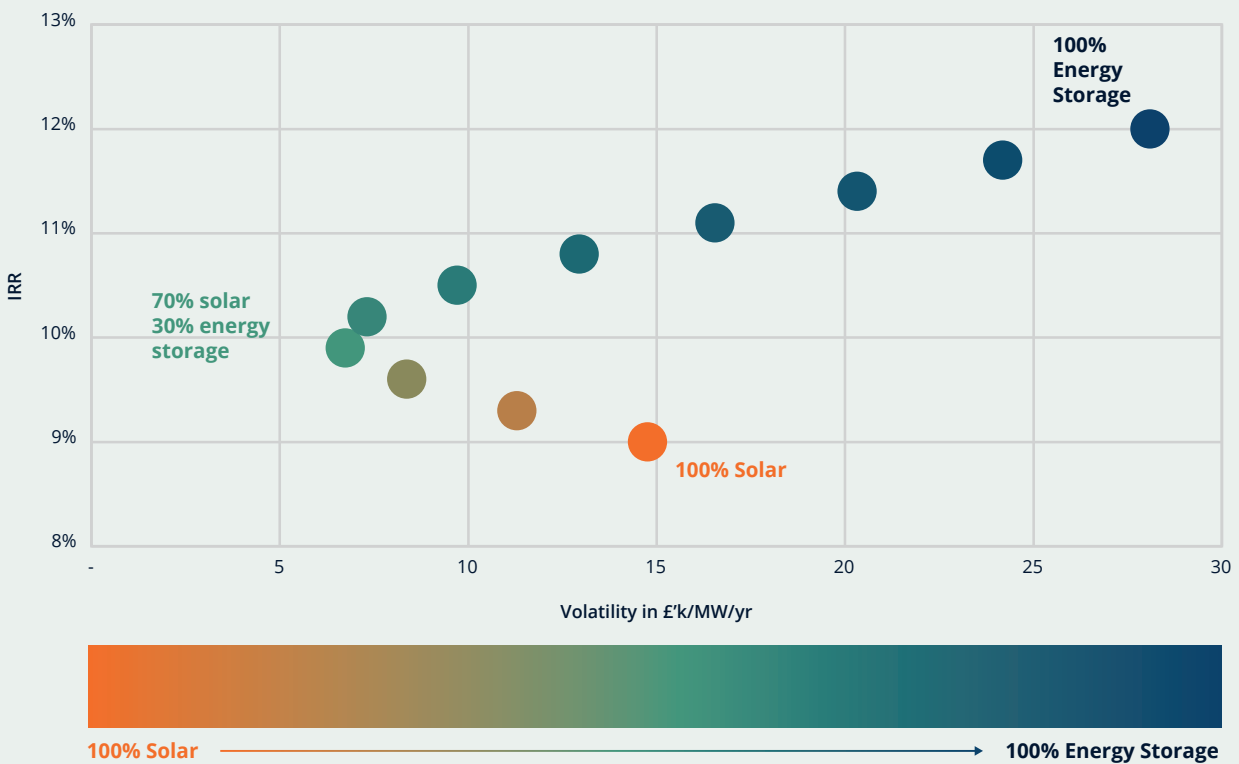


and is therefore, a core pillar of NESF's Strategic Reset (more information can be found on page 45 and on the Company's [website](#)). Co-locating energy storage systems unlocks synergies, diversifies revenue streams and strengthens NESF's risk-return profile. Analysis undertaken by NEC found that a portfolio comprising

approximately 70% solar and 30% energy storage represents the optimal risk-return profile, delivering stronger returns and predictability of cashflows, as demonstrated in the diagram below. The Company is well positioned to pursue this opportunity to build a more resilient, high-returning portfolio for the long-term, and

which has potential to unlock intrinsic value for shareholders. As such, the Company will seek shareholder approval at the upcoming 2026 AGM to increase its energy storage investment policy limit from 10% to 30% of GAV.

Co-location optimal risk-return profile for portfolio composition matrix



## Portfolio Performance

During the year under review, the Company generated cash flows in line with its target range, providing a healthy dividend cash-coverage of 1.2x, demonstrating the solid performance and resilience of the Company's portfolio (1.1x for 2025).

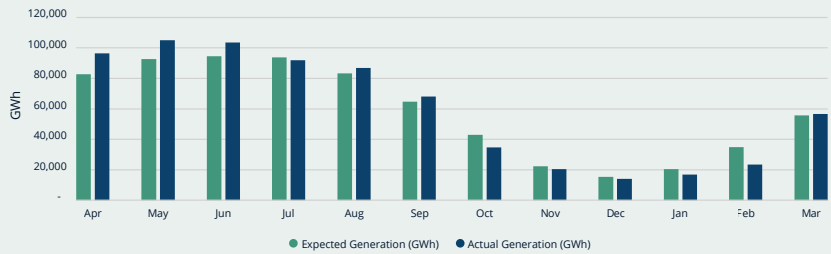
The Company's operating assets are actively managed by WiseEnergy which oversees the technical, commercial and financial operations across the portfolio's assets. WiseEnergy provides value to shareholders by optimising operating asset performance through maximising revenue, minimising risk, and reducing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

Generation is primarily driven by two principal factors:

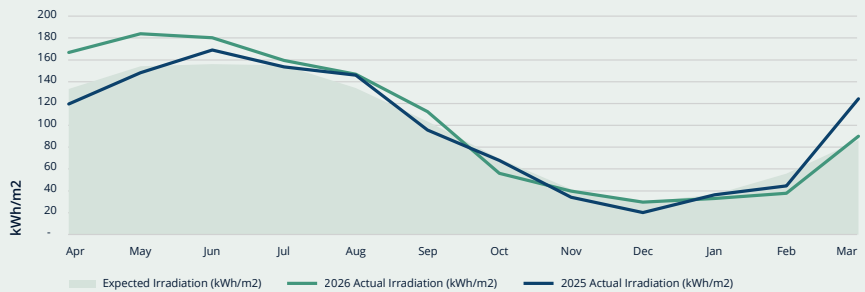
### 1. Weather

The Met Office reported that 2025 was the warmest and sunniest year on record in the UK, with annual sunshine reaching 1,649 hours. This was particularly driven by the spring weather which the Met Office found to be the sunniest spring on record for the UK at 653 hours of sunshine. This contributed an exceptionally favourable weather backdrop over the year as a whole.

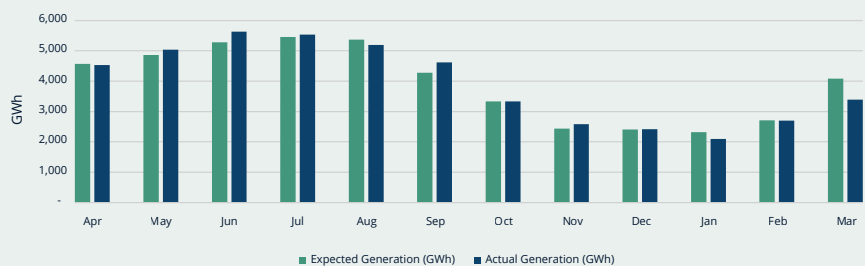
UK Monthly Generation vs Budget



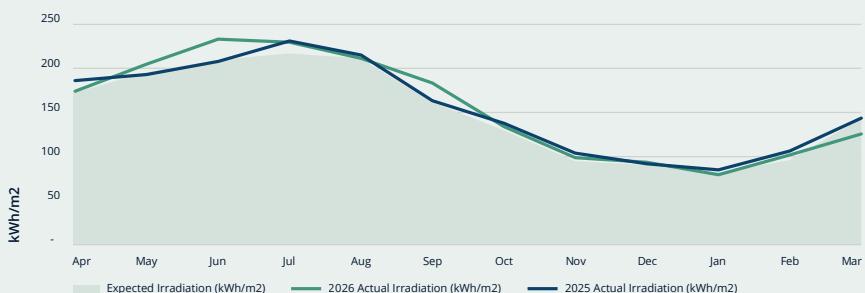
UK Monthly Irradiation vs Budget



Italy Monthly Generation vs Budget



Italy Monthly Irradiation vs Budget



## 2. Grid / Distribution Network Operator (“DNO”) Outages

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

Generation for the period (adjusted where relevant for events outside the Company’s control) outperformed budget by 2.0% (2025: 5.3% below), taking advantage of solar irradiation being 6.7% above budget (2025: 0.1% above). The variance is mainly attributable to grid system limitations, limiting the amount of generation that can be exported, with some performance attenuation due to higher temperatures.

To further enhance the Company’s portfolio performance, the Investment Adviser and the Asset Manager have a rolling strategic re-investment programme which regularly reviews the performance of the Company’s portfolio to identify opportunities to support and enhance long-term

FY2026 <sup>1</sup>	Total Generation (GWh)	Irradiation vs. forecast <sup>2</sup>	Generation (delta vs. budget) <sup>2</sup>
UK portfolio <sup>3</sup>	721.5	6.9%	2.1%
Italy portfolio	47.1	3.7%	0.0%
NEIII and co-investments	75.6	n/a	n/a
<b>Total</b>	<b>844.2</b>	<b>+6.7%<sup>4</sup></b>	<b>+2.0%<sup>4</sup></b>

12 months ended 31 March <sup>2</sup>	No. of assets monitored <sup>3,5</sup>	Irradiation vs. forecast <sup>6</sup>	Generation (delta vs. budget) <sup>6</sup>
2022	90	3.5%	4.1%
2023	90	7.4%	5.5%
2024	100	2.6%	0.3%
2025	100	0.1%	(5.3%)
2026	100	6.7%	2.0%
<b>5 Year Track Record</b>		<b>+4.9%</b>	<b>+1.2%</b>

asset health. Further details of this programme can be found in the ‘Portfolio optimisation’ and ‘Cost optimisation’ sections on page 60.

<sup>1</sup> Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

<sup>2</sup> Actual figures versus budget at point of acquisition. Figures have been adjusted, where relevant, for events outside of the Company’s control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

<sup>3</sup> UK portfolio includes both ground mount and rooftop assets, and excludes standalone energy storage asset, co-investments and investment in NEIII. Figures for disposed assets are included up to the point of divestment in the relevant year.

<sup>4</sup> Figure represents delta across the NESF portfolio.

<sup>5</sup> The Asset Manager continues to deliver dynamic monitoring and active performance management for assets that have successfully passed Preliminary Acceptance Certificate (“PAC”) in accordance with the Engineering, Procurement and Construction (“EPC”) contract. Similarly, the generation performance of assets that are yet to pass PAC are not reported by the Asset Manager.

<sup>6</sup> Actual figures versus budget at point of acquisition. Figures have been adjusted, where relevant, for events outside of the Company’s control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

## Portfolio Optimisation

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

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

- **Asset repowering:** over the year, inverters were replaced at three sites to address systemic defects, restoring availability and improving generation performance. Post the year end, the partial revamping of the inverters on a fourth site began.
- **Targeted improvements:** a total of 17 improvement plans were completed over the year to enhance security, asset integrity and system reliability. Key actions included repairs and upgrades to inverters, transformers and security systems; restringing and preventative measures addressed issues such as rodent intrusion, fire risk, corrosion, and equipment degradation.
- **Strategic spare parts management:** proactive management of critical spare parts to mitigate the impact of component failures across the portfolio, prioritising items with extended lead-times or declining availability to protect asset availability and revenue. A dedicated holding entity has been created to ensure the centralised management and rapid dispatch of key spare components.

## Cost Optimisation

In August 2022, NESF conducted a market leading tender aiming to drive down costs of Operating and Maintenance ("O&M") contracts. The approach facilitates cost reductions whilst helping to further drive the leading performance of the assets. Six leading O&M contractors were selected, providing:

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

Since implementation, 67 contracts have been renewed covering 576MW, leading to an overall cost saving of 10%. This is equivalent to a total of £463k per year, or over £2m over the lifetime of the 5-year contracts. During the 12 months ended 31 March 2026, 1 contract covering 5MW transitioned to this new approach.

During the year, insurance claims were successfully closed out for theft, storm damage, fire, a surge and damaged switchgear events in relation to fifteen solar assets across UK. The Company received a combined total settlement of £3.3m.

Additionally, the Board in conjunction with the Investment Adviser successfully negotiated a reduction in the Operating Asset Management fee in the year. The new arrangement provides a 23% fee reduction by securing future cost reductions on the renewal of contracts. This resulted in an uplift in NAV of 1.3p per Ordinary Share and £7.4m in total.





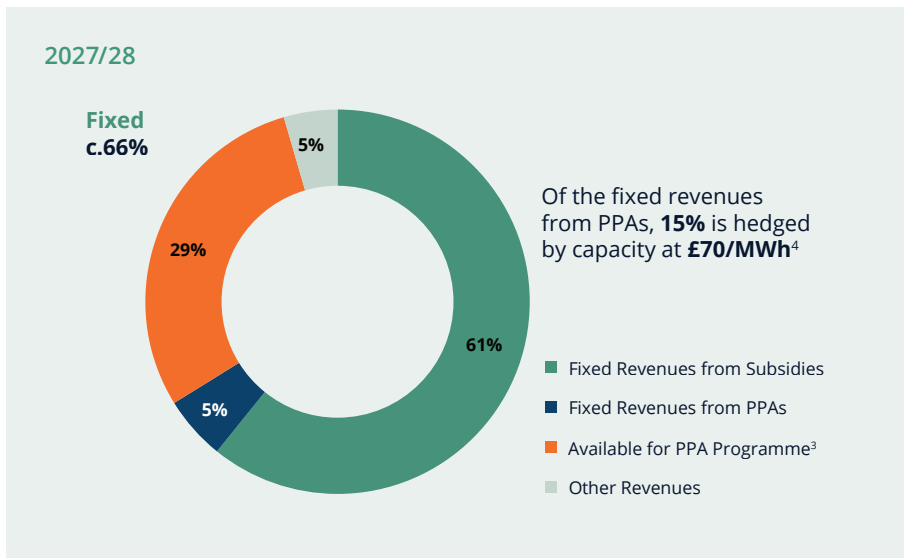
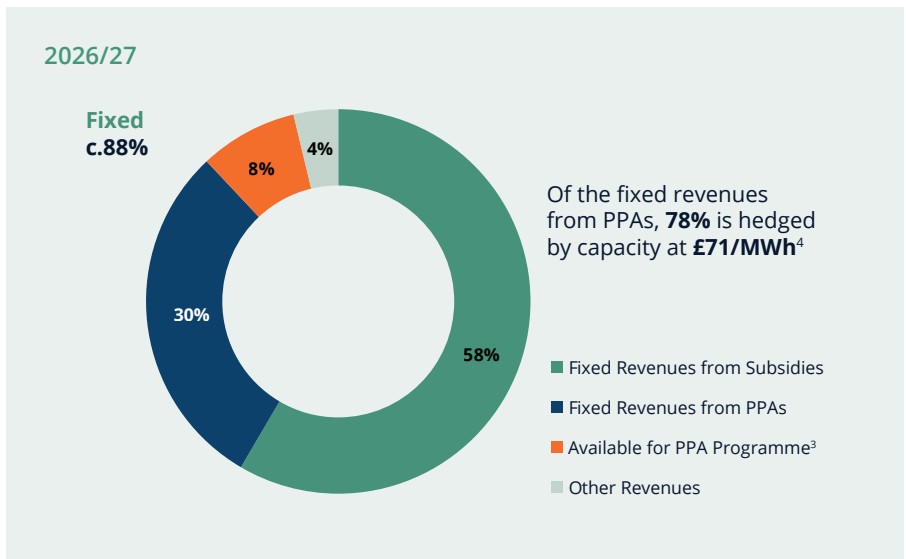
**Barnby Moor**  
Nottinghamshire  
5.0MW

# Forecasted Total Revenue Breakdown <sup>1, 2</sup>

## Power Purchase Agreements Programme

NESF runs an active Power Purchase Agreement (“PPA”) programme where it locks in short-term PPAs up to a 36-month period with varying contract lengths, alongside opportunities for longer-term PPAs with high quality corporate offtakers. This increases the Company’s visibility of future cash flows and ensures the Company has certainty of revenue streams, whilst mitigating the negative impact of short-term fluctuations in the power markets. Secured pricing comprises fixed price contracts and hedging under trading frameworks. This proactive strategy to risk mitigation helps secure and underpin dividend commitments whilst reducing volatility and increasing visibility of cash flows.

For the year ended 31 March 2026, the Italian portfolio (34.5 MW) derived c. 71% of revenues from FiTs and c. 29% of revenues from the sale of electricity to traders under PPAs and the sale of green certificates to traders under fixed price agreements. The weighted average power price achieved by the Italian portfolio over the year was €105MWh. PPAs at a weighted average price of €80MWh are in place from April 2026 until March 2027.



<sup>1</sup> As at 31 March 2026, fixed revenues include subsidy income.

<sup>2</sup> Figures are stated to the nearest 0.1% which may lead to rounding differences.

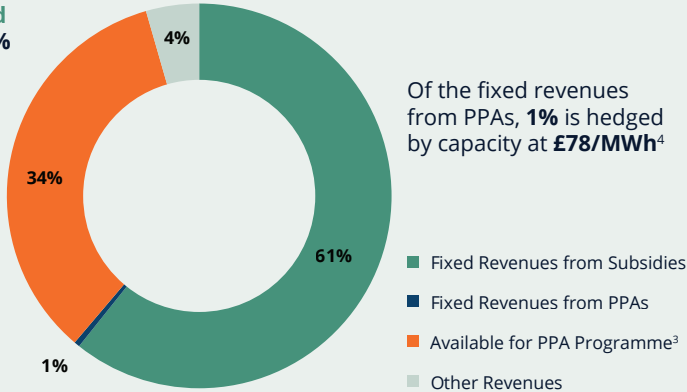
<sup>3</sup> NESF minimises its merchant exposure through its active rolling PPA programme. The programme locks in PPAs in the liquid market to ensure maximum contracted revenues are achieved.

<sup>4</sup> Fixed prices (£/MWh) covered 81% (676MW) of the total portfolio as at 31 March 2026. Excludes Solis portfolio.



2028/29

Fixed  
c.62%

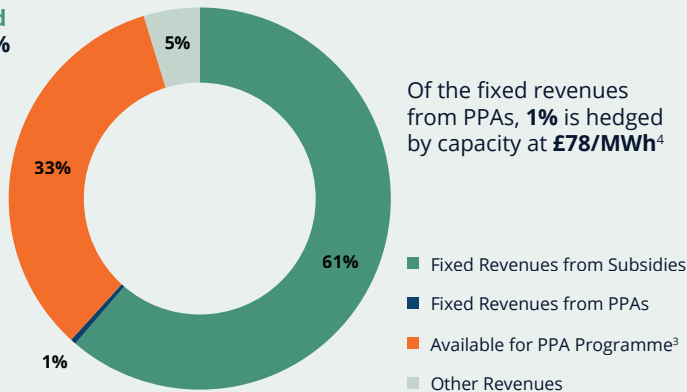


Of the fixed revenues from PPAs, **1%** is hedged by capacity at **£78/MWh<sup>4</sup>**

- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available for PPA Programme<sup>3</sup>
- Other Revenues

2029/30

Fixed  
c.62%

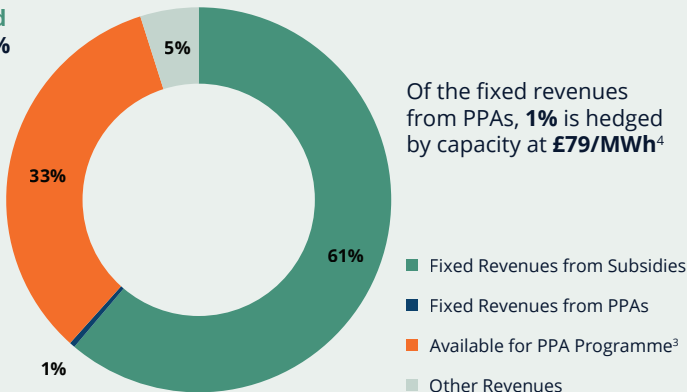


Of the fixed revenues from PPAs, **1%** is hedged by capacity at **£78/MWh<sup>4</sup>**

- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available for PPA Programme<sup>3</sup>
- Other Revenues

2030/31

Fixed  
c.62%



Of the fixed revenues from PPAs, **1%** is hedged by capacity at **£79/MWh<sup>4</sup>**

- Fixed Revenues from Subsidies
- Fixed Revenues from PPAs
- Available for PPA Programme<sup>3</sup>
- Other Revenues

<sup>1</sup> As at 31 March 2026, fixed revenues include subsidy income.

<sup>2</sup> Figures are stated to the nearest 0.1% which may lead to rounding differences.

<sup>3</sup> NESF minimises its merchant exposure through its active rolling PPA programme. The programme locks in PPAs in the liquid market to ensure maximum contracted revenues are achieved.

<sup>4</sup> Fixed prices (£/MWh) covered 81% (676MW) of the total portfolio as at 31 March 2026. Excludes Solis portfolio.

# Resilient Capital Structure

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

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

### 1. Short-term RCF at the NESF Group level:

Short-term RCF are financial arrangements that allow the Company’s subsidiaries to borrow funds up to a predetermined credit limit. They do not have fixed repayment schedules, instead they have flexible repayment and borrowing terms. The aggregate drawn balance on NESF’s RCF with AIB/ Natwest/Lloyds was £126.9m as at 31 March 2026 (31 March 2025: £144.9m).

### 2. Long-term amortising debt:

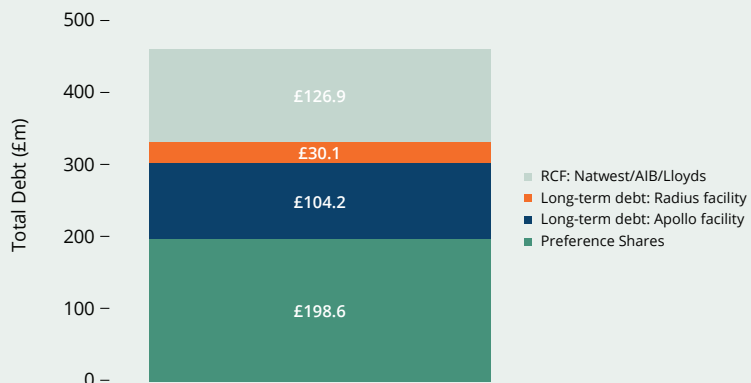
Amortising debt is a type of debt which is gradually reduced over time through regular payments that pay off both the interest and principal amount owned. NESF’s subsidiaries held £134.3m of amortising debt as at 31 March 2026 (31 March 2025: £147.2m). The life of the amortising debt is in line with the remaining life of the subsidies within the NESF portfolio.

### 3. Non-amortising debt (Preference Shares):

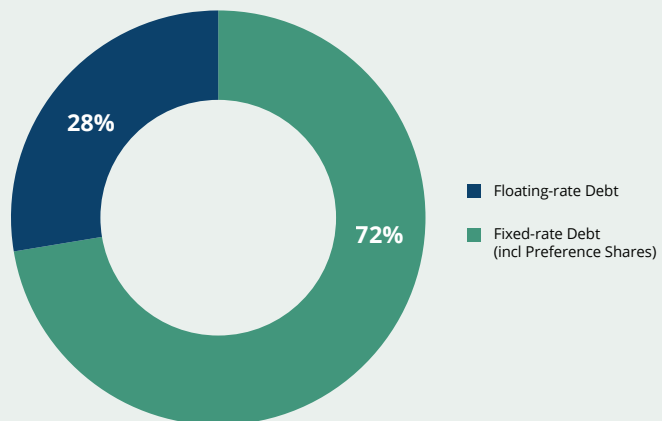
NESF holds non-amortising debt via its Preference Shares. Non-amortising debt in the context of Preference Shares refers to shares that are not considered equity of the issuer. The holder of the Preference Shares receives predetermined quarterly fixed dividends. NESF has issued 200,000,000 Preference Shares at a fixed rate of 4.75% which are being held by USS and BAE Systems. The attractive fixed rate coupon to the Preference Shares provides the

Company with long-term interest rate stability, which has proved particularly beneficial in the current volatile environment. The shares may only be redeemed by the Company from April 2030, which helps to deliver long-term funding with reduced refinancing risk. Furthermore, the Company is not required to use cash flow, or raise funds, to repay them at the end of their life.

NextEnergy Solar Fund: Debt Structure Chart



Fixed vs floating debt pie chart



## Financial Debt

As at 31 March 2026, the Company's subsidiaries had financial debt outstanding of £261.2m (2025: £292.1m), as shown in the table on page 67.

The Company has a protective financial debt structure due to its low debt levels and CPI linked subsidies. Even in a sustained low power price environment, the Company would still be able to service its ongoing debt commitments. No covenant breaches occurred during the financial year.

During the financial year, the NESF Group repaid net £18m of its short-term RCF. Furthermore, the NESF Group reduced its RCF commitment limit from £205m to £170m. The current debt-to-GAV ratio stands at 51%. Whilst in excess of the Investment Policy target of 50%, this level prevents the Company incurring further borrowing. Exceeding the 50% gearing target does not impact the terms or covenants of the

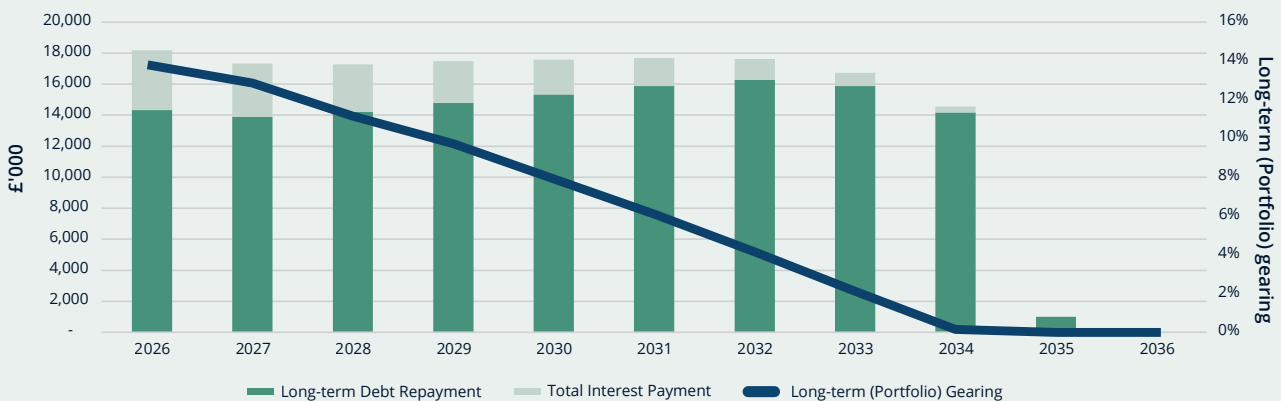
Company's debt facilities, it simply restricts the Company from drawing further debt, which it does not intend to do. As set out in the Company's recently published Strategic Reset and roadmap, NESF is targeting further asset sales to reduce gearing to a range of 40% to 45%.

The Company is in advanced stages of a development asset disposal with proceeds expected to be used to make further repayments of the RCF.

Additionally, a tranche of NESF's long-term amortising debt provided by NextEnergy Solar Holdings ("NESH") is set to mature this year in line with the planned amortisation profile and consistent the Company's repayment schedule.

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

NESF's Long-term Debt Repayment Profile and Long-term Portfolio Gearing



## Preference Shares

At 31 March 2026, the Company had £200m of Preference Shares outstanding (2025: £200m).

The Preference Shares are non-redeemable (except in limited exceptional circumstances) at the option of the Preference Shareholder, non-voting and convertible into Ordinary Shares from 1 April 2036 at their issue price (£200m in aggregate) plus any unpaid Preference Share dividends at the date of conversion. For financial accounting purposes, and in line with IFRS, the Preference Shares are classified as long-term liabilities.

The Preference Shares are equivalent to non-amortising debt with repayment in shares; and the Company is not required to use cash flow, or raise funds, to repay them at the end of their life. The absence of amortisation enhances the ability to pay the Ordinary Share dividend, and repayment in Ordinary Shares removes refinancing risk.

From 1 April 2030, the Company has a window of six years where it may elect to redeem all or some of the Preference Shares materially derisking refinancing risk.

Benefits of the Preference Shares for NESF include:

- **Reduced Risk:** The Preference Shares simplify the capital structure by reducing the exposure to secured debt financing;
- **Attractive Financial Terms:** The Preference Shares pay a fixed preferred dividend of 4.75p

per Preference Share, which is a significantly lower all-in annual cash cost to the Company compared to issuing Ordinary Shares;

- **Improved Cash Flows and Cover:** The further optimisation of the Company's capital structure and, over the long term, increase in cash flows available to fund Ordinary Share dividends or for reinvestment, compared to refinancing with conventional long-term amortising financial debt, thereby increasing the cash dividend cover;
- **Protection Against Falling Power prices:** The Preference Shares provide protection against diminishing power prices, as compared to traditional debt financing used by peers as they do not carry mandatory interest payments, and have no refinancing risk, reducing pressure on the Company during low power price environments; and
- **Future Optionality:** NESF holds the option to redeem the Preference Shares at nominal value starting from 1 April 2030 for a period of six years, at the sole discretion of the Company.

Since 1 April 2025, the Investment Manager's fee is calculated based on the calculated average of the Company's NAV and market capitalisation, and is more fully described in note 5 of the Financial Statements. No management fee is payable in respect of the preference shares. The terms of the preference shares can be found in note 23 to the Financial Statements.

From 1 April 2025, in accordance with the original Preference Share subscription agreement with USS, the Company is required to assess a further gearing ratio using the three month average Market Capitalisation in order to determine gearing based on enterprise value (the "EV gearing ratio"). This additional measure was triggered as the Company's shares traded at an average discount exceeding 10% for three consecutive months immediately prior to 1 April 2025.

As a result of this additional methodology and the prevailing macroeconomic environment, the EV gearing ratio has exceeded the 50% limit specified in the agreement. This has triggered certain restrictions, meaning the Company must seek USS's approval or waiver before undertaking any share buybacks, distributing special dividends, or incurring additional debt that would further increase gearing.

There is no immediate impact on the Company's operations or strategy. The EV gearing ratio was 61.8% as at 31 March 2026.

The Company continues to engage constructively with USS to identify a long-term solution to the current 50% limit and remains focused on closing the share price discount to NAV. The Company remains confident that it will reduce the ratio below the 50% threshold through planned asset disposals and use of the proceeds from sales to pay down the RCF.



## Total Gearing

As at 31 March 2026, the Company's financial debt gearing, measured by the aggregate of the NESF Group's financial debt relative to GAV, is 29% (2025: 30%). Together with the Preference Shares, the Company's total debt represented a gearing level of 51% (2025: 48%).

### NESF Group's debt structure as at 31 March 2026<sup>1</sup>

Provider / arranger	Type	Borrower	No. of power assets secured <sup>2</sup>	Loan to Value <sup>3</sup> (%)	Tranches	Facility Amount (£m)	Amount Outstanding as at 31 March 2025 (£m) <sup>6</sup>	Amount Outstanding as at 31 March 2026 (£m) <sup>6</sup>	Termination (including options to extend)	Applicable rate
MIDIS / CBA / NAB	Fully-amortising long-term debt <sup>4</sup>	NESH (Apollo)	21 (241MW)	46.4%	Medium-term	48.4	19.0	10.3	Dec-26	2.91% <sup>5</sup>
					Floating long-term	24.2	24.2	24.2	Jun-35	3.68% <sup>5</sup>
					Index-linked long-term <sup>6</sup>	38.7	31.8	31.0	Jun-35	RPI + 0.36%
					Fixed long-term	38.7	38.7	38.7	Jun-35	3.82%
					Debt service reserve facility	7.5	-	-	Aug-26	1.50%
MIDIS	Fully-amortising long-term debt <sup>4</sup>	NextPower Radius	5 (84MW)	42.1%	Inflation-linked <sup>6</sup>	27.5	14.9	13.2	Sep-34	RPI + 1.44%
					Fixed long-term	27.5	18.6	16.9	Sep-34	4.11%
Total long-term debt							147.2	134.3		
AIB/ NatWest/ Lloyds	Revolving credit facility	RRAM Energy	35 (340MW)	n/a	n/a	170.0	144.9	126.9	Jun-28	SONIA+ 1.20%
Total short-term debt							144.9	126.9		
Total debt <sup>7</sup>							292.1	261.2		

<sup>1</sup> Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

<sup>2</sup> NESF has 325MW under long-term debt financing, 240MW under short-term debt financing and 149MW without debt financing (excludes NEIII look through debt).

<sup>3</sup> Loan to Value defined as 'Debt outstanding / GAV'.

<sup>4</sup> Long-term debt is fully amortised over the period secured assets receive subsidies (ROCs and others).

<sup>5</sup> Applicable rate represents the swap rate.

<sup>6</sup> Represents the "real" outstanding debt balance. The "nominal" outstanding debt balances are included in the debt balances provided in Note 23b to the financial statements.

<sup>7</sup> Excludes total look-through debt of £24.3m (31 March 2025: £23.5m) since the Company does not have control over this debt for NAV based investments.

# Future Market Outlook



## 1. Solar

Solar is one of the cheapest and most sustainable forms of energy generation which can be deployed at speed. [BloombergNEF's 2025](#) report highlights that solar PV has one of the lowest levelized costs of electricity ("LCOE") of all renewable generation technologies. Furthermore, the report indicates that the LCOEs for solar PV and energy storage will respectively fall by approximately 31% and 50% by 2035. These findings reinforce the important role that solar PV, and energy storage, will have in delivering energy security and insulating consumers from volatile global energy markets.

The UK remains one of the most mature solar markets in the world and enjoyed record-breaking solar irradiation during 2025. Total installed solar capacity reached 21.6 GW by end of 2025, growing by over 13% during the year; the fastest pace of deployment in a decade. This is particularly apparent with the backdrop of the UK Government's Clean Power 2030 Action Plan ("CP30") where the UK Government has reiterated its support for solar and wider renewables, aiming to make the UK a clean-energy superpower

by 2030 and to triple installed solar capacity to 50GW by 2030. CP30 focuses on expanding solar energy, energy storage, grid infrastructure, and planning reforms, in collaboration with various stakeholders. Achieving CP30's goals will require approximately £5bn per annum of new investment, a structural opportunity directly aligned with NESF's strategy.

During the year, the Company has observed positive actions from the UK Government to resolve historic roadblocks, such as planning constraints and grid connections, to streamline grid connection processes, making new-build solar easier and faster. The July 2025 Review of Electricity Market Arrangements ("REMA") Summer Update confirmed a reformed national wholesale pricing framework and ruled out zonal pricing, reducing regulatory uncertainty for existing generators. The extension of Contracts for Difference ("CfD") scheme from 15 to 20 years, alongside Allocation Round 7 ("AR7") initiated in summer 2025, continues to underpin investment visibility. This background presents a significant growth opportunity for the Company and renewable energy sector. More information on regulatory updates can be found on page 78.

The combination of declining technology costs and progress on grid reform provides a constructive backdrop for utility-scale solar PV and energy storage. The Company remains well-positioned to take advantage of the positive landscape, particularly with Ross Grier, CIO at NextEnergy Capital, sitting on the

UK Government's Solar Task Force to accelerate the UK's solar rollout to strength energy independence and support CP30 and net zero by 2050.



## 2. Energy Storage

Energy storage is a highly complementary technology to solar PV and remains a core component of NESF's strategic ambitions. It provides important diversification benefits across technology, revenue, and geography by combining solar's predictable generation profile with the flexibility of storage to capture attractive revenues. NESF has been active in the energy storage market since 2018 via small co-located storage assets and was the first listed renewables Investment Company to have an operational standalone energy storage asset.

The Company is well-placed to benefit from this Strategic Reset and prepared to take advantage of energy storage opportunities in its next phase of growth. NESF is supported by its experienced leadership in the field, under the guidance of Dario Hernandez, Head of Energy Storage, and Christopher McKaig, Head of Grid Connections,

both of whom have a combined total of 31 years' experience.

The policy backdrop for energy storage (including CP30 targets and LDES) is outlined in the Energy Storage Investments section above.



### 3. Power Price

Around half of NESF's annual revenues derive from UK Government-backed subsidies, such as ROCs and FiTs, providing a stable foundation for the Company's revenues. During the year, the UK Government confirmed its decision to switch inflation indexation for ROC buy-out and FiT prices from RPI to CPI with effect from April 2026. Further detail is provided in the Regulatory Updates section.

Nonetheless, the Company employs an active PPA programme, locking in short-term PPAs over a rolling 36-month period. This proactive strategy mitigates short-term power price volatility and increases cash flow visibility.

Over the year, wholesale short-term power prices in the UK have risen in the most recent months following the Iran conflict, affecting global energy markets. The direct impact on the UK solar energy industry is expected to be limited, with minimal supply chain disruption anticipated. The Company is well protected from such volatility through its structured approach to power price hedging, ensuring it remains well-positioned to navigate market fluctuations. More details on the Company's PPA strategy can be found on pages 62-63.

In the medium- and long-term, independent energy market consultants' project that prices will face downward pressure from the expansion of renewables and greater demand-side flexibility. NESF's rolling PPA programme helps mitigate these dynamics by securing prices in advance and reducing exposure to periods of low capture values where possible.

Following the year end, the UK Government announced its intention to remove Carbon Price Support ("CPS") from April 2028. As indicated by the Company, the removal of CPS in 2028 would have an impact on the electricity price assumptions used in NESF's NAV model. The updated assessment is that the removal of CPS will potentially reduce the Company's NAV as at 30 June 2026 by 0.0p – 0.8p per Ordinary Share, although the Company's Investment Adviser, NextEnergy Capital, expects this impact to be towards the lower end of that range.



### 4. Macroeconomic Environment

Macroeconomic conditions across the UK equity market and investment company sector have continued to be challenging over the period; the combination of a subdued growth backdrop and persistent risk aversion has continued to divert capital away from small and mid-cap listed investment companies and towards the UK gilt market. The equity market has also witnessed steady institutional investor outflows from both the

renewables sector and the broader UK market, driven by redemptions for reasons which are unrelated to the Company. This has put constant, but otherwise unjustified, downward pressure on the Company's Ordinary Share price, resulting in the Ordinary Shares trading at a material discount to its NAV for a sustained period. The Company's Strategic Reset has been designed in direct response to this dynamic, focusing on levers within the Company's control to drive NAV growth and support a re-rating of the share price over time.

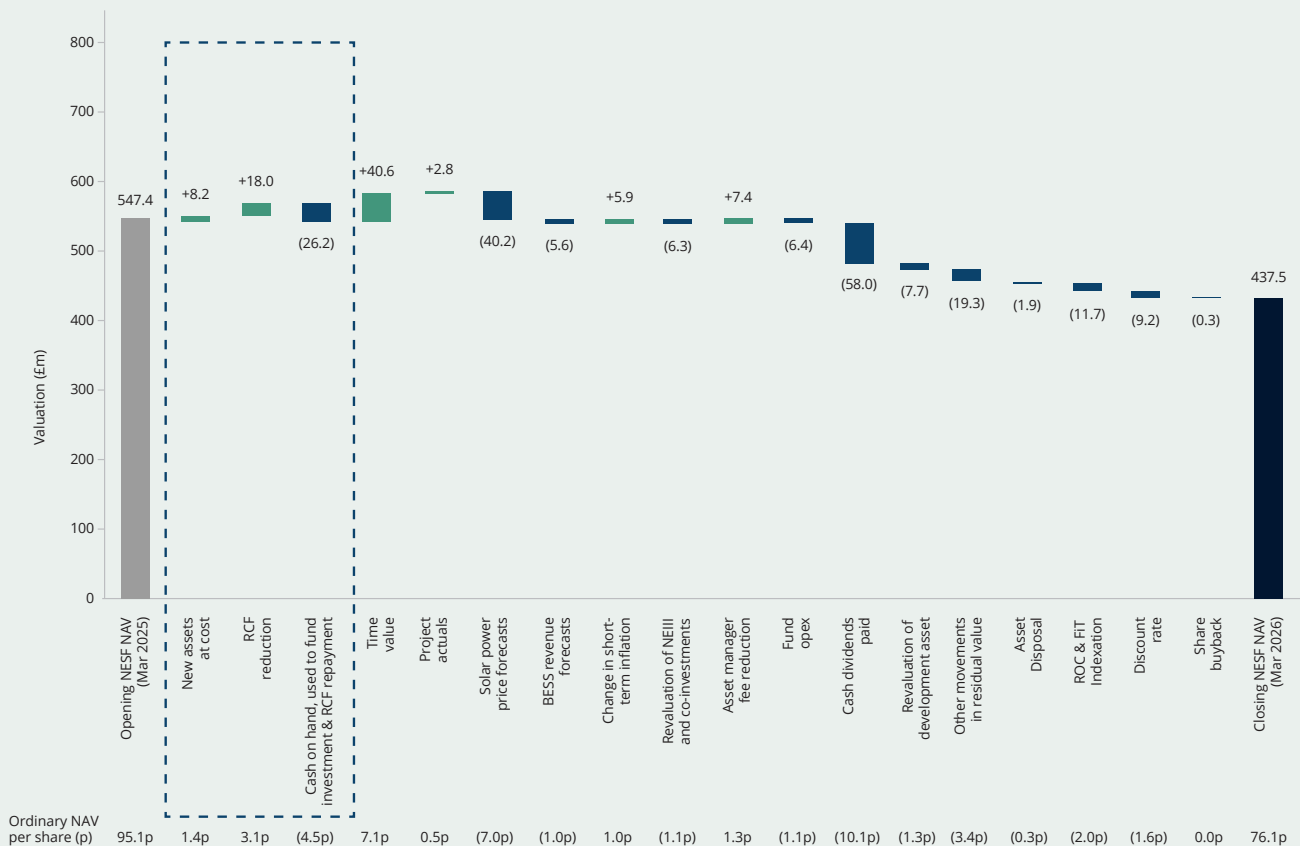
Despite these challenges, the macroeconomic backdrop has become more supportive over the course of the year. The Bank of England reduced its base rate on several occasions since August 2024, with the most recent cut in December 2025 bringing the rate to 3.75%. The outlook for further rate cuts, however, became more uncertain following the escalation of conflict in the Middle East, which has pushed energy prices higher and complicated the near-term inflation trajectory. As a result, the Bank of England held rates unchanged at 3.75% at its April 2026 meeting. The impact of US trade policy on global markets has added a further layer of volatility. The Company continues to closely monitor these developments and their potential impact on equity markets, discount rates, and the broader investment company sector. Though NESF remains confident in the underlying quality and resilience of its portfolio, and believes its Strategic Reset will offer opportunities for flexibility and optionality to grow NAV via controllable internal levels.

# Net Asset Value

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

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

NAV bridge for the year ended 31 March 2026



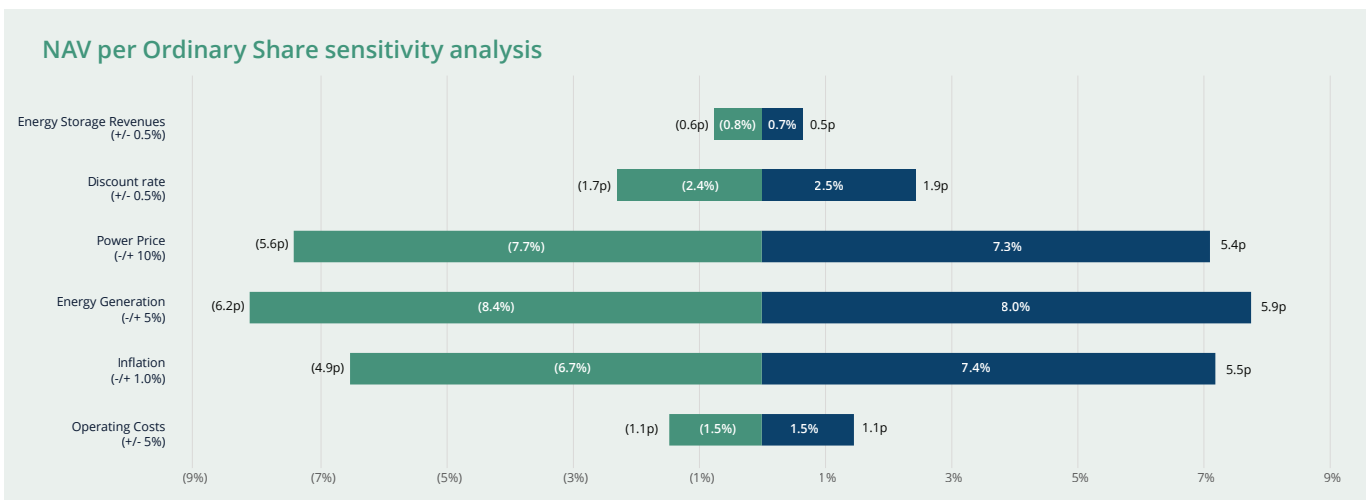
The movement in the NAV was driven primarily by the following factors:

Item	31 Mar 2025 to 31 Mar 2026	Description
Time value	£40.6m	This movement reflects the change in NAV as a result of changing the valuation date, prior to adjusting for any outflows of the Company captured separately. The increase is attributable to the unwinding of the discount applied to cash flows for the period when calculating the discounted cash flow ("DCF") valuation.
Project Actuals	£2.8m	The project actuals figure was driven by generation out-performance vs. budget, which was impacted by higher-than-expected irradiance levels in the year.
Solar power price forecasts	(£40.2m)	A net decrease in the UK power price forecasts provided by third-party forecasters and a decrease in REGO price forecasts. Third-party UK power price forecasts have increased in the near term due to the Middle East crisis, however, these are offset by decreasing solar capture rates from 2029 onwards due to increased forecast offshore wind and solar PV build out as a result of the AR7 CfD allocation round.
BESS Revenue Forecasts	(£5.6m)	A decrease in BESS revenue forecasts provided by a third-party consultant over the year in review.
Change in short-term inflation	£5.9m	The valuation incorporates revisions to short-term inflation forecasts from external third parties, independent inflation data from HM Treasury Forecasts and long-term implied rates from the Bank of England for its UK assets.
Revaluation of NEIII and co-investments	(£6.3m)	Movements in the fair value of the holding in NEIII and the two co-investments reflecting updates to power price and curtailment forecasts provided by third-party consultants.
Asset Manager Fee Reduction	£7.4m	The NESF Board in conjunction with the Investment Adviser successfully negotiated a reduction in future operating asset management cost forecasts resulting in an uplift in NAV of 1.3p per Ordinary Share and £7.4m in total.
Cash dividends paid	(£58.0m)	The dividends paid during the period, this includes both Ordinary and Preference Share dividend payments.
Asset Disposal	(£1.9m)	Divestment of South Lowfield (50MW) and The Grange (50MW), both subsidy-free utility scale solar assets, that raised £46.2m. The transaction represented a 1.1x MOIC. As the disposal price was below the assets combined valuation, there is a negative NAV impact associated.
ROC & FIT Indexation	(£11.7m)	Movement resulting from the UK Government's switch to CPI indexation from RPI effective from April 2026. This has a direct impact on the ROC buy-out prices and FIT prices that the Company receives as part of its subsidised revenue streams impacting future cash flows.
Discount Rate	(£9.2m)	An increase of 50bps used for UK unlevered projects to 8.00% (31 March 2025: 7.50%) driven by recent market volatility, increases in UK gilt yields and an increased cost of capital due to retroactive changes to the ROC and FIT schemes.
Revaluation of development asset	(£7.7m)	The revaluation reflects an adjustment to the open-market valuation of a development asset. The Company has entered a phase of exclusive negotiations for the disposal of this asset with the objective of crystallising value from a non-yielding asset and recycling capital to repay debt.
Other movements in residual value	(19.3m)	Includes changes in OPEX assumptions, FX rates, incremental CAPEX forecasts, planned outages difference between forecast and actual tax payments plus changes to tax legislative rates and other immaterial changes.

The chart below shows the impact of the key sensitivities on the Company's assets held at fair value. The total

operational fair value to which the sensitivity analysis has been applied is £422.0m (2025: £563.4m). Additional

information can be found in note 19b to the Financial Statements.



## Portfolio Valuation

### Third-Party Verification

The Investment Adviser works closely with a leading, independent third-party financial modelling company to carry out the fair market valuation of the Company's underlying investment portfolio in line with the Company's accounting policies. The valuation is carried out quarterly (ad hoc valuations may also be undertaken from time to time, for example, in conjunction with an equity fund raising).

### Valuation Principles

The Company's valuation principles are based on a discounted cash flow methodology, except for NEIII which is valued using the estimated

attributable NAV. Assets which are not yet operational, or where the completion of the acquisition is not imminent at the time of valuation, use cost as a proxy for fair value.

### Audit

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

Portfolio valuation – key assumptions	As at 31 March 2026	As at 31 March 2025
UK RPI long-term inflation	2.25%	2.25%
UK RPI short-term inflation (1 year horizon)	4.60%	3.80%
UK CPI long-term inflation	2.25%	2.25%
UK CPI short-term inflation (1 year horizon)	3.60%	3.10%
Weighted average discount rate	8.5%	8.0%
Remaining weighted average useful life	22.3 years	24.8 years
UK short-term power price average (2026-2030, real 2026) <sup>1</sup>	£64.2/MWh	£64.6/MWh
UK long-term power price average (2031-2045, real 2026) <sup>1</sup>	£54.3/MWh	£60.6/MWh
Italy short-term power price average (2026-2030, real 2026) <sup>1</sup>	€71.8/MWh	€81.6/MWh
Italy long-term power price average (2031-2045, real 2026) <sup>1</sup>	€58.9/MWh	€63.4/MWh
UK corporation tax rate	25.0%	25.0%

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

## Processes and Controls

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

This review process includes:

- Inputs and assumptions, which are updated to correctly reflect the project documents and the acquisition case. For new assets acquired since the previous valuation, the main input source is the acquisition documents used to build the acquisition model created by the Investment Adviser. The Investment Adviser will therefore be responsible for ensuring that the inputs of their acquisition model have been correctly transferred to the fund model and the acquisition contracts are cross-checked against one another;
- Changes to inputs for existing assets, which must be explained by project documents. These changes might include:

- Project Life: Planning and lease extensions secured since the acquisition of the asset;
- Project Yield: Remediation performed after acquisition;
- Project Operating Expenses: New or amended contracts for O&M, Asset Management, Insurance and general and administrative expenses secured during the period;
- Project Capital expenditures (actual costs incurred and changes to expected milestone dates); and
- Updates to data provided by third party advisers and sources. The Company continues to capitalise on the expertise of third parties and ensure fairness in the process through the independence of assumptions.

Following the production of the NAV, multiple reviewers are responsible for ensuring that all changes to the Company’s portfolio are reflected and explained appropriately. The Investment Adviser arranges a committee meeting to scrutinise movements in the valuation during the period and consider long-term assumptions, such as the discount

rate. The Investment Adviser subsequently presents the valuation to the board of directors of the Investment Manager, explaining the movements in the portfolio valuation and the NAV during the period. Following approval, the Investment Adviser presents to the NESF board of directors. The presentation shows the valuation of the portfolio, split by asset and includes the NAV bridge. If satisfied with the responses to queries, the NAV is approved for public dissemination. All Board and Committee meetings are minuted and documented.

## NESF’s Energy Market Management

PPA sourcing and structuring	Energy and market risk management	Market and pricing analysis
<ul style="list-style-type: none"> <li>• Run competitive off-taker selection processes through our extensive network in the power markets</li> <li>• Quantitative evaluation of the offers in terms of risk and reward and devise optimal project-specific solutions</li> <li>• Individual view of market price risks and opportunities and delivery obligations in order to find the optimal PPA structure</li> </ul>	<ul style="list-style-type: none"> <li>• Measure, monitor and manage merchant exposure by entering into short-term, medium-term and long-term PPAs</li> <li>• Constant dialogue with market experts, our advisors and off-takers on developing new and innovative structures for risk diversification to enable us to increase portfolio returns</li> </ul>	<ul style="list-style-type: none"> <li>• NEC provides pricing for NESF projects, supported by multiple independent short and long-term third-party power price forecasts</li> <li>• Undertake rigorous analysis and monitoring of the main drivers for power prices in target markets</li> <li>• Monitor policy/regulatory developments in the UK and other OECD target markets to obtain a holistic energy market overview</li> </ul>

**Forecast Power Price Methodology**

For the UK solar portfolio, the Company uses multiple sources for UK power price forecasts. Where PPAs are in place, contracted PPA prices are used. For periods where there are no PPAs in place, short-term market forward prices are used. After two years, the Company integrates a blend of the latest available long-term central case projections produced by leading independent energy market consultants (“Consultants”). This approach presents a fair and balanced outlook reflecting the latest available information, is consistent with pricing methodologies used for successfully divested assets and the broader peer group, and smooths volatility between forecasts without reliance on a four-quarter average.

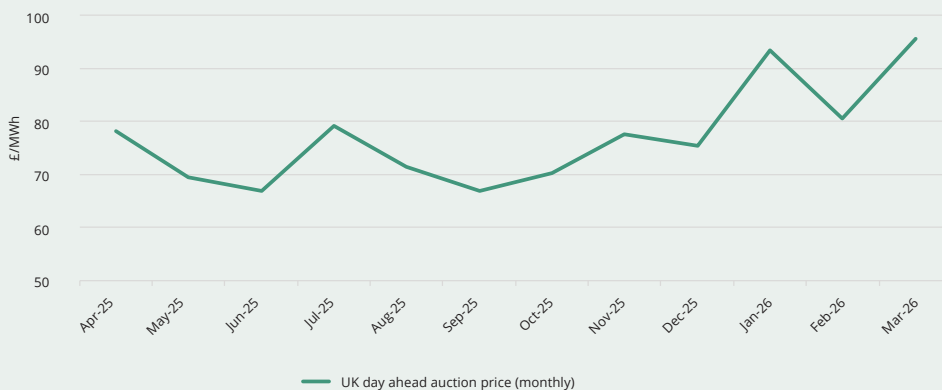
For the Italian portfolio, a leading independent energy market consultant’s long-term projections are used to derive the power curve adopted in the valuation. Where PPAs are in place, contracted PPA prices are used.

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

For Camilla, the Company’s standalone energy storage asset, a leading independent energy market consultant’s long-term projections are used to derive the revenue adopted in the valuation. Where capacity market contracts are in place the value of the contract is added to the valuation.

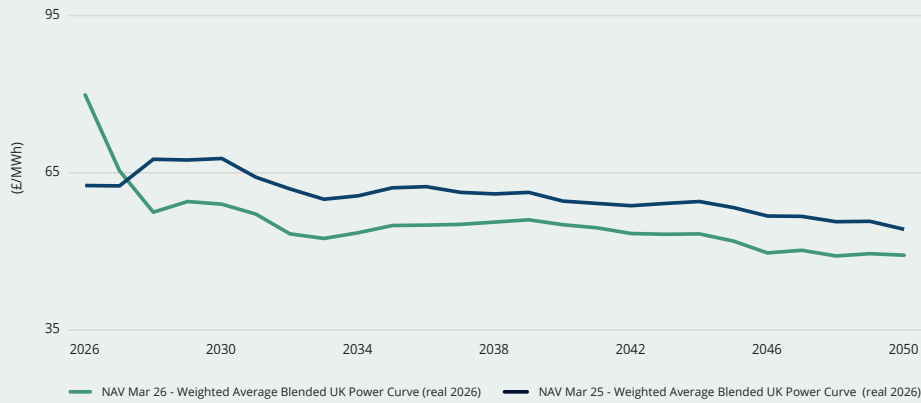
**Historic - UK power prices**

UK electricity day ahead prices increased from £78.27/MWh in April 2025 to £95.70/MWh in March 2026. (Source: N2EX - UK baseload – day ahead).



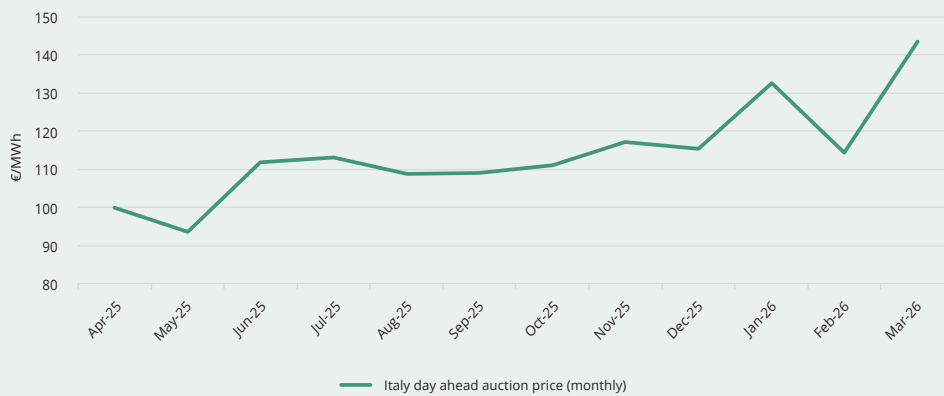
**Forecast UK power prices (real 2026):**

The Company's current UK 20 year average power price forecast represents a decrease of 8.2% compared to that used at the end of the previous financial period (and 54.1% below the average price used at IPO).



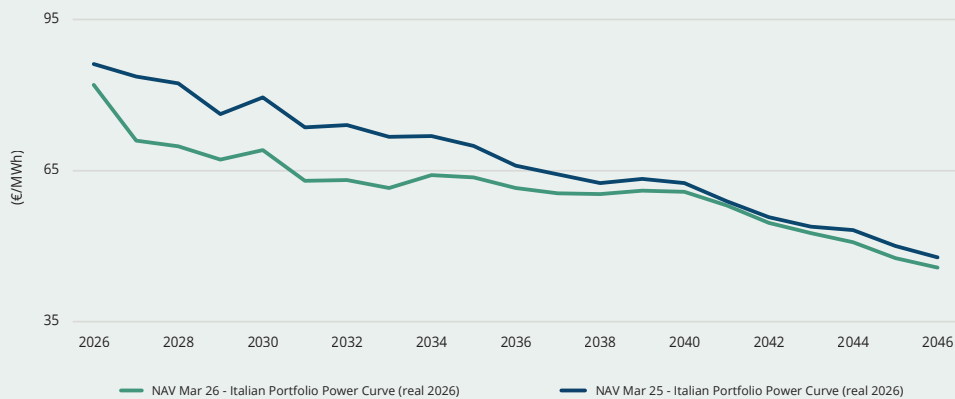
**Historic - Italian power prices:**

Italian electricity day ahead prices increased from € 99.85 /MWh in April 2025 to €143.40/MWh in March 2026. (Source: Gestore Mercati Energetici – purchasing price).

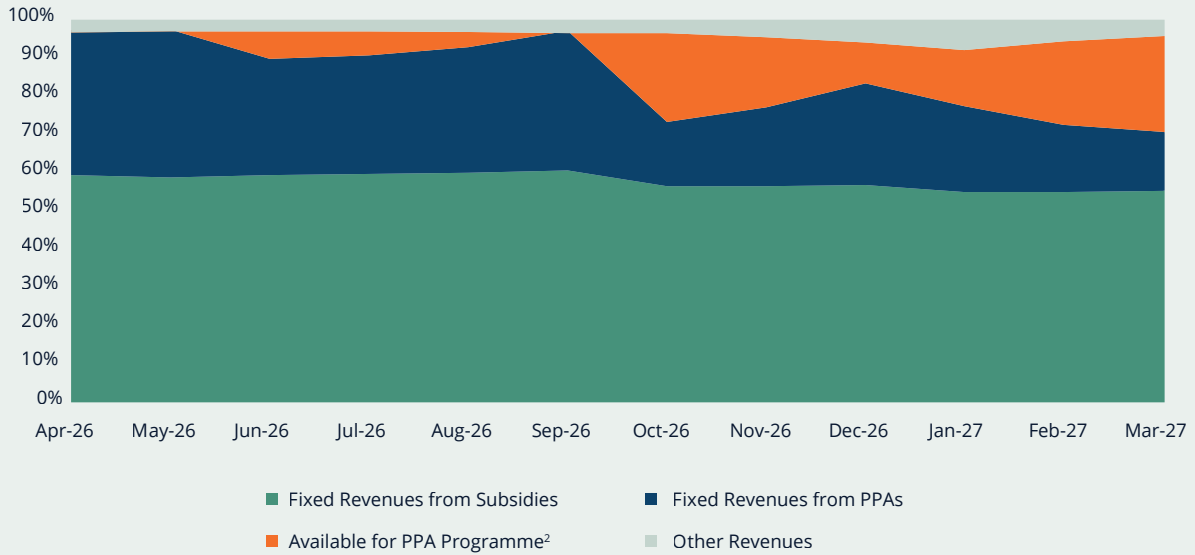


**Forecast Italian power price (real 2026):**

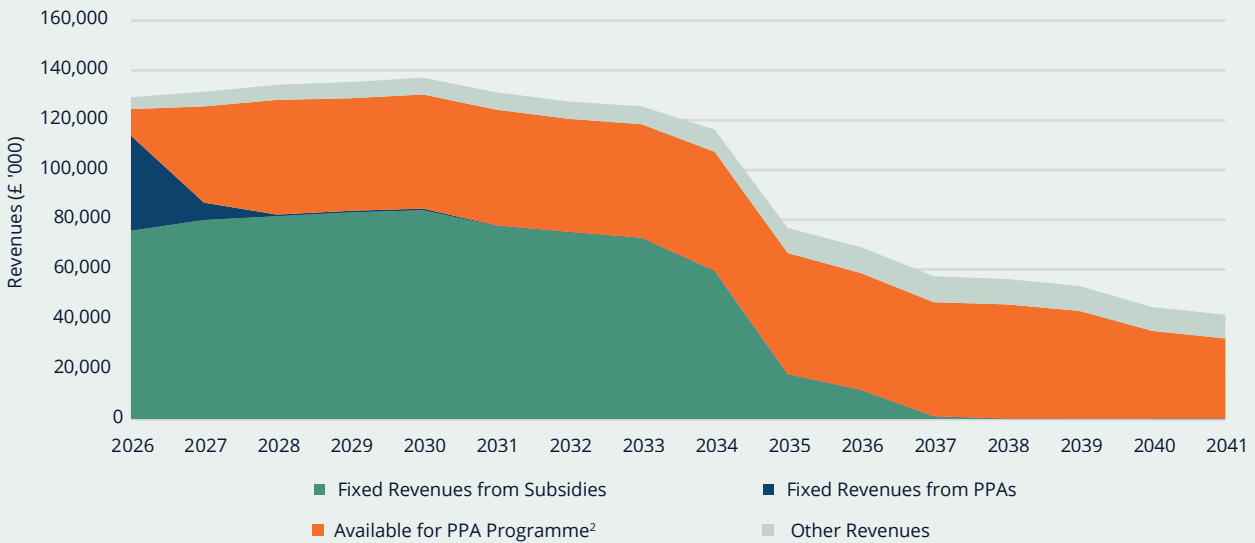
On average, the Company's current Italian long-term power price represents a decrease of 7.5% compared to that used at the end of the previous period.



NESF fixed revenues until 31 March 2027<sup>3</sup>



NESF 10 year forecast revenue breakdown<sup>1,3</sup>



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

<sup>2</sup> NESF minimises its merchant exposure through its active rolling PPA programme. The programme locks in PPAs in the liquid market to ensure maximum contracted revenues are achieved.

<sup>3</sup> Reflects the Company's portfolio as at 31 March 2026.

## Discount Rate

During the year, the UK rate of inflation has stabilised though pressure on energy prices arising from the conflict in the Middle East has raised expectations that the UK rate of inflation will rise later this year. Additionally, with Gilt yields reaching highs since 2008, there are market expectations that interest rates may increase too. Consequently, the Company has increased its discount rate for unlevered operating UK solar assets to 8.00% (31 March 2025: 7.50%). This decision is in line with discount rates observed by the Investment Adviser in the sector in which the Company operates and continues its robust approach to valuing the portfolio.

For the Company’s operational energy storage assets, the discount rates applied for uncontracted battery revenues are 10% and for contracted battery revenues are 7% (31 March 2025: 10% for uncontracted and 7% for contracted). The resulting weighted average discount rate for the Company’s portfolio was 8.5% (31 March 2025: 8.0%).

The Company’s pre-tax weighted average cost of capital (“WACC”) as at 31 March 2026 was 6.9% (31 March 2025: 6.6%). NEIII, an independent fund, and the co investments, managed by NextEnergy Capital, have not been included in the calculation for the weighted average discount rate and the WACC.

## Asset Life and Technologies

The discounted cash flow methodology implemented in the portfolio valuation assumes a valuation time horizon capped to the current terms of the lease

Discount rate assumptions for NESF's solar portfolio	Premium	As at 31 March 2026	As at 31 March 2025
UK unlevered	-	8.00%	7.50%
UK levered	0.7-1.0%	8.70-9.00%	8.20-8.50%
Italy unlevered <sup>1</sup>	1.5%	9.50%	9.0%
Subsidy-free (uncontracted) <sup>2</sup>	1.0%	9.00%	8.50%
Life extensions <sup>3</sup>	1.0%	9.00-10.00%	8.50-9.50%

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

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

- The Company owns rights to supply electricity into the grid through connection agreements that do not expire;
- Some solar plants benefit from planning consents that do not expire and/or the Company has been successful in securing permissions to extend the planning permission beyond the period initially consented;
- The Company has been successful in securing extensions of lease terms for some solar plants;
- Effective management of generating equipment across the

portfolio minimises degradation compared with manufacturer forecasts, maximising economic operating life; and

- Evolution of generating technology over recent years is expected to create value-accretive opportunities to repower assets as the portfolio matures.

## Operating Performance

The Company initially values each solar asset on the basis of the minimum performance ratio (“PR”) guaranteed by the vendor, or that estimated by the appointed technical adviser during the acquisition due diligence. For projects acquired at development or construction phase, the minimum PR is approximated from an energy yield assessment conducted by the EPC. These estimates have been generally lower than the actual PR that the Company has been experiencing during subsequent operations. We therefore deem it appropriate to adopt the actual PR into the DCF valuation after two years of operating history when, typically, the plants have satisfied tests and received Final Acceptance Certification (“FAC”).

<sup>1</sup> Unlevered discount rate for Italian operating assets implying 1.5% country risk premium.

<sup>2</sup> Unlevered discount rate for subsidy-free uncontracted operating assets implying 1.0% risk premium.

<sup>3</sup> 1.0% risk premium for assets’ cash flows after 30 years where leases have been extended.

## Regulatory Updates

During the year, no material adjustments to the NAV were made as a result of Office of Gas and Electricity Markets (“OFGEM”) audits. Since IPO, 62 OFGEM audits have been successfully concluded without adverse impact to ROC or FiT accreditations. The NextEnergy Group has staff who are experienced in dealing with the ongoing audits. Engagement with OFGEM is through professional advisers and senior NextEnergy Group staff. The Asset Manager has identified and mapped contractual recourse associated with identified risk of loss for ongoing audits.

The UK Government has continued to advance REMA, launched in 2022 to support the transition to a zero-carbon power sector at lowest cost. In its Summer Update published on 10 July 2025, the Government confirmed that a single national wholesale pricing framework will be retained, ruling out zonal pricing and providing greater regulatory clarity for investors. This is a welcome development for the solar industry as it reduces uncertainty and avoids unnecessary complexity. The Government has also indicated that these reforms will be supported by a Strategic Spatial Energy Plan (“SSEP”), intended to guide network investment and provide clearer signals on the location, type and scale of future infrastructure. While this more centralised approach may reduce risk for new projects, NESF remains mindful that implementation could introduce political and regulatory risks, particularly if changes to transmission and distribution charging frameworks result in unforeseen costs for operational assets. The Company will therefore continue to monitor developments closely and engage with policymakers to support appropriate

transitional arrangements.

In July 2025, the Government published key documents for the next allocation round, AR7, introducing reforms such as a shift from a fixed monetary “budget” to a capacity-based approach, the extension of CfD contract terms to 20 years, and the inclusion of repowering projects as eligible participants. These measures, alongside emerging consultations on voluntary wholesale CfDs, are designed to attract new investment and provide a pathway for existing assets to transition into longer-term, government-backed, inflation-linked revenue streams. NESF views these reforms positively, creating potential opportunities.

The UK Government’s consultations on ROC and FiT indexation in December 2025 created significant uncertainty for the Company. During the consultation process, the Board and NextEnergy Capital responded directly, providing clear and robust feedback on behalf of NESF and its shareholders and laid out the Company’s concerns regarding the potential impacts of the proposed changes for all stakeholders. Following its formal consultation, the UK Government confirmed its intention to pursue Option 1: an immediate switch from RPI to CPI indexation, effective from April 2026. The Board and the Investment Adviser acknowledge that this is the less disruptive of the two options considered. Nevertheless, they remain disappointed by a decision that risks undermining investor confidence in UK infrastructure at a point when sustained capital deployment is essential to the energy transition.

Following the year end, the UK Government announced its intention

to legislate for the removal of Carbon Price Support (“CPS”) with effect from April 2028. CPS is a tax on fossil fuels used in electricity generation that has acted as a top-up to the UK Emissions Trading Scheme (“ETS”), ensuring a minimum carbon price for power generators. The Government considers CPS to have met its original objectives, given the near-complete exit of coal from the UK power mix and the maturation of the UK ETS. The Company’s power price forecasts had already anticipated a phase-out of CPS in the 2030s; this announcement accelerates that trajectory. NESF is engaging with its power price forecasters to assess the impact on valuation assumptions. The current assessment is that the removal of CPS will potentially reduce the Company’s NAV as at 30 June 2026 by 0.0p – 0.8p per Ordinary Share, although the Company’s Investment Adviser expects this impact to be towards the lower end of that range.

The UK Government also announced changes to the EGL. Although the Company falls within the scope of this levy, the current tax threshold is set at a level above that at which the Company has hedged power prices. This change is not therefore expected to affect the Company.

## Cash Flow Generation

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

- The actual energy generated (measured as amount of KWh of energy generated), which is mainly driven by the solar irradiation, technical performance and availability of the plant; and
- The actual price at which the

energy generated is sold to the markets, as well as the subsidies received for the same generation.

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

term contracts and characterised by low volatility over the long-term.

The Company also generates revenue in the form of distributions from its investment holdings in NEIII and related co-investments. During the year, £1.4m (2025: £1.8m) in distributions was received from these investment holdings.



**Hook Valley**

Somerset  
15.3MW

# Operating Results

Loss before tax was £61.0m (2025: £10.9m loss) after accounting for movement in unrealised losses on valuation of £78.5m (2025: £37.7m) with loss per Ordinary Share of 10.61p (2025: -1.86p).

## Operating Expenses and Ongoing Charges

The operating expenses, excluding Preference Share dividends paid by the Company, for the year amounted to £6.2m (2025: £7.3m). The Company's Ongoing Charges Ratio ("OCR") was 1.17% (2025: 1.18%). The OCR has been calculated in accordance with the Association of Investment Companies recommended methodology and is an Alternative Performance Measure (see pages 184-187).

## Cash Flow Analysis

As at 31 March 2026, the Company held cash of £25.1m at an A+ credit rated financial institution (2025: £3.2m).

Cash received from assets in the year covered the operating expenses, the Preference Share dividends, dividends declared to Ordinary Shareholders, and the buyback of Ordinary Shares under the Company's Share Buyback Programme in respect of the year ended 31 March 2026 and part of the investment into HoldCos.

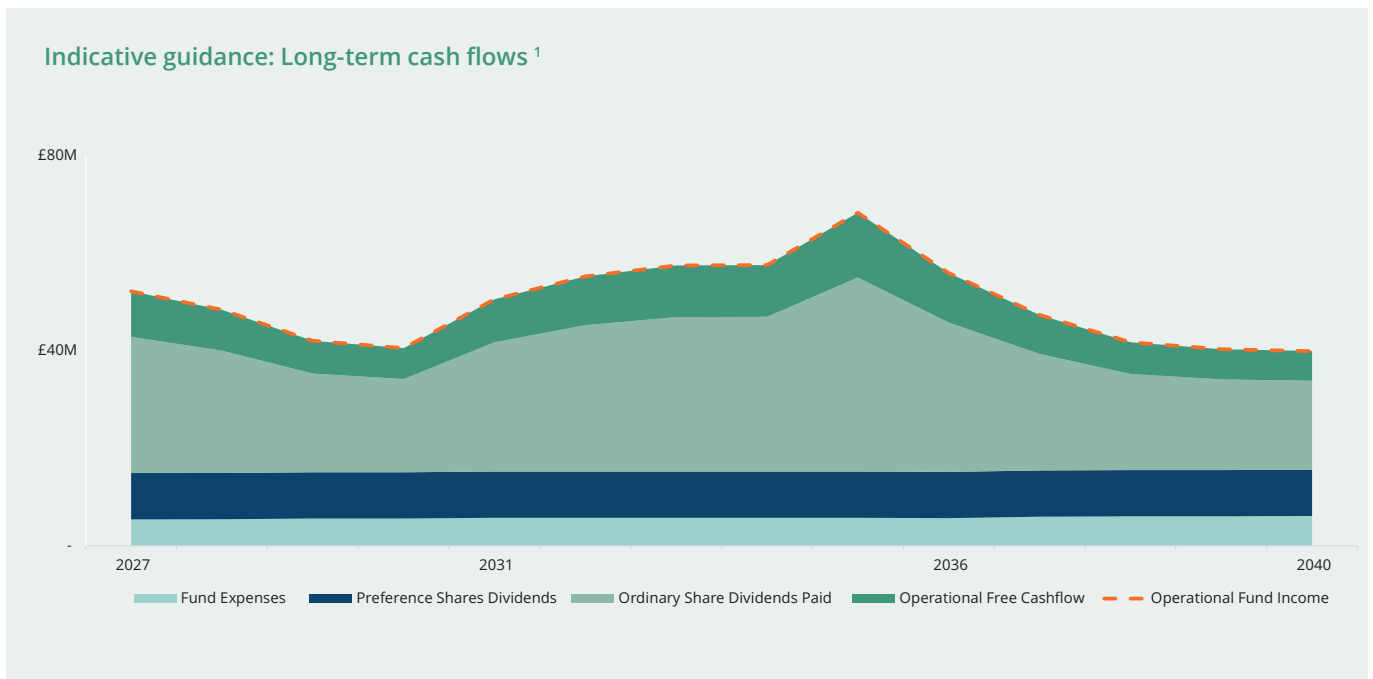
Cash flows of the Company	Year ended 31 March 2026 £'m	Year ended 31 March 2025 £'m
Revenue from Operational Portfolio	139.9	130.0
Distribution from NEIII	1.4	1.5
Distribution from Co-Investments	-	4.0
<b>Total Income</b>	<b>141.3</b>	<b>135.5</b>
NESF Group Portfolio and HoldCo OPEX	(36.8)	(38.6)
<b>NESF Group Portfolio and HoldCo EBITDA</b>	<b>104.5</b>	<b>96.9</b>
Interest Earned	-	-
Tax	(7.1)	(4.7)
NESF Group Working Capital	2.3	1.5
Long Term Debt Interest	(6.9)	(4.5)
Long Term Debt Repayments	(12.8)	(12.7)
Short Term Debt Interest	(8.1)	(9.4)
<b>Cash Income</b>	<b>71.9</b>	<b>67.1</b>
Admin Expenses	(2.2)	(2.1)
Director Fees	(0.3)	(0.3)
Investment Management Fees	(3.7)	(4.9)
<b>Amount available for Distribution</b>	<b>65.7</b>	<b>59.8</b>
Preference Share Distribution	(9.5)	(9.5)
<b>Amount available for Ordinary Share Distribution</b>	<b>56.2</b>	<b>50.3</b>
Ordinary Shareholder Dividends Paid during the year	(48.5)	(49.2)
<b>Cash Dividend Cover from Operating Cash Flows</b>	<b>1.2x</b>	<b>1.0x</b>
Profit on Sale of Assets	-	6.0
<b>Cash Dividend Cover</b>	<b>1.2x</b>	<b>1.1x</b>

**Indicative Future Cash Flows**

In March 2026, the Company announced its Strategic Reset, aiming to return long-term value to shareholders by changing the dividend policy and creating regular cash liquidity events for reinvestment into the portfolio. The combined effect of these actions unlocks significant long-term cashflows which the Company will use to deliver its strategic Roadmap.

The graph sets out indicative long term operational free cash flow guidance expected to arise from the actions implemented under the Strategic Reset showing the allocation of the operational income between the Company’s ongoing operating costs, including fund expenses, Preference Share dividends and the payment of Ordinary Shareholder dividends under the revised 75% payout policy.

The temporary reduction in operational income noted prior to 2030 reflects the decrease in revenues following asset disposals undertaken as part of the Company’s extended Capital Recycling Programme. Proceeds from these disposals are subsequently utilised to down pay debt and reinvested into new value accretive opportunities, with the benefits of these investments expected to emerge over the following two to three years, as demonstrated by the increase in cash flows from 2031 onwards.



<sup>1</sup> The indicative guidance holds the following assumptions: 75% of earnings distributed for dividend; NAV as at 31 March 2026; includes ROC / FIT consultation effect; RCF and Preference shares are maintained in the structure indefinitely.

## Pipeline and Opportunity

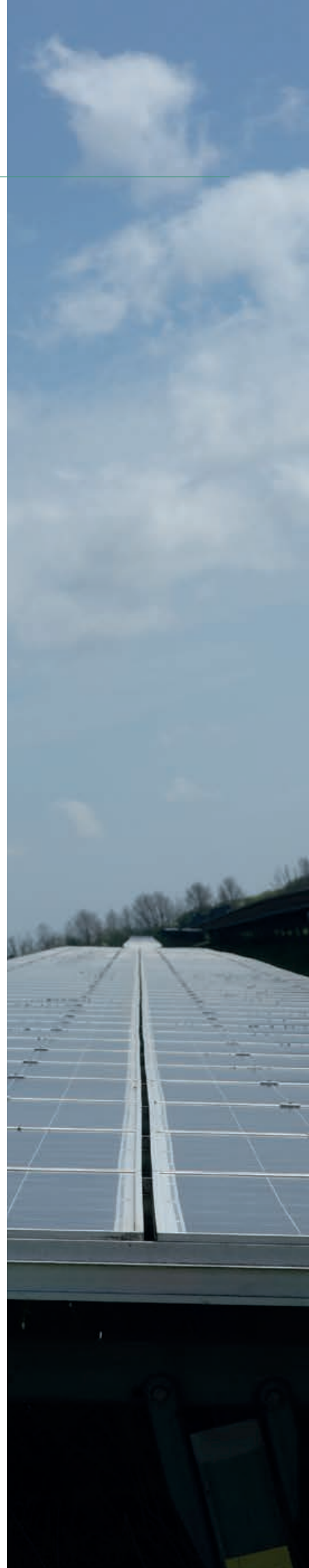
Under the Company's Strategic Reset and its Roadmap, NESF has a robust pipeline to optimise its portfolio and deliver value for its shareholders. This includes an asset health & performance optimisation; and investment into co-located and standalone energy storage assets.

As part of its Strategic Reset, NESF is pursuing a phased and disciplined programme of investment in solar asset health and performance optimisation to drive long term NAV growth and extend the useful life of its portfolio. In the near term, this programme focuses on targeted asset health initiatives, including inverter replacements and tactical interventions to enhance performance and optimise the use of existing grid capacity. Over the medium to longer term, the Company is assessing repowering opportunities for assets approaching their mid useful life and subsidy roll off, with the aim of increasing capacity, co-locating sites with energy storage, improving efficiency, extending asset lives and maintaining operational reliability for long-term NAV growth. This structured approach enables NESF to capture value progressively across the asset lifecycle whilst retaining flexibility over the timing of reinvestment in response to market conditions. Portfolio performance is regularly reviewed by the Investment Adviser and Asset Manager to identify opportunities for long term asset support and enhancement as part of a rolling strategic reinvestment programme.

NESF currently has access to an exciting pipeline of energy storage opportunities through two joint venture partnership vehicles with Eelpower. Under its JVP1, Camilla is currently a 1 hour lithium-ion battery

though has been pre-configured for augmentation to 2 hours. The Company continues to make progress on Project Lion, a 250MW energy storage project, via its JVP2 with Eelpower, though it will not engage in its construction until such time as this becomes appropriate under NESF's disciplined capital allocation policy.

Furthermore, NESF benefits from its association with NextEnergy Group's development company, Starlight Energy LP ("Starlight"). Through a 'Right Of First Offer' ("ROFO"), NESF has the option, but not the obligation, to acquire UK-subsidised, CfD, or long-term contracted assets from Starlight's development pipeline. Starlight's pipeline now exceeds c.9GW of both greenfield and brownfield projects globally. This flexibility in potential capital allocation continues to add value for NESF's shareholders.



# Health and Safety

Health and safety (“H&S”) remains the top priority, with recent efforts focused on contractor management of risks across all assets and improving incident analysis.

In the solar energy industry, the current health and safety maturity level often leads to health and safety being viewed as a justification for not doing things. This inevitably leads to delays, which can in turn lead to lost generation. This is something that the NextEnergy Group’s H&S team has begun to challenge with contractors operating on NESF assets, with the intention that, over time, H&S will begin to be seen as an enabling tool through the application of well-considered and developed risk-based approaches which facilitate more responsive ways of working.

The low level of health and safety maturity in the industry is also

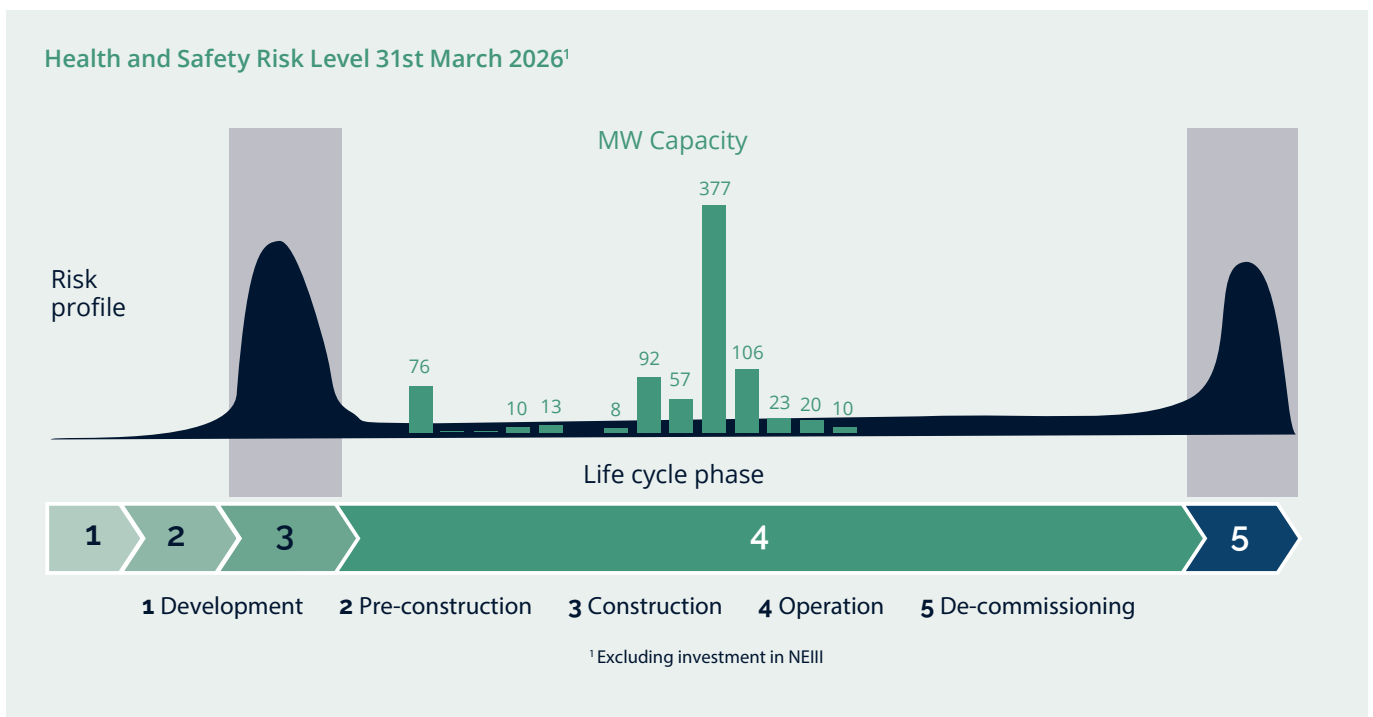
reflected by the very poor standard of post-incident investigations produced by contractors. These investigations frequently fail to identify any causal factors at all; but if they do, they tend to look to the obvious, rather than considering the underlying organisational or systemic factors. The NextEnergy Group’s H&S team, as part of its approach to challenging contractors operating on NESF assets, has begun to push for better standards of investigation and for contractors to look beyond the obvious to gain a better understanding of the factors which contributed to an incident.

Key focuses for the coming year are:

- Contractor risk management;
- Contractor incident investigations and the implementation of learnings; and
- Contractor H&S assurance.

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

The graph below illustrates the elevated level of H&S risk during the construction and decommissioning of solar PV assets in comparison to their operational phase. This reflects the significantly increased level of activity and the more complex nature of the works being undertaken during these phases. It considers factors such as vehicle movements, number of workers, activity and the type of plant/equipment likely



<sup>1</sup> Excluding investment in NEIII

to be used, but is only meant to be for illustrative purposes. Solar PV projects are by their very nature much simpler to construct, maintain and decommission than other types of power generation plant and, although risk levels are elevated during construction and decommissioning relative to normal operations, they remain extremely low in comparison to other forms of electricity generation. As demonstrated by the graph above, the Company's installed capacity, as at 31 March 2026, presents a relatively low H&S risk.

Further information on the Company's H&S initiatives can be found in the Company's dedicated Sustainability and ESG report for 2026, linked here.

## Alignment of Interest

As at 19 June 2026, NextEnergy Group employees held 2,106,138 Ordinary Shares in NESF.<sup>1</sup>

## Events After the Balance Sheet Date

On 7 May 2026, the NESF Board approved a dividend of 2.11 pence per Ordinary Share for the quarter ended 31 March 2026 to be paid on 30 June 2026 to Ordinary Shareholders on the register as at the close of business on 15 May 2026.

NextEnergy Capital Limited

19 June 2026

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





## Operating Portfolio<sup>7</sup>

	Solar Power plant	Location	Acquisition date	Subsidy/PPA <sup>1</sup>	Installed capacity (MW)	Cost (£m)	Remaining useful life of asset (years) <sup>2</sup>
1	Higher Hatherleigh	Somerset	Apr-14	1.6	6.1	7.3	12.0
2	Shacks Barn	Northamptonshire	May-14	2.0	6.3	8.1	11.2
3	Gover Farm	Cornwall	Jan-15	1.4	9.4	10.7	13.7
4	Bilsham	West Sussex	Jan-15	1.4	15.2	18.6	18.2
5	Brick Yard	Warwickshire	Jan-15	1.4	3.8	4.0	13.6
6	Ellough	Suffolk	Jul-14	1.6	14.9	20.1	22.9
7	Poulshot	Wiltshire	Apr-15	1.4	14.5	15.4	12.9
8	Condoover	Shropshire	May-15	1.4	10.2	11.7	13.6
9	Llwyndu	Ceredigion	Jul-15	1.4	8.0	8.9	23.7
10	Cock Hill Farm	Wiltshire	Jul-15	1.4	20.0	23.0	13.4
11	Boxted	Essex	Apr-15	1.4	18.8	21.2	13.9
12	Langenhoe	Essex	Apr-15	1.4	21.2	25.0	29.0
13	Park View	Devon	Jul-15	1.4	6.5	7.5	28.8
14	Croydon	Cambridgeshire	Apr-15	1.4	16.5	17.8	13.7
15	Hawkers Farm	Somerset	Jun-15	1.4	11.9	14.6	13.9
16	Glebe Farm	Bedfordshire	May-15	1.4	33.7	40.5	23.6
17	Bowerhouse	Somerset	Jul-15	1.4	9.3	10.8	28.9
18	Wellingborough	Northamptonshire	Jun-15	1.4	8.5	10.4	13.2
19	Birch	Essex	Sep-15	FITs UK	5.0	4.7	14.2
20	Thurlestone - Evo	Leicestershire	Oct-15	FITs UK	1.8	2.3	7.0
21	North Farm	Dorset	Oct-15	1.4	11.5	14.5	28.7
22	Ellough Phase 2	Suffolk	Aug-16	1.3	8.0	7.8	29.5
23	Hall Farm	Leicestershire	Apr-16	FITs UK	5.0	4.8	34.4
24	Decoy Farm	Lincolnshire	Mar-16	FITs UK	5.0	5.2	30.1
25	Green Farm	Essex	Dec-16	FITs UK	5.0	5.8	14.9
26	Fenland	Cambridgeshire	Jan-16	1.4	20.4	24.3	14.3
27	Green End	Cambridgeshire	Jan-16	1.4	24.8	29.4	14.4
28	Tower Hill	Gloucestershire	Jan-16	1.4	8.1	8.8	13.9
29	Branston	Lincolnshire	Mar-16	1.4	18.9	21.8	29.9
30	Great Wilbraham	Cambridgeshire	Mar-16	1.4	38.1	44.2	28.9
31	Berwick	East Sussex	Mar-16	1.4	8.2	9.5	15.4
32	Bottom Plain	Dorset	Mar-16	1.4	10.1	11.7	29.2
33	Emberton	Buckinghamshire	Mar-16	1.4	9.0	10.4	34.1
34	Kentishes	Essex	Jul-17	1.2	5.0	4.3	34.0
35	Mill Farm	Hertfordshire	Jul-17	1.2	5.0	4.0	30.8
36	Bowden	Somerset	Sep-17	1.2	5.0	5.4	30.9
37	Stalbridge	Dorset	Sep-17	1.2	5.0	5.2	30.7
38	Aller Court	Somerset	Sep-17	1.2	5.0	5.3	30.9
39	Rampisham	Dorset	Sep-17	1.2	5.0	5.6	16.4
40	Wasing	Berkshire	Aug-17	1.2	5.0	5.3	20.7
41	Flixborough	South Humberside	Aug-17	1.2	5.0	5.1	21.8
42	Hill Farm	Oxfordshire	Mar-17	1.2	5.0	5.4	30.9
43	Forest Farm	Hampshire	Mar-17	1.2	3.0	3.1	40.9
44	Birch CIC	Essex	May-17	FITs UK	1.7	1.6	16.1
45	Barnby Moor	Nottinghamshire	Aug-17	1.2	5.0	5.0	16.3
46	Bilsthorpe Moor	Nottinghamshire	Aug-17	1.2	5.0	5.2	16.6
47	Wickfield	Wiltshire	Mar-17	1.2	4.9	5.4	17.1
48	Bay Farm	Suffolk	Sep-17	1.6	8.1	9.8	28.9
49	Honnington	Suffolk	Sep-17	1.6	13.6	15.8	28.8
50	Macchia Rotonda	Apulia	Dec-17	FITs Italy	6.6	22.8	9.8
51	Lacovangelo	Apulia	Dec-17	FITs Italy	3.5	12.1	10.0
52	Armiento	Apulia	Dec-17	FITs Italy	1.9	6.6	10.0
53	Inicorbaf	Apulia	Dec-17	FITs Italy	3.0	10.4	9.9
54	Gioia	Campania	Dec-17	FITs Italy	6.5	22.4	10.5

	Solar Power plant	Location	Acquisition date	Subsidy/PPA <sup>1</sup>	Installed capacity (MW)	Cost (£m)	Remaining useful life of asset (years) <sup>2</sup>
55	Carinola	Apulia	Dec-17	FITs Italy	3.0	10.3	10.5
56	Marcianise	Campania	Dec-17	FITs Italy	5.0	17.3	10.4
57	Riardo	Campania	Dec-17	FITs Italy	5.0	17.2	10.4
58	Gilley's Dam	Cornwall	Nov-17	1.3	5.0	6.0	29.7
59	Pickhill	Clwyd	Dec-17	1.2	3.6	3.6	31.4
60	North Norfolk	Norfolk	Dec-17	1.6	11.0	14.7	18.5
61	Axe View	Devon	Dec-17	1.2	5.0	5.4	21.3
62	Low Bentham	Lancashire	Dec-17	1.2	5.0	5.4	20.0
63	Henley	Shropshire	Jan-18	1.2	5.0	5.4	20.7
64	Pierces Farm	Berkshire	May-18	FITs UK	1.7	1.8	12.5
65	Salcey Farm	Buckinghamshire	May-18	1.4	5.5	6.6	13.5
66	Thornborough	Buckinghamshire	Jul-18	1.2	5.0	5.7	15.7
67	Temple Normanton	Derbyshire	Jul-18	1.2	4.9	5.7	15.3
68	Fiskerton	Lincolnshire	Jul-18	1.3	13.0	16.6	23.9
69	Huddlesford House	Staffordshire	Jul-18	1.3	0.9	0.9	14.7
70	Little Irchester	Northamptonshire	Jul-18	1.2	4.7	5.9	15.8
71	Balhearty	Clackmannanshire	Jul-18	FITs UK	4.8	6.1	29.9
72	Brafield	Northamptonshire	Jul-18	1.2	4.9	5.8	30.1
73	Huddlesford Park	Staffordshire	Jul-18	1.2	0.9	0.9	14.9
74	Sywell	Northamptonshire	Jul-18	1.2	5.0	5.9	15.0
75	Coton Park	Derbyshire	Jul-18	FITs UK	2.5	1.1	15.1
76	Hook Valley	Somerset	Aug-18	1.6	15.3	27.3	27.9
77	Blenches	Wiltshire	Aug-18	1.6	6.1	11.1	12.6
78	Whitley	Somerset	Aug-18	1.6	7.6	13.0	27.8
79	Burrowton	Devon	Aug-18	1.6	5.4	8.6	27.4
80	Saundercroft	Devon	Aug-18	1.6	7.2	12.6	27.9
81	Raglington	Hampshire	Aug-18	1.6	5.7	9.1	27.7
82	Knockworthy	Cornwall	Aug-18	FITs UK	4.6	9.8	11.9
83	Chilton Cantello	Somerset	Aug-18	FITs UK	5.0	8.5	26.3
84	Crossways	Dorset	Aug-18	FITs UK	5.0	8.6	26.3
85	Wyld Meadow	Dorset	Aug-18	FITs UK	4.8	8.6	27.4
86	Ermis	Rooftop Portfolio	Jul-18	FITs UK	1.0	2.9	10.5
87	Angelia	Rooftop Portfolio	Jul-18	FITs UK	0.2	0.6	10.5
88	Ballygarvey	County Antrim	Jul-19	1.4 NIROCs	8.2	8.7	21.8
89	Hall Farm II	Leicestershire	Aug-19	Subsidy-free	5.4	2.7	33.3
90	High Garrett	Essex	Oct-20	Subsidy-free	8.4	4.5	34.1
91	Marham WW	Norfolk	Jan-21	Long-term PPA	1.0	0.7	19.8
92	Sutterton Reservoir	Lincolnshire	Mar-21	Long-term PPA	0.4	0.4	20.0
93	JSC (NZ)	Worcestershire	Mar-19	FITs UK	0.0	0.0	13.5
94	Karcher (NZ)	Oxfordshire	Nov-19	Subsidy-free	0.3	0.2	19.0
95	Dolphin (NZ)	East Sussex	Jul-21	Subsidy-free	0.2	0.2	20.7
96	Holiday Inn (NZ)	Northamptonshire	Apr-22	Long-term PPA	0.2	0.2	21.2
Solar Subtotal					714.8	932.8	21.3
97	Camilla <sup>6</sup>	Scotland	Mar-24	Subsidy-free	35.0	27.2	43.8
Energy Storage Subtotal					35.0	27.2	43.8
98	NEIII LP <sup>3</sup>	OECD Markets	Jun-21	Multiple long-term PPAs	47.9	39.3	—
99	Agenor <sup>4</sup>	Spain	Jan-24	Long-term PPA	12.2	9.4	—
100	Santarém <sup>5</sup>	Portugal	Mar-24	Long-term PPA	28.6	9.8	—
NEIII and Co-Investment Subtotal					88.6	58.5	—
Total					838.4	1,018.5	22.3

<sup>1</sup> ROCs, unless otherwise stated. An explanation of the ROC subsidy is available at [www.ofgem.gov.uk/environmental-programmes/renewables-obligation-ro](http://www.ofgem.gov.uk/environmental-programmes/renewables-obligation-ro).

<sup>2</sup> Weight average years remaining useful life of asset.

<sup>3</sup> 47.9MW represents the proportion of NEIII operational assets owned by NESF on a look through equivalent basis as at 31 March 2026. NEIII is a portfolio of assets at different stages of their project life cycle.

<sup>4</sup> 12.2MW represents the proportion of Agenor owned by NESF as at 31 March 2026.

<sup>5</sup> 28.6MW represents the proportion of Santarém owned by NESF as at 31 March 2026.

<sup>6</sup> 35.0MW represents the proportion of Camilla owned by NESF as at 31 March 2026.

<sup>7</sup> Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

# Portfolio Generation Performance<sup>7</sup>

Period ended 31 March 2026						5-year track record	
Power Plant	Operational date	Generation (GWh)	Solar Irradiation Delta (%)	Generation Delta (%) <sup>4</sup>	Solar Irradiation Delta (%)	Generation Delta (%) <sup>4</sup>	
1	Higher Hatherleigh	Apr-13	5.3	5.2	-5.4	2.4	-6.7
2	Shacks Barn	Mar-13	5.6	8.7	1.5	4.4	4.0
3	Gover Farm	Oct-14	7.1	5.4	-10.2	5.1	-3.6
4	Bilsham	Nov-14	15.2	7.0	2.4	7.2	2.3
5	Brick Yard	Nov-14	3.2	7.7	-2.4	5.1	-3.7
6	Ellough	Mar-14	12.7	4.5	-8.6	2.9	-1.3
7	Poulshot	Mar-15	11.8	5.5	-9.2	2.8	-1.0
8	Condover	Mar-15	9.0	4.4	1.0	2.4	2.6
9	Llwyndu	Feb-15	7.8	2.9	8.1	-0.2	6.5
10	Cock Hill Farm	Mar-15	20.8	7.1	13.2	4.4	7.5
11	Boxted	Mar-15	10.8	6.3	-8.0	4.8	2.1
12	Langenhoe	Mar-15	22.1	9.1	13.9	8.3	11.6
13	Park View	Mar-15	6.4	4.4	3.1	2.3	2.5
14	Croydon	Mar-15	16.3	8.6	12.9	8.2	10.8
15	Hawkers Farm	Mar-15	12.3	4.0	9.4	2.9	5.8
16	Glebe Farm	Mar-15	33.9	10.7	14.4	9.6	12.4
17	Bowerhouse	Mar-15	8.4	9.8	-3.7	6.0	-4.9
18	Wellingborough	Mar-14	8.0	6.2	5.5	5.0	5.6
19	Birch	Jun-15	4.7	6.9	1.9	6.5	6.5
20	Thurlestone - Evo <sup>1</sup>	Apr-13	1.3	-4.0	-8.6	-3.2	-5.1
21	North Farm	Mar-15	12.4	3.3	3.7	-0.3	-7.3
22	Ellough Phase 2	Jan-16	8.3	11.6	13.3	8.9	12.9
23	Hall Farm	Aug-16	4.4	5.5	4.1	5.2	1.9
24	Decoy Farm	Nov-15	5.0	6.2	11.8	6.6	11.0
25	Green Farm	Mar-16	4.6	6.6	-2.9	4.3	-0.2
26	Fenland	Feb-15	20.7	4.5	12.7	5.3	9.0
27	Green End	Mar-15	24.9	8.3	9.2	6.2	6.2
28	Tower Hill	Mar-15	7.2	10.1	-2.1	4.4	6.0
29	Branston	Mar-15	18.8	7.3	10.4	7.1	9.1
30	Great Wilbraham	Mar-15	32.2	5.7	-5.4	6.2	1.5
31	Berwick	Mar-15	8.3	3.1	-0.7	3.6	4.2
32	Bottom Plain	Dec-14	9.2	8.8	-7.4	5.0	-3.4
33	Emberton	Mar-15	8.8	8.0	5.8	6.0	4.1
34	Kentishes	Dec-16	5.2	7.2	8.1	6.0	6.1
35	Mill Farm	Dec-16	5.2	11.2	13.0	9.5	6.6
36	Bowden	Mar-17	5.2	4.2	4.1	1.1	-0.1
37	Stalbridge	Mar-17	5.5	4.4	9.8	1.2	4.7
38	Aller Court	Mar-17	5.3	6.2	8.1	4.0	4.4
39	Rampisham	Mar-17	5.3	1.1	3.5	-2.0	-4.5
40	Wasing	Mar-17	5.4	8.9	12.3	5.5	7.5
41	Flixborough	Mar-17	4.8	6.0	4.2	5.1	6.3
42	Hill Farm	Mar-17	5.2	8.0	14.0	5.8	9.7
43	Forest Farm	Mar-17	3.3	7.2	13.1	4.9	8.5
44	Birch CIC	Jun-15	1.5	6.6	-4.8	6.2	3.1
45	Barnby Moor	Mar-17	4.8	5.9	6.8	4.3	3.6
46	Bilsthorpe Moor	Mar-17	4.8	4.8	4.4	4.2	-1.1
47	Wickfield	Mar-17	4.5	9.9	-3.7	5.5	0.1
48	Bay Farm	Mar-14	6.6	8.7	-7.5	6.4	3.1
49	Honnington	Mar-14	12.6	6.6	0.8	5.0	3.7
50	Macchia Rotonda	Feb-11	8.6	6.2	-5.9	6.6	-2.8
51	Lacovangelo	Apr-11	4.7	3.4	-2.8	4.5	0.3
52	Armiento	Apr-11	2.8	4.4	5.0	5.4	6.1

		Period ended 31 March 2026				5-year track record	
Power Plant	Operational date	Generation (GWh)	Solar Irradiation Delta (%)	Generation Delta (%) <sup>4</sup>	Solar Irradiation Delta (%)	Generation Delta (%) <sup>4</sup>	
53	Inicorbaf	Mar-11	4.4	5.3	4.0	6.2	5.4
54	Gioia	Oct-11	9.0	0.9	-0.1	0.9	-1.8
55	Carinola	Oct-11	4.2	0.7	3.7	1.8	2.8
56	Marcianise	Sep-11	6.5	4.7	3.0	3.4	3.6
57	Riardo	Sep-11	6.9	4.2	0.6	3.1	-0.3
58	Gilley's Dam	Mar-16	4.8	-4.1	-5.8	-4.9	-7.5
59	Pickhill	Mar-17	3.7	6.1	10.8	6.1	7.1
60	North Norfolk	Jan-14	3.0	10.7	-70.3	6.7	-22.5
61	Axe View	Mar-17	5.1	8.3	8.9	6.3	6.5
62	Low Bentham	Mar-17	4.6	6.2	2.9	3.1	-1.9
63	Henley	Mar-17	4.9	6.7	9.7	3.4	4.8
64	Pierces Farm	Mar-15	1.6	6.9	2.2	3.4	3.1
65	Salcey Farm	Sep-14	4.9	7.8	-1.3	5.9	0.0
66	Thornborough	Mar-16	5.0	5.5	5.5	1.8	-2.8
67	Temple Normanton	Mar-16	4.6	4.8	4.0	2.7	-7.3
68	Fiskerton	Mar-15	11.7	7.8	-4.1	5.8	-1.5
69	Huddlesford House	Mar-16	0.9	7.7	6.4	5.1	3.6
70	Little Irchester	Mar-16	4.5	5.5	-1.8	2.7	-9.5
71	Balhearty	Mar-16	4.5	5.7	1.5	2.6	-13.3
72	Brafield	Mar-16	5.2	12.0	8.5	7.8	0.3
73	Huddlesford Park	Mar-16	0.9	8.2	5.4	4.6	1.0
74	Sywell	Dec-15	5.1	7.1	8.5	4.8	5.1
75	Coton Park	Dec-15	2.2	4.3	4.9	0.8	1.9
76	Hook Valley	Mar-14	7.7	6.5	-29.7	3.4	-17.3
77	Blenches	Mar-14	3.9	6.5	-6.2	4.1	-13.3
78	Whitley	Mar-14	7.7	8.2	4.3	8.3	-5.6
79	Burrowton Saundercroft	Mar-14	11.2	4.7	-5.2	4.4	-6.8
80	Raglington	Mar-13	5.8	8.4	-3.0	3.9	-8.9
81	Knockworthy	Mar-13	2.0	5.5	-37.9	2.1	-26.8
82	Chilton Cantello	Jul-12	5.3	6.1	6.3	6.4	-1.7
83	Crossways	Jul-12	5.0	6.1	-5.2	3.8	-7.8
84	Wyld Meadow	Jul-12	5.2	4.9	2.0	0.7	-9.3
85	Ermis <sup>1</sup>	Oct-11	0.8	-0.2	4.3	0.6	-0.8
86	Angelia <sup>1</sup>	Oct-11	0.2	6.7	9.3	6.7	2.4
87	Ballygarvey	Mar-18	6.2	-1.2	0.0	0.9	1.3
88	Hall Farm II	Aug-19	4.7	13.5	6.2	11.7	8.7
89	High Garrett	Oct-20	8.5	11.4	8.2	9.1	10.0
90	Marham WW	Jan-21	0.8	0.6	-19.6	-1.8	-5.8
91	Sutterton Reservoir	Mar-21	0.5	5.6	10.8	2.4	6.3
92	Grange <sup>5</sup>	Jan-21	49.2	9.1	5.1	7.3	-2.0
93	South Lowfield <sup>6</sup>	Jun-21	46.6	7.2	6.8	0.3	-5.4
94	JSC (NZ) <sup>1</sup>	Mar-19	0.0	6.9	4.7	0.2	-1.2
95	Karcher (NZ) <sup>1</sup>	Nov-19	0.3	8.5	0.8	3.1	-5.0
96	Dolphin (NZ) <sup>1</sup>	Jul-21	0.2	6.0	5.1	3.5	-16.2
97	Holiday Inn (NZ) <sup>1</sup>	Apr-22	0.2	9.5	1.4	5.2	-2.4
Subtotal			768.6	6.7	2.00	4.9	1.2
98	NEIII LP <sup>3</sup>	Multiple	57.1	—	—	—	—
99	Agenor	Jan-24	18.5	—	—	—	—
100	Santarém <sup>2</sup>	Mar-24	—	—	—	—	—
Total			844.2	6.7	2.00	4.9	1.2

<sup>1</sup> Rooftop asset which is not monitored for irradiation.

<sup>2</sup> An asset which is yet to pass provisional acceptance clearance (PAC) are not reported by the Asset Manager.

<sup>3</sup> The performance of NEIII is not included.

<sup>4</sup> Figures have been adjusted, where relevant, for events outside of the Company's control, such as distribution network operator outages, and for events in which compensation has been or will be received, such as warranty claims.

<sup>5</sup> Grange's performance figures are until its divestment in March 2026.

<sup>6</sup> South Lowfield's performance figures are until its divestment in March 2026.

<sup>7</sup> Figures are stated to the nearest 0.1 decimal place which may lead to rounding differences.

# Sustainability and ESG



**Josephine Bush**  
Chair of the NESF Board  
ESG Committee

NESF and its assets have a crucial role to play in the energy transition. Sustainable infrastructure is secure infrastructure. As conflicts continue around the world, and with the impacts on fossil fuel markets growing, governments and society are accelerating the transition to clean energy. Solar farms are long-life assets which do not rely on volatile supply chains for their immediate fuel inputs. The resilient, domestically-generated power they produce therefore helps increase certainty in an uncertain world.

Sustainability and ESG risks and opportunities are intrinsic to the energy transition and NESF's expertise in addressing them provides a strategic advantage. NESF's Sustainability and ESG Framework ("the Framework") is designed to address the material risks and opportunities NESF faces, and provide a forward-thinking roadmap to drive positive impact. As it evolves, it will take into account the Company's Strategic Reset, announced in March 2026.

During the reporting period, NESF delivered measurable progress in line with its Sustainability and ESG Strategy, including:

- Advancing its climate strategy from ambition to execution with the publication of its first Climate Transition Plan ("[the Transition Plan](#)"), providing a clear, time-bound roadmap for emissions reduction aligned with global climate goals and frameworks.
- Achieving designation by the GFSC as a Natural Capital Fund, awarded to schemes which make a positive contribution to the natural world, and so recognising NESF's action to promote nature-positive investment.
- Via NESF's Investment Adviser and its membership of the Solar Stewardship Initiative ("SSI"), supporting industry work on responsible sourcing which culminated in the establishment of targets and reporting requirements for its manufacturer members.<sup>1</sup>

NESF is committed to maintaining its market-leading position on sustainability and ESG transparency, and continues to report in line with the requirements of the ISSB and the Recommendations of the TNFD. By assessing and communicating financially material risks and opportunities related to climate and nature, NESF provides its

shareholders and other stakeholders with consistent, standardised metrics that support transparency and informed decision making. NESF's long-standing and proactive approach to assessment and communication of this information means it is well-positioned to meet future disclosure requirements.

Looking forward, and as the Company implements its Strategic Reset, NESF's Sustainability and ESG Strategy will help ensure it is resilient to the risks and maximises the opportunities associated with the energy transition.

Josephine Bush,  
Chair of the NESF Board  
ESG Committee

19 June 2026

<sup>1</sup>NESF itself is not a member of the SSI.

# NESF Sustainability and ESG Highlights

For the financial year ended 31 March 2026, unless stated otherwise.

## Climate

<p>Clean energy generation<sup>1</sup></p> <p><b>844GWh</b> avoiding c.275,583 tCO<sub>2</sub>e</p>	<p>Equivalent number of homes powered for one year<sup>3</sup></p> <p><b>c.256,714</b></p>	<p>Climate resilient portfolio</p> <p><b>c.96%</b> of NESF's portfolio not exposed to material physical climate risks</p>
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## Nature

<p>Percentage of land under management rehabilitated or restored</p> <p><b>68%</b></p>	<p>Percentage of land footprint managed as either (1) productive land use or (2) natural areas</p> <p><b>89%</b></p>	<p>Percentage of assets located in sensitive landscapes which are covered by a Nature Management Plan (NMP)<sup>5</sup></p> <p><b>100%</b></p>
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## People

<p>Community and charitable funding</p> <p><b>c.£167k</b> (including c.£94k through NESF Special Purpose Vehicles (SPVs) and a c.£73k donation to the NextEnergy Foundation)</p>	<p>Lost time injuries<sup>6</sup></p> <p><b>1</b></p>	<p>Board gender diversity</p> <p><b>60%</b> female <b>40%</b> male</p>
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<sup>1</sup> Including share in private equity vehicle (NEIII) and co-investment (Agenor and Santarém). Inclusion of NESF's 6.21% share of NEIII on a look-through equivalent basis increases generation by 57GWh (2025: 51GWh). Inclusion of NESF's 24.5% share of Agenor increases total generation by 19GWh (2025: 14GWh). Inclusion of NESF's 13.6% share of Santarém on a look-through equivalent basis increases generation by nil GWh (2025: nil GWh).

<sup>2</sup> Emissions avoided figure is adjusted to reflect the NESF's proportion of capital interest (debt and equity). NESF's avoided emissions have been calculated in line with the United Nations Framework Convention on Climate Change's working group on International Financial Institutions.

<sup>3</sup> NESF's equivalent number of homes powered figure is based on OFGEM 2025 research and Enerdata 2024 research.

<sup>4</sup> As per the climate risk evidence in the NESF Sustainability Report.

<sup>5</sup> Nature Management Plans contain active on-site nature conservation or restoration measures.

<sup>6</sup> Lost time injuries are a standard health & safety performance indicator used to track the severity and impact of workplace injuries. Note that this figure relates to contractor employees only. NESF's continued focus on effective health & safety risk management is detailed on page 83 of this report.

# NESF Sustainability and ESG Framework

There are three key priority areas in the NESF Sustainability and ESG Framework: People, Nature and Prosperity. Each priority area is underpinned by three focus topics as set out in the framework below. These priority areas and topics were the result of a double materiality assessment undertaken in 2023. These areas remain a priority for the Company. The Framework

structures NESF's approach to creating positive sustainability and ESG outcomes alongside generating long-term total financial returns.

The Company's reporting strategy aligns with the Framework's priority areas and those of the ISSB and TNFD, ensuring stakeholders receive decision-useful insights into its performance. The information NESF discloses includes climate and nature-

related considerations across both its construction activities, direct operations, and value chain. NESF also reports on key people topics, such as health and safety, diversity, equity and inclusion, community engagement, and human rights.

NESF's Sustainability and ESG Framework



# Sustainability and ESG Framework highlights for the year

## People

During the year under review, NESF continued to support communities by employing local businesses and contractors, through school visits, through a small grants programme organised via the [BizGive](#) platform, and by supporting the [NextEnergy Foundation](#). Further details on this are included in NESF's standalone [Charitable Funding and Community Funding](#) reports.

## Prosperity

NESF adopts a stringent approach to transparency in its disclosures, including its approach to Sustainability and ESG reporting. The Company provides Sustainability and ESG-related governance, strategy, risk and opportunity management and metrics and targets in its standalone Sustainability and ESG Report. For the year ended 31 March 2026, the Company's Sustainability and ESG Report was fully aligned with the IFRS General (S1) and Climate (S2) standards of the ISSB and the Recommendations of the TNFD.

## Nature

In February 2026, the Company was awarded the Natural Capital Fund designation by the GFSC. The GFSC's Natural Capital Fund regime is the world's first regulated designation for nature-positive investment funds, with NESF only the second Investment Company to achieve Natural Capital Fund status. Designation as a Natural Capital Fund builds on the GFSC's Guernsey Green Fund mark already held by NESF, opens access to natural capital investors, and reinforces NESF's position as a responsible investor.

In June 2025, NESF published its first Climate Transition Plan, which sets out the Company's ambition to progressively decarbonise NESF's portfolio across both its operations and value chain.



# Sustainability and ESG Risk Management

Sustainability and ESG risks for NESF and its portfolio include physical and transition risks linked to climate change, its impact on nature through its direct operations and upstream supply chain, circular economy, transparency, value generation, integrity, human rights and community relations, and health and safety. NESF employs a comprehensive approach to identify, assess, prioritise, and monitor financially material Sustainability and ESG-related risks and opportunities. This includes proprietary tools to assess assets, manufacturers and contractors on relevant issues, ensuring that risks are managed appropriately throughout the investment lifecycle.

For the reporting period, there were no changes to how the Company manages Sustainability and ESG-related risks, and no new material Sustainability and ESG risks were noted.

Further details on NESF's Sustainability and ESG risk management and disclosures are included in its standalone [Sustainability and ESG Report](#).





**Condover**  
Shropshire  
10.2MW

# Stakeholder Engagement

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

As the Company has no employees and given the nature of its services, the Investment Adviser (in addition to the Board) has significant dealings

with our other stakeholders and, therefore, is an integral point of contact between the Company and our stakeholders. The Company's Corporate Brokers, Cavendish Corporate Finance and RBC Capital Markets Ltd, are also an integral point of contact between the Company and our shareholders and, together with the Investment Adviser, ensure that any shareholder feedback or observations are collated.

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

Key Stakeholders	Why they are important to us	How we engage with them
<p><b>Shareholders</b></p> <p>(All investors in the Company – institutional investors, wealth managers and retail investors (including private individuals))</p>	<p>A well-informed and supportive shareholder base is crucial to the long-term sustainability of our business. Understanding the views and priorities of our shareholders is, therefore, fundamental to retaining their continued support and to having the potential to access equity capital in order to continue to expand the Company's portfolio over time and to further diversify the investment portfolio and create economies of scale.</p>	<ul style="list-style-type: none"> <li>• Annual Reports and Interim Reports</li> <li>• Quarterly factsheets</li> <li>• Market announcements, including quarterly NAV announcements</li> <li>• Website</li> <li>• Institutional investor meetings (one-to-one and group), primarily through our Investment Adviser and Corporate Brokers, to keep communications open (including annual and interim results presentations) and to gauge their opinions on specific matters (e.g. strategy and capital raisings)</li> <li>• Regular institutional investor feedback received from our Investment Adviser and Corporate Brokers</li> <li>• Chair meetings and other communications with substantial shareholders</li> <li>• Research analyst presentations</li> <li>• Dialogue with research analysts through our Investment Adviser, as and when required</li> <li>• AGM</li> </ul>
<p><b>Investment Adviser</b></p>	<p>The Investment Adviser's performance is critical for the Company to deliver its investment strategy successfully and meet its investment and strategic objectives. Accordingly, the Company relies on the Investment Adviser's expertise, and needs to ensure the quality and sustainability of its services, to deliver the necessary performance. The Investment Adviser's culture and reputation is also important when it is representing the Company and its subsidiaries.</p>	<ul style="list-style-type: none"> <li>• Board and Committee meetings</li> <li>• Ad hoc meetings and calls with the Board</li> <li>• External Board evaluation, which includes feedback from the Investment Adviser</li> <li>• Informal meetings</li> </ul>
<p><b>Investment Manager</b></p>	<p>The Investment Manager's role is important to ensure all acquisitions and divestments meet the Company's investment and strategic objectives.</p>	<ul style="list-style-type: none"> <li>• Quarterly reports to the Board</li> <li>• Annual evaluation by the Management Engagement Committee</li> <li>• Ad hoc meetings and calls with Directors</li> </ul>

Key Stakeholders	Why they are important to us	How we engage with them
<b>Administrator</b>	As the Company has no employees, we rely on the Administrator to provide us with administrative, fund accounting and company secretarial services. In particular, we rely on the Administrator maintaining the accuracy of our accounting records and ensuring our compliance with applicable laws, rules and regulations.	<ul style="list-style-type: none"> <li>• Board and Committee meetings</li> <li>• Ad hoc meetings and calls with the Board</li> <li>• Quarterly reports to the Board</li> <li>• Annual evaluation of the Administrator by the Management Engagement Committee</li> <li>• Interim and annual debrief by the Audit Committee</li> </ul>
<b>Other Key Service Providers and Advisers</b>  (Registrar, Financial Advisers, Legal Advisers, Corporate Brokers, Public Relations and Auditors)	A strong and constructive working relationship with our other key service providers and advisers ensures that we receive high quality services to help deliver our investment and strategic objectives.	<ul style="list-style-type: none"> <li>• Board and Committee meetings</li> <li>• One-to-one meetings and calls</li> <li>• Provision of relevant information to or by the Company</li> <li>• Annual evaluation of key service providers and advisers by the Management Engagement Committee and by the Audit Committee of the Auditors</li> </ul>
<b>Lenders</b>  (Provider of the NESF Group's credit facilities)	An appropriate amount of gearing is required to achieve our target returns. It is important to maintain a strong working relationship with our existing lenders in case we may need, at some point, their consent for, e.g., strategic initiatives. We also look to build strong relationships with lenders, including our existing lenders, who may provide debt facilities in the future.	<ul style="list-style-type: none"> <li>• Provision of information to lenders in accordance with the terms of the relevant facility agreements</li> <li>• Consultation in advance on matters which may require their consent under the relevant facility agreements</li> </ul>
<b>Local Communities</b>	Ensuring our investment creates a positive social impact is core to our sustainability approach.	<ul style="list-style-type: none"> <li>• See the Annual Sustainability and ESG Report</li> <li>• Review and challenge by the Board's ESG Committee</li> </ul>
<b>Asset Manager</b>	The Asset Manager's performance is critical for NESF's operating solar and energy storage assets to deliver operational outperformance versus the budget. The Asset Manager also provides the administration and fund accounting for the Company's subsidiaries, as well as providing an energy sales desk to manage our electricity price and sales strategy.	<ul style="list-style-type: none"> <li>• Monthly and ad-hoc meetings with the Investment Adviser</li> <li>• Monthly reports to the Investment Adviser</li> <li>• Quarterly reports to the Investment Manager, which is reported to the Board</li> </ul>



**Barnby Moor**  
Nottinghamshire  
5.0MW

# Risks and Risk Management

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

## Approach to Managing Risk

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

## Risk Appetite

The Board is ultimately responsible for defining the level and type of risk that the Company considers appropriate, ensuring it remains in line with the Company's Investment Objective and its Investment Policy that sets out the key components of its risk appetite.

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

## Principal and Emerging Risks

Details of the emerging and principal risks we face that have the potential to materially affect our business are set out below. All risks are principal risks, except those specifically stated. There are some risks that we currently regard as less material and, therefore, they have not been included below but they may become material in the future. Additionally, other risks may be unknown to us at present.



### Hook Valley

Somerset  
15.3MW

<b>Portfolio Management and Performance Risk</b> Changes in risk level compared to prior period: No changes		
Risks	Summary	Mitigation
<b>Electricity generation falling below expectation</b>	Solar is an intermittent energy source compared to traditional energy resources such as coal and gas. The volume of solar irradiation available on a given day is out of the Company's control and this is a risk on the performance of the assets.	<p>There is a level of predictability for solar irradiation compared to other renewables, in that solar irradiation levels tend to follow a set trend throughout the year and exhibit low inter-year volatility.</p> <p>The geographical location of the asset has an impact on solar irradiation levels, due to climate variations and small differences in day lengths across regions. Assets are chosen with this in mind.</p> <p>The Asset Manager has value-enhancing tools that optimise the Company's portfolio generation and resolve interruptions efficiently.</p> <p>The diversity of the underlying solar module and inverter manufacturers and O&amp;M suppliers.</p>
<b>Portfolio valuation</b>	Valuation of the Company's assets is dependent on financial models based on several drivers, principally: discount rates and rates of inflation. For solar PV assets, drivers also include power price curves and the amount of electricity the solar assets are expected to produce. For the Company's energy storage asset, drivers also include forecast revenue streams. Certain assumptions may prove to be inaccurate, particularly during periods of volatility.	<p>The Company's model and the internal controls thereon are reviewed in detail on a periodic basis by a third-party modelling specialist to ensure the Company's model is robust and compliant with the latest modelling standards and controls.</p> <p>Documentation supporting the fair values model is presented to the Board quarterly for approval and adoption.</p> <p>To manage the impact of the power price volatility, the Investment Adviser uses an average of the power price curves from four Consultants.</p> <p>For the Company's energy storage asset, Camilla, the Company uses a market leading independent advisor to forecast the energy storage's revenue streams.</p>
<b>Share price discount to NAV</b>	As at 31 March 2026, the Company's ordinary shares traded at an average discount of over 10% to the Company's NAV over the financial year due to a number of external factors, including interest rate increases, market perceptions of investment companies, and institutional investor redemptions. As a result, the Board is required to propose a special resolution at the AGM to consider discontinuation of the Company. If that resolution was approved, the Board would consider a number of proposals.	The Company is well-placed to continue delivering value for investors over the long term and is taking steps to close the discount to NAV over time through the Company's Strategic Reset which involves actions to reinvigorate NAV growth and reduce debt.

**Operational and Strategic Risks**

Changes in risk level compared to prior period: No changes

Risks	Summary	Mitigation
<p><b>A decline in the price of electricity</b></p>	<p>Revenues of solar assets are dependent on the electricity market. Exposure to the wholesale energy market impacts the prices received for energy generated by and revenues forecast for the operating assets of the Company,</p> <p>The recent supply chain issues associated with the regional and international, alongside wider macroeconomic and geopolitical uncertainty has led to volatile power prices.</p>	<p>The Investment Adviser uses the most recent quarterly reports from the Consultants to be kept informed of long-term electricity prices, and uses this information to formulate the Company's electricity sales and hedging strategies.</p> <p><b>Short-term:</b> The Company enters into PPAs and forward contracts to fix electricity prices up to a 36-month period with varying contract lengths. The NextEnergy Group has an Energy Sales desk which is responsible for hedging generation produced in the short-term. As at 31 March 2026, the Company had secured fixed price agreements covering 78.3% of its electricity generation for the 2026/27 financial year and 15.4% for the 2027/28 financial year.</p> <p><b>Long-term:</b> Wholesale power prices are beyond the control of the Company. Factors that could increase the price of electricity include the roll-out of electric vehicles and the electrification of domestic heating and transportation networks. The Investment Adviser reviews wholesale electricity price forecasts and enters into long-term PPAs where appropriate.</p> <p><b>Subsidy-free assets:</b> The Investment Adviser will plan for short-term and long-term contracts before an asset is operational.</p>
<p><b>Counterparty risk</b></p>	<p>This is the risk of counterparty failure. The Company has entered into O&amp;M contracts and PPAs, which affect the costs and revenues of the Company. The Company has also contracted with various EPCs for construction of the subsidy-free assets.</p> <p>If the counterparty becomes insolvent there is a risk of disruption and financial loss until the counterparty is replaced.</p>	<p>The Asset Manager continuously monitors NESF's contracts in line with the market.</p> <p>There are contractual arrangements in place that have warranties in case of defaults.</p> <p>The Asset Manager ensures that counterparties are of an acceptable financial and reputational standing to minimise risk.</p>
<p><b>Plant operational risk</b></p>	<p>The Company relies on third-party contractors to provide corrective and preventative maintenance through O&amp;M contracts.</p> <p>The O&amp;M contractor could fail to fulfil its obligation and the solar asset's performance could deteriorate.</p> <p>Degradation of the solar modules reduce the performance of the plant over time. An increase in the rate of degradation may lead to under performance.</p>	<p>The Company can seek legal recourse against failure by an O&amp;M contractor.</p> <p>The Asset Manager monitors and ensures that each O&amp;M contract maintains a detailed preventative schedule, with contract warranties and penalty payments in the event of failure.</p> <p>NESF looks at technological improvements on an ongoing basis to reduce the effect of degradation. Also, NESF has contract warranties to secure the design performance of the assets.</p>

**External and Market Risks**

Changes in risk level compared to prior period: Increased

Risks	Summary	Mitigation
<p><b>Adverse changes in government policy and political uncertainty</b> (principal or emerging)</p>	<p>International conflicts, geopolitical tensions, and changes in government and their policies may impact trade of commodities, such as oil and gas, which have subsequent downstream impacts on power price volatility. These factors may also impact supply chain stability for solar and storage assets.</p> <p>The regional and international conflicts have led to global volatility in supply chains and power prices.</p> <p>Supply chain shortages in solar equipment and adverse impact of changes in government policy could prohibit construction of new projects and drive-up acquisition prices of existing assets.</p> <p>The Company remains vigilant amid the potentially evolving international tariff landscape, continuously assessing potential impacts on key imports, global supply chains, and trade flows.</p>	<p>The Investment Adviser closely monitors the impact of the policies of key political parties in jurisdictions where the Company operates and assesses geo-political developments affecting regions of significance for the Company's operations (including supply chain and wholesale power markets). The Investment Adviser also engages regularly with the UK Government and opposition parties on matters relevant to the Company and its investments.</p> <p>The global consequences of international conflict on power prices emphasises the importance of national energy independence, which the Company believes it is well placed to facilitate.</p> <p>The Investment Adviser has a wealth of experience and a strong network built through its global presence that enables it to source valuable projects and contracts for the NESF portfolio.</p> <p>The geopolitical expectations known at the time of acquisition of an asset are built into the Company's strategy and projected financial returns for the asset.</p> <p>The Investment Adviser continues to monitor the US tariff landscape to identify and manage potential implications for NESF. Given the operational status of the Company's portfolio and current inventory of spare parts, direct short-term impacts are expected to be limited. The Asset Manager regularly monitors the supply chain for spare parts and works closely with the Investment Manager to ensure a responsive and resilient procurement strategy is in place.</p>
<p><b>Adverse changes to regulatory framework for solar PV</b> (principal or emerging)</p>	<p>Uncertainty for the future regulatory framework for solar PV creates a risk that further planned acquisitions do not take place. This would affect the Company's growth potential, valuation and profitability.</p>	<p>The Company, through the support of the Investment Adviser, actively monitors regulatory changes within the industry and participates in contributing towards government discussions on the industry in the UK, Italy and other countries in which investments are located.</p>

**External and Market Risks**

Changes in risk level compared to prior period: Increased

Risks	Summary	Mitigation
<b>Changes to tax legislation and rates</b> (principal or emerging)	<p>Changes to the existing rates and rules could have an adverse effect on the valuation of the portfolio and levels of dividends paid to shareholders.</p> <p>As a result of the elevated power prices exhibited during 2022, the UK government announced EGL, which is a temporary 55% charge on exceptional receipts generated from the production of wholesale electricity. Exceptional receipts will be defined as wholesale electricity sold at an average price in excess of £75 per MWh over an accounting period.</p> <p>Changes to current subsidies based on findings of the regulator, OFGEM, would impact the Company's revenue streams.</p>	<p>NESF has tax advisers to ensure constant awareness of any upcoming changes to tax legislation and rates, to implement the necessary changes as required.</p> <p>Investment in multiple jurisdictions diversifies exposure to individual country regulations and hence risk.</p> <p>An increase in subsidy-free assets in the portfolio reduces exposure to regulated revenues, supported by the hedging strategy.</p>
<b>Health and Safety</b> (principal or emerging)	The physical location, maintenance and operation of a solar power plant may pose health and safety risks to those involved.	<p>Health and safety practices are in place that conform to local governmental standards. The Investment Manager, the Investment Adviser and the Asset Manager monitor adherence to the standards.</p> <p>Insurance policies are in place and reviewed to increase cover where necessary.</p>
<b>Climate-related risks</b> (emerging risk)	These are detailed in NESF's dedicated Annual Sustainability and ESG report which is aligned with the Climate Related S2 Standard of the International Sustainability Standards Board.	
<b>Cyber and Ransomware</b> (emerging risk)	The risk of cyber and ransomware attacks which could cause disruption to the Company, financial loss, data loss, theft and reputational damage	<p>The Investment Adviser works with the wider NextEnergy Group ensuring dedicated IT resources focus on cyber and information security for the Company's digital infrastructure and data integrity.</p> <p>Each SPV has its own Supervisory Control and Data Acquisition ("SCADA") platform, reducing risk of attacks on all sites simultaneously.</p>
<b>Access to capital</b> (principal risk)	<p>The current macroeconomic environment limits access to capital. Persistently elevated interest rates have kept cost of capital high, and they negatively affect valuations across the renewable infrastructure sector.</p> <p>Access to new equity is limited across the renewable infrastructure sector with share prices at record lows.</p> <p>The Company is constrained in its use of debt to access capital due to its current gearing levels exceeding the Investment Policy limit, and covenants on the preference shares preventing further drawdowns of debt.</p>	The Company is actively addressing its constrained access to capital through the implementation of the Strategic Reset, to drive a reduction in the Company's Ordinary Share price to NAV discount, as well as reduce overall gearing to below the Investment Policy limit. This involves utilising internal levers to access capital for the Company's growth and long-term shareholder value. More information on the Company's Strategic Reset can be found on page 45.
<b>Investor alignment on value realisation</b> (emerging risk)	Where prevailing macroeconomic conditions are not conducive to optimal value realisation, market precedents indicate that discontinuation of the Company, or a decision to initiate a wind-down, could result in lower value being realised for shareholders. In such circumstances, flexibility to pursue inorganic value-enhancing opportunities would be significantly reduced, and requirements for third-party consents under project financing and other funding arrangements could delay or limit the timing and quantum of returns to shareholders. There is a risk that such outcomes could arise in the absence of consensus on the Company's strategic direction.	<p>The Board, the Investment Manager and the Investment Adviser maintain regular engagement with shareholders and other key stakeholders to understand investor perspectives, communicate the Company's strategy clearly and articulate the value-maximising route to long term returns.</p> <p>The Company continues to focus on disciplined execution of the Strategic Reset, including delivery against key strategic actions, transparent communication of progress and maintaining flexibility over timing and route to value realisation.</p>



**Aller Court**

Somerset  
5.0MW

# Going Concern and Viability

## Going Concern

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

The Company's cash balance as at 31 March 2026 was £25.1m, all of which was readily available. In addition, the NESF Group Holdcos and portfolio companies had a total of £50.3m in cash as at 31 March 2026. The NESF Group had capital commitments totalling £6.8m at the financial year end. A significant portion of the NESF Group's revenues is derived from government subsidies. A large portion of the NESF Group's borrowings is on a non-recourse basis. The Company's portfolio is diversified by geography, components, plant size, subsidy schemes and revenue streams.

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

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

In accordance with the Company's Articles of Incorporation, the Board is required to propose a special resolution at the Company's 2026 AGM to consider discontinuation of the Company due to its ordinary shares trading at an average discount of over 10% to the Company's NAV over the financial year ended 31 March 2026. The Directors of the Company have considered the potential outcome of the vote on the ability of the Company to continue as a going concern and believe that shareholders will vote against the discontinuation of the Company. Bearing in mind the illiquid nature of the Company's underlying assets and the macroeconomic factors that have contributed to the discontinuation vote being triggered, if the discontinuation vote occurs and is passed, and a subsequent reconstruction or winding up process is initiated, the Board nonetheless expects that the Company would continue in existence for at least 12 months from the date of signing.

The Board is satisfied that the Company has sufficient financial resources available to be able to manage the Company's business effectively and to pursue the Company's principal activities and investment objective. In particular, the Board is not currently aware of any material uncertainties in relation to the Company's ability to continue for a period of at least 12 months from the date of approval of this Annual Report. The Board is of the opinion, therefore, that the going concern basis adopted in the preparation of the Financial Statements is appropriate.

## Assessment of Viability

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

In reviewing the Company's viability, the Directors have assessed its viability for the period to 31 March 2031. The Board believes this period, being approximately five years, is an appropriate period over which to assess the Company's viability as it is consistent with the five-year period used by the Board when considering the Company's investment strategy and medium-term business plans, including cash flows, and is considered reasonable having regard to the long-term nature of the Company's investment strategy.

The Company owns a portfolio of solar energy infrastructure assets in the UK, Italy, Portugal and Spain that are predominantly fully constructed, operational and generating renewable electricity. The Company is also in the battery storage asset market in the UK. As a result of both of these markets, the Company benefits from predictable and reliable long-term cash flows and is subject to a set of risks that can be identified and assessed. Each solar and battery storage asset is supported by a detailed financial model at acquisition and incorporated into the Company's valuation model for

quarterly valuations. The Directors believe that the diversification within the Company's portfolio of solar assets helps to withstand and mitigate the emerging and principal risks the Company is most likely to face. The Company's revenues from investments provide substantial cover to the operating expenses of the SPVs, HoldCos and the Company and any other costs likely to be faced by any of them over the viability assessment period.

NESF prepares a five-year cash flow forecast annually and the Investment Adviser and the Board review this as part of their business planning, and to be able to enact the value enhancing activities that were announced in the Strategic Reset in March 2026. This forecast is based on the Investment Adviser's and the Investment Manager's expectations of future asset performance, income and costs, and is consistent with the methodology applied to provide the valuation of the investments. The forecast considers the Company's cash balances, cash flows, other financial ratios, compliance, investment policy and key operational and financial indicators over the period. Furthermore, the forecast also considers the terms of the Company's borrowing facilities (mainly interest payable, amortisation and financial covenants) and the terms of the preference shares and their limited redemption rights. Apart from any drawings under the revolving credit facilities for an aggregate of up to £170m, there are no borrowings by the Company or any of the HoldCos or SPVs that are expected to be refinanced.

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

The key assumptions underpinning the cash flows and covenant compliance forecasts are subject to sensitivity analysis to explore and evaluate the Company's resilience to the potential impact of those emerging and principal risks summarised above that, both individually and in aggregate, could prevent the Company from delivering on its investment strategy. The emerging and principal risks have been subject to stress cases including P90 irradiation, solar availability at 95% and power prices falling to £30/MWh as these could have a material negative impact on valuations and cash flows and give rise to a reduction in the availability of finance. The remaining emerging and principal risks, whilst having an impact on the Company's business model and future performance, position and prospects, are not considered by the Directors to have a reasonable likelihood of impacting the Company's viability over the five-year period to 31 March 2031.

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

### Viability Statement

Having considered the five-year forecast cash flows and covenant

compliance, the impact of the sensitivities in combination, and the emerging and principal risks facing the Company, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2031.

### International Conflicts

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

### Approval

This Strategic Report was approved by the Board on 19 June 2026 and signed on its behalf by:



Tony Quinlan  
Chair

19 June 2026





# Governance

# Introduction from the Chair

On behalf of the Board, I present the Company's Corporate Governance Report for the year ended 31 March 2026.

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

## Corporate Governance Regime

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

## Board Composition and Evaluation

Since joining the Board as a Non Executive Director and assuming the role of Chair on 3 December 2025, I have continued to keep the Board's composition under active review. I am pleased to contribute my experience in leadership, corporate finance, M&A and business transformation to the work of the Board as we oversee the Company's strategic direction and governance. Further details on the Board's diversity and overall skillset can be found on pages 123 and 112, respectively.

As part of that active review of the Board's composition, Josephine Bush continues in the role of Senior Independent Director, following her appointment in May 2025.

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

## Audit Committee

Jo Peacegood is the appointed Chair of the Audit Committee. Further information on the Audit Committee can be found on pages 136-140.

## Remuneration & Nomination Committee

Caroline Chan is the appointed Chair of the Remuneration & Nomination Committee, following the combination of the separate Nomination Committee and the Remuneration Committee in May 2025. Further information on the Nomination & Remuneration Committee can be found on pages 130-134.

## Management Engagement Committee

Caroline Chan is the appointed Chair of the Management Engagement Committee. Further information on the Management Engagement Committee can be found on page 111.

## ESG Committee

Josephine Bush is the appointed Chair of the ESG Committee. Further information on the ESG Committee can be found on page 111.



## Market Disclosure Committee

I am the appointed Chair of the Market Disclosure Committee. The Committee considers the requirements for timely and accurate disclosure of information to be disclosed in line with legal and regulatory obligations arising from the Company's listing on the London Stock Exchange. To date, the Committee has not been required to meet as these obligations have been satisfied through meetings of the Board.

## Engagement with Our Key Stakeholders

We recognise the importance of engaging with our key stakeholders and information on how we do this can be found under 'Stakeholder Engagement'. We continue to look at how we engage with all of our key stakeholders to ensure that our engagement is both appropriate for the Company's business, and dynamic, so that we can respond as the business and our key stakeholders' views evolve.

Since I joined the Board, I valued the opportunity to engage with shareholders, actively listen to their comments, and understand their perspectives on the Company. I look forward to maintaining this ongoing dialogue with investors.

Tony Quinlan  
Chair

19 June 2026



**Bay Farm**

Suffolk  
8.1MW



## Governance Framework

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

## Board

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

**Independent Chair:**

Tony Quinlan (since 3 December 2025)

**Principal Responsibilities:** To lead the Board; to ensure the Board’s overall effectiveness in directing NESF

**Senior Independent Director:**

Josephine Bush (since 15 May 2025)

**Principal Responsibilities:** To provide sounding board for the Chair and serve as an intermediary for the other Directors and shareholders

**Non-executive Directors:**

Tony Quinlan (appointed 3 December 2025)

Josephine Bush (appointed 1 January 2022)

Jo Peacegood (appointed 20 February 2020)

Paul Le Page (appointed 3 October 2023)

Caroline Chan (appointed 1 April 2024)

**Principal responsibilities:**

To promote the long-term sustainable success of NESF, generating value for shareholders whilst having regard to the interest of wider stakeholders

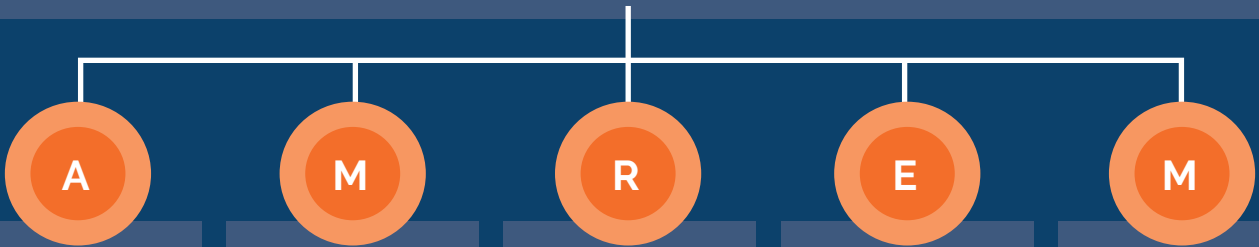
To set NESF’s strategic objectives and ensure that the necessary resources are available for it to meet its objectives

To establish a framework of prudent and effective controls that enable risk to be assessed and managed

To ensure effective engagement with shareholders and other key stakeholders

To robustly scrutinise and constructively challenge all matters that come before the Board

**Scheduled board meetings: 4 p.a.**



### Audit Committee

**Membership**

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

**Chair**

Jo Peacegood (since 2024)

**Scheduled meetings:**

4 p.a.

**Principal responsibilities**

To oversee the quality of financial reporting  
To review and monitor the risks the Company is exposed to, its risk appetite and the effectiveness of its risk management framework  
To review the effectiveness of the external audit process and independence of the external auditor

### Management Engagement Committee

**Membership**

All Directors

**Chair**

Caroline Chan (since 2024)

**Scheduled meetings:**

1 p.a.

**Principal responsibilities**

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

### Remunerations & Nominations Committee

**Membership**

All Directors

**Chair**

Caroline Chan (since 2025)

**Scheduled meetings:**

1 p.a.

**Principal responsibilities**

To keep under review the Directors remuneration policy  
To review and evaluate regularly the Board’s composition and succession planning and lead the process for new Board appointments  
To lead the annual evaluation of the Board and Committees

### ESG Committee

**Membership**

All Directors

**Chair**

Josephine Bush (since 2022)

**Scheduled meetings:**

2 p.a.

**Principal responsibilities**

To provide strategic advice to the Board on ESG matters  
Support and challenge NEC with respect to ESG matters including investment, divestment and asset management activities

### Market Disclosure Committee

**Membership**

All Directors

**Chair**

Tony Quinlan (since 2025)

**Scheduled meetings:**



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

**Principal responsibilities**

To consider the requirements for timely and accurate disclosure of information in line with legal and regulatory obligations arising from the Company’s listing on the LSE.

# Board of Directors

Tony Quinlan			
	<p><b>Chair and Non-Executive Director</b></p> <p><b>Resident:</b> UK</p> <p><b>Appointed:</b> 3 December 2025</p> <p><b>Independent:</b> Yes</p>	<p><b>Relevant Skills and Experience:</b></p> <p>Tony brings extensive leadership and governance experience with deep expertise in corporate finance, M&amp;A and business transformation.</p> <p>Previously the CFO of Drax Group plc, during the transformation of the Group from coal to sustainable biomass, bringing a significant knowledge of the UK electricity market and renewables, and strong credentials managing investor relations.</p> <p>Following a successful period as CEO of Laird plc, a major global technology engineering business, Tony now serves as Senior Independent Director on the boards of Costain Group PLC and Hill &amp; Smith PLC, both with substantial operations serving infrastructure markets.</p>	<p><b>Principal External Appointments:</b></p> <p>Senior Independent Director and Chair of the Audit Committee of Costain PLC, Senior Independent Director and Chair of the Remuneration Committee of Hill &amp; Smith PLC, Chair of Tark Thermal Solutions (formerly Laird Thermal Systems), Non-Executive Director of Harworth Group plc.</p>
Josephine Bush			
	<p><b>Senior Independent Director and Non-Executive Director</b></p> <p><b>Resident:</b> UK</p> <p><b>Appointed:</b> 1 January 2022</p> <p><b>Independent:</b> Yes</p>	<p><b>Relevant Skills and Experience:</b></p> <p>Over 22 years of experience in the renewable energy sector, 14 years of which were as a Senior Partner in Ernst &amp; Young's global renewable practice.</p> <p>Qualified Solicitor, Chartered Tax Adviser and CFA ESG investing qualification.</p> <p>Previously a member of the Ernst &amp; Young LLP Power and Utilities Board and UK&amp;I Governance Board.</p>	<p><b>Principal External Appointments:</b></p> <p>Chair of the Audit, Risk and ESG committee of Vulcan Energy Resources Limited (ASX and FSX listed).</p>
Jo Peacegood			
	<p><b>Non-Executive Director</b></p> <p><b>Resident:</b> Guernsey</p> <p><b>Appointed:</b> 20 February 2020</p> <p><b>Independent:</b> Yes</p>	<p><b>Relevant Skills and Experience:</b></p> <p>Over 27 years of experience in the Investment Management sector including Premium Listed Funds and Alternative assets.</p> <p>Qualifications include Chartered Accountant (FCA), Institute of Directors Diploma and BA honours degree in Accounting.</p> <p>Worked for 'Big Four' accounting firms in the Channel Islands, UK and Canada for 20 years, where primary role was Audit Engagement Leader.</p> <p>Skills and expertise lie in Valuations, Accounting, Auditing, Risk, Controls, Corporate Governance and Regulations.</p>	<p><b>Principal External Appointments:</b></p> <p>Audit Committee Chair of Volta Finance Limited and Chair of Castelnau Group Limited.</p>

Paul Le Page			
	<p><b>Non-Executive Director</b></p> <p><b>Resident:</b> Guernsey</p> <p><b>Appointed:</b> 3 October 2023</p> <p><b>Independent:</b> Yes</p>	<p><b>Relevant Skills and Experience:</b></p> <p>Over 22 years' Audit &amp; Risk Committee experience within the closed-ended investment fund sector. Qualified as a Chartered Electrical Engineer. Obtained an MBA from Heriot Watt University in 1999 and switched from industrial R&amp;D to investment fund research with a specialisation in alternative assets.</p> <p>A broad-based knowledge of the global investment industry, fund governance, reporting and product structures and holds non-executive directorships of several investment funds.</p> <p>Previous Audit Committee Chair of UK Mortgages Limited, Thames River Multi Hedge PCC Limited, Cazenove Absolute Equity Limited and Bluefield Solar Income Fund Limited.</p>	<p><b>Principal External Appointments:</b></p> <p>Audit Committee Chair of RTW Biotech Opportunity Fund Limited, Non-executive director of Sequoia Economic Infrastructure Income Fund Limited and Twentyfour Income Fund Limited.</p>
Caroline Chan			
	<p><b>Non-Executive Director</b></p> <p><b>Resident:</b> Guernsey</p> <p><b>Appointed:</b> 1 April 2024</p> <p><b>Independent:</b> Yes</p>	<p><b>Relevant Skills and Experience:</b></p> <p>Over 31 years' experience as a Corporate Lawyer across London, Hong Kong and Guernsey, specialising in investment funds, mergers and acquisitions, financing and financial services regulatory work.</p> <p>A Guernsey Advocate; qualified as an English solicitor with Allen &amp; Overy; and was admitted as a Hong Kong solicitor (all non-practising).</p> <p>Retired from private practice in 2020, having been a Guernsey partner at Ogier and Mourant, two offshore law firms.</p> <p>Previously a non-executive director of Round Hill Music Royalty Fund Limited.</p>	<p><b>Principal External Appointments:</b></p> <p>Chair of the Remuneration and Nomination Committee of BH Macro Limited; and Chair of each of the Management Engagement Committee and the Nomination &amp; Remuneration Committee of Neuberger Private Equity Partners Limited.</p>



**Larinho (NEIII)**  
Portugal  
12.0MW

# Corporate Governance Statement

## Statement of Compliance

### The AIC Code

The Board is committed to the highest standards of corporate governance and functions under the applicable framework for corporate governance for a listed investment company. The Board considers that reporting against the principles and provisions set out in the AIC Code, which have been endorsed by the Financial Reporting Council ("FRC") and Guernsey Financial Services Commission ("GFSC"), is the most appropriate framework for the Company's governance and reporting to shareholders.

The AIC Code incorporates the principles and provisions set out in the UK Corporate Governance Code (the "UK Code") and includes additional principles and recommendations specifically relevant to investment companies. The AIC Code (August 2024) applies to accounting periods beginning on or after 1 January 2025, except for Provision 34, which applies to accounting periods beginning on or after 1 January 2026. The AIC Code includes an explanation of how the principles and provisions of the UK Corporate Governance Code have been adapted for investment companies. The AIC Code is available on the AIC's [website](#).

By reporting against the AIC Code, the Board is meeting its obligations in respect of:

- the UK Corporate Governance Code (and associated disclosure requirements under the FCA's UKLR 6.6.6R(6)), meaning the Company

is not required to report further on UK Corporate Governance Code matters that are not relevant to investment companies; and

- the Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance (February 2026).

In accordance with the AIC guidance, the Board confirms that the Company has met its obligations and has complied with the principles and provisions of the AIC Code during the year ended 31 March 2026.

The GFSC issued the Guernsey Code of Corporate Governance (the "Guernsey Code") which came into effect on 1 January 2012. As stated in the introduction, the Guernsey Code states that companies which report against the UK Code or the AIC Code are also deemed to meet the requirements of the Guernsey Code. Accordingly, as a Guernsey-domiciled AIC member reporting against the AIC Code, the Company is not required to report separately against the Guernsey Code.

## Board Leadership and Company Purpose

### Board Leadership

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

The Investment Manager, the Investment Adviser and the

Administrator are responsible for implementing the Company's strategy and managing the Company's day-to-day activities and operations. The Company's success is based on such implementation and management being effective.

The Board leads and provides direction for the Investment Manager, the Investment Adviser and the Administrator by setting the Company's strategic objectives within a robust framework of risk management and internal controls. The Board oversees the execution of the Company's strategy and implementation of its key investment, financial, operational and compliance policies, enabling it to scrutinise robustly and challenge constructively the performance of each of the Investment Manager, the Investment Adviser and the Administrator.

The Board also oversaw significant leadership transition during the year, including the appointment of Tony Quinlan as Chair and Non-Executive Director of the Board, ensuring continuity of effective leadership and succession planning across the governance structure. Further information on Board succession can be found in the Remuneration & Nomination Committee report on pages 130-134.

### Company Purpose, Values and Strategy

The Company's principal purpose is to provide Ordinary Shareholders with attractive long-term total returns by investing in a diversified portfolio of UK solar and energy storage infrastructure



**Mill Farm**  
Hertfordshire  
5.0MW

assets managed in accordance with its Investment Policy. Following the Strategic Reset announced in March 2026, the Company has transitioned from a progressive dividend model to a total-return-focused strategy designed to deliver sustainable long-term total returns of 9-11% alongside an attractive Ordinary Share dividend under a 75% payout dividend policy. More information on the Company's Strategic Reset can be found on page 45.

Details of the Company's investment objectives and strategy are set out in 'NextEnergy Solar Fund's Purpose' on page 2 and 'Investment Strategy' on page 26. In setting the Company's strategic priorities, the Board considers the interests of its shareholders and key stakeholders.

The Strategic Report describes:

- how the Company generates and preserves value over the long-term (see 'Portfolio Optimisation' on page 60);
- the key considerations relating to new investment opportunities (see 'Portfolio Highlights' on page 53);
- the emerging and principal risks to the future success of the Company and how we seek to manage and mitigate them (see 'Risks and Risk Management' on page 98); and

- the sustainability of the Company's business model (see 'the Going Concern and Viability' section on page 104).

The Company is run in a manner that is consistent with the Board's values of integrity, fairness and transparency and responsive to the views of the Company's shareholders and wider stakeholders.

#### **Board Culture**

The Board maintains a culture founded on openness, trust and candour; respect for differing opinions and areas of expertise; and individual and collective accountability. This environment supports constructive and robust challenge and debate, enabling high-quality decision-making that underpins the successful execution of the Company's strategy.

We strive to ensure that our culture remains aligned with the Company's purpose, values, and strategy through regular and transparent dialogue and engagement with the Investment Manager, the Investment Adviser and the Administrator. Their collective efforts are focused on delivering returns to shareholders in accordance with the Company's objectives and monitoring the

performance and management of the Company's portfolio.

During the year, the Board reinforced this culture through enhanced engagement with service providers, deeper operational oversight and increased focus on strategic delivery following the Company's Strategic Reset.

#### **Section 172 Statement**

Section 172 of the Companies Act 2006 ("Section 172") applies directly to UK-domiciled companies. Even though the Company is incorporated in Guernsey, the AIC Code requires all investment companies, irrespective of domicile, to explain how the matters set out in Section 172 have been considered, provided this does not conflict with local company law.

Under Section 172, directors have a duty to promote the success of the company for the benefit of its members as a whole, whilst having regard to (amongst others) the likely consequences of their decisions in the long-term and the interests of the Company's wider stakeholders, including decisions related to the Company's Strategic Reset and the related long-term Roadmap.

Information demonstrating

how the Board has had regard to the requirements of Section 172 is included throughout the Strategic Report and this Corporate Governance Report, including:

- the Company's values, business model, and culture (see 'Our Business Model' on page 28 and 'Company Purpose, Values and Strategy' on page 114);
- how the Company generates and preserves value over the long-term (see 'Investment Adviser's Report' on page 37);
- the emerging and principal risks that could disrupt the long-term success of the Company and how we seek to manage and mitigate them (see 'Risks and Risk Management' on page 98);
- identification of key stakeholders, why they are important to us and how we engage with them (see 'Stakeholder Engagement' on page 96);
- how the Asset Manager and the Investment Adviser maintain strong operational and commercial relationships with suppliers, contractors, and customers across NESF's solar and energy-storage portfolio on a day-to-day basis (see 'Investment Adviser's Report' on page 37);
- how the Company's activities impact the environment and local communities where its solar and energy storage assets are located (see 'Sustainability and ESG' on page 90); and
- a summary of the Board's principal activities during the year under review (see 'Board and Committee Meetings and Activities' on page 119).

In making decisions, the Board's aim is always the long-term sustainable success of the Company. During the year under review, this included the Board's assessment and approval of the Company's Strategic Reset,

a decision taken in good faith to promote long-term value, reduce gearing, strengthen financial resilience and align the Company with evolving market conditions and stakeholder expectations.

The Board confirms that, in all decisions taken during the year under review, we acted in the way we considered would be most likely to promote the long-term sustainable success of the Company for the benefit of our shareholders as a whole, whilst having had regard to our wider stakeholders and the other matters set out in Section 172.

### Conflicts of Interest

The Directors have a duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or may potentially conflict, with the Company's interests ("Conflict Situations"). A Director must inform the Chair (or, in their absence, the Senior Independent Director) as soon as they become aware of a possible Conflict Situation.

In accordance with Provision 9 of the AIC Code, the Board considers the time availability and external appointments of any Director prior to appointment and keeps these under review to ensure that each Director is able to perform their duties effectively. This includes consideration of any new roles or changes to a Director's portfolio during their tenure, reflective of enhanced expectations for ongoing time-commitment assessments under the updated AIC Code.

Where appropriate, the Board may authorise Conflict Situations. In deciding whether to grant approval, the Board will act in a way it considers, in good faith, most likely to promote the Company's long-term sustainable success. The Board may also impose limits or conditions when giving approval, if it considers this appropriate.

The Board is satisfied that its processes for identifying, approving and monitoring potential Conflict Situations is operating effectively.

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

## Division of Responsibilities

### Board

The Company is led and controlled by an independent Board of Directors. As at 31 March 2026, the Board comprised five Non-Executive Directors ("NEDs"), following the appointment of Tony Quinlan as Chair and NED on 3 December 2025, succeeding Paul Le Page who held the position of interim Chair following the retirement of Helen Mahy on 15 May 2025.

The Directors bring a broad range of skills, experience and sector knowledge to the Board, providing independent challenge, scrutiny and oversight. Biographies of all Directors are provided on pages 112-113.

The Board's principal responsibilities include:

- promoting the long-term sustainable success of the Company for the benefit of shareholders, whilst having regard to the interests of wider stakeholders;
- setting the Company's strategic objectives and ensuring that appropriate resources are in place for the Company to meet its objectives;
- establishing and maintaining an effective risk-management framework and internal-control framework;
- upholding high standards of corporate governance;
- overseeing the execution of the Company's strategy

and implementation of key investment, financial, operational and compliance policies;

- monitoring the performance of each of the Investment Manager, the Investment Adviser, the Administrator and other key service providers;
- ensuring effective engagement with shareholders and other key stakeholders; and
- robustly scrutinising and constructively challenging all matters brought before the Board.

The Board has ultimate responsibility for the Company's activities. Certain matters are delegated to standing Committees or outsourced to the Investment Manager and the Administrator (with some Investment Manager responsibilities delegated to the Investment Adviser), each operating under clearly defined terms of reference or agreements that set out their roles, responsibilities and authorities. All other matters are reserved for consideration and approval by the Board (including those matters listed in a formal schedule of reserved matters approved by the

Board), thus enabling the Board to maintain full and effective control over appropriate strategic, financial, operational and compliance issues.

The reserved matters include:

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

To fulfil their responsibilities, the Directors provide strategic guidance, independent challenge, and specialist oversight, holding the Investment Manager, the Investment Adviser, the Administrator and other service providers and advisers to account. Directors have access to the advice and services of the Administrator in carrying out their duties, and may also seek independent professional advice at the expense of the Company where required.

In accordance with the AIC Code, all Directors submit themselves for annual re-election by shareholders. The Board confirms that all Directors will stand for election or re-election at the 2026 AGM, having considered their continued contribution, time commitment and meeting attendance.

#### Chair

Tony Quinlan, an independent Non-Executive Director, was appointed Chair of the Board on 3 December 2025, in accordance with the Company's Articles and the AIC Code. His primary role as Chair is to provide clear leadership and guidance to the Board.



**Hook Valley**

Somerset  
15.3MW

## Kentishes

Essex  
5.0MW

The principal responsibilities of the Chair include:

- ensuring the overall effectiveness of the Board in directing the Company;
- leading the development and oversight of the Company's strategic objectives;
- promoting the behaviours and attributes that underpin the Board's culture (see 'Board Culture' on page 115);
- ensuring the Board meets its responsibilities to shareholders and wider stakeholders; and
- engaging with shareholders to ensure that the Board has a clear understanding of their views.

In line with the updated AIC Code, the effectiveness and independence of the Chair is evaluated annually as part of the Board's performance evaluation. Given the recent appointment of Tony Quinlan as the Chair, an appraisal of the Chair was not undertaken in the year under review. Information about the evaluation process can be found in the 'Annual Performance Evaluations' section on page 126.

### Senior Independent Director

The current Senior Independent Director ("SID") is Josephine Bush. Her primary role is to serve as a sounding board for the Chair, act as intermediary for other Directors, and be available to respond to shareholders' concerns if they cannot be resolved through the normal channels of communication (i.e. through the Chair). The SID leads the annual evaluation of the Chair, in accordance with the AIC Code and the Company's performance evaluation process (see 'Annual Performance Evaluations' on page 126 for information about the annual evaluation process).

### Board Committees

The Board has five standing Committees: Audit, Management Engagement, Environmental Social and Governance, Remuneration & Nomination, and Market Disclosure Committees.

A copy of the terms of reference of each Committee is available on the Company's [website](#).

The Committees review their terms of reference at least annually, with

any proposed changes recommended to the Board for approval.

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

### Investment Manager and Investment Adviser

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

The Investment Manager also acts as the Company's AIFM, responsible under applicable AIFM regulations for risk management and portfolio management activities. In addition,

the Company has granted the Investment Manager certain powers in respect of its HoldCos, SPVs and NEIII, enabling the Investment Manager to perform its obligations efficiently.

The Investment Adviser's responsibilities, under an Advisory Agreement between the Investment Manager, the Investment Adviser and NESF, include the origination, evaluation, co-ordination and recommendation of investment opportunities, and the provision of investment advice to the Investment Manager on strategy, acquisitions and disposals, portfolio optimisation, financing, market developments and any matters that may affect the Company's ability to meet its investment or strategic objectives. The Investment Adviser also oversees the performance of the Company's portfolio.

Both the Investment Adviser and the Investment Manager participate in the Company's valuation process. The Investment Adviser arranges a committee meeting to scrutinise movements in the valuation during the period and consider long-term assumptions, such as the discount rate. The Investment Manager then reviews and approves the valuation before it is presented to the Board together with supporting explanations.

In advance of Board meetings, the Investment Manager provides regular reports, including operating updates on the Company's solar assets, information on potential new investment opportunities, cashflow forecasts and other financial information, and relevant industry developments. The Investment Adviser attends Board meetings on behalf of the Investment Manager. Regular, active engagement between the Board, the Investment Manager and the Investment Adviser enable open working relationships, which

foster effective oversight by the Board, facilitate the Board's robust scrutiny and enable the Board to provide constructive challenge in relation to those key relationships.

In accordance with the Listing Rules, the Directors confirm that the continued appointment of the Investment Manager and the Investment Adviser under the current terms of the respective Management Agreement and the Advisory Agreement remains in the best interest of the shareholders. The Board reviews the performance of the Investment Adviser and the Investment Manager on an ongoing basis, and as part of the Company's annual service provider review.

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

### Administrator

The Company has appointed the Administrator to provide company secretarial, fund accounting and administration services.

The Administrator's key responsibilities include:

- ensuring that the Company complies with applicable Guernsey laws and regulations, the FCA's rules and regulations applicable to closed-ended investment companies with a listing, and the London Stock Exchange rules and regulations;
- advising the Board on all governance matters and regulatory developments;
- supporting the Board to ensure that it has the policies, processes and information it requires to function effectively and efficiently;
- facilitating the flow of information between the Board, its Committees,

the Chair, the Investment Manager, the Investment Adviser and other service providers and advisers; and

- ensuring that Board procedures and agreed governance processes are followed.

Ahead of Board meetings, the Administrator provides regular reports, including financial and operational updates, details of any breaches or complaints, and relevant legal, regulatory, corporate governance and technical updates. Between meetings, the Directors maintain regular contact with the Administrator.

Our close working relationship with the Administrator supports a thorough understanding of the Company's operational activities, ensures compliance with all relevant governance and regulatory frameworks, and facilitates effective oversight and constructive challenge of the Administrator's performance.

## Board and Committee Meetings and Activities

### Meetings

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

Agendas, reports and supporting papers containing relevant, concise and clear information, are circulated to the Board and the Committees in advance of all meetings in a timely manner. This ensures that

the Directors can make informed decisions and contribute effectively at meetings. Where needed, the Board or a Committee may also request further clarification from the Investment Manager, the Investment Adviser, the Administrator or other service providers by means of additional reports or in-depth discussions.

The primary focus at the quarterly Board meetings is:

- a review of the Company's investments, including performance, operational issues and asset management initiatives;
- assessment of investment and divestment opportunities and how they fit within the Company's strategy;
- legal, regulatory and market developments that may impact the Company or its investments;
- valuation of investments and NAV calculation;
- review of the Company's financial performance;
- the Company's financial and regulatory compliance;
- investor relations, shareholder analysis and marketing updates; and
- peer group benchmarking and other relevant sector information.

### Board Activities

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

- consideration of the Company's dividend policy for the financial year under review and the revised dividend policy going forward (see Dividend Policy for Financial year ending 31 March 2027 in the Strategic Report on page 30);
- ongoing oversight of the Company's strategy and long-term strategic aims, including the Company's Strategic Reset, its UK subsidy-free

solar, international assets and the completed Capital Recycling Programme (see 'Portfolio Highlights' section in the 'Investment Adviser's Report on page 53);

- assessment of the performance, resourcing and effectiveness of key service providers;
- approving the Annual Report and the Interim Report;
- reviewing the Board and Committee composition, succession planning and performance evaluation (see 'Board Composition and Evaluation' above); and
- reviewing and approving recommendations from its Committees.

### Committee Activities

Information on the activities of the Audit Committee during the year under review can be found under 'Responsibilities and Activities' in the Audit Committee Report.

The Management Engagement Committee ("MEC") completed the annual evaluation of the Company's key service providers, including the Investment Manager, the Investment Adviser and the Administrator during the year. This included an assessment of performance, service quality and value for money in accordance with the AIC Code.

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

- **Board composition:** The Committee reviewed the Board's composition as part of the appointment of Tony Quinlan as Chair of the Board, ensuring continued independence and appropriate balance of skills (further detail on Board's composition is discussed under 'Board Composition, Independence and Succession' on page 122).

- **Annual evaluation of the effectiveness of the Board and its Committees:** Details of the evaluation process and the outcomes can be found under 'Annual Performance Board Evaluations' section on page 126.
- **Succession planning:** The Committee continued to oversee the Board's succession planning framework, ensuring alignment with the Company's long-term needs and the refreshed strategic direction (see 'Succession Planning' on page 126).

### Meeting Attendance

The number of scheduled Board and Committee meetings during the year under review, the meetings each Director was eligible to attend, and the attendance of the individual Directors, is shown in the table on page 122.

In addition to the scheduled Committee meetings (see table on page 122), there were 17 ad hoc Board meetings, 2 ad hoc meetings of the Remuneration & Nomination Committee, and 23 informal discussions. These meetings were convened to conclude matters deferred from scheduled meetings and to address administrative, governance and strategic matters.

Ad hoc meetings are typically convened at relatively short notice and are held in Guernsey, meaning it is not always feasible or necessary for all the Directors to attend the ad hoc meetings. However, Directors who are unable to attend an ad hoc meeting communicate their views on any matters to be discussed to their fellow Directors ahead of the meeting.



**Hook Valley**

Somerset  
15.3MW

Director	Board	Audit Committee	Management Engagement Committee	Remuneration & Nomination Committee <sup>3</sup>	Nomination Committee <sup>3</sup>	Environmental, Social and Governance Committee
Tony Quinlan <sup>1</sup>	2/2	2/2	1/1	2/2	0/0	1/1
Josephine Bush	4/4	4/4	1/1	4/4	1/1	3/3
Joanne Peacegood	4/4	4/4	1/1	4/4	1/1	3/3
Paul Le Page	4/4	4/4	1/1	3/4	1/1	3/3
Caroline Chan	4/4	4/4	1/1	4/4	1/1	3/3
Helen Mahy <sup>2</sup>	0/0	1/1	0/1	0/0	1/1	0/0

### The Market Disclosure Committee has held no meetings since being established in November 2023.

A quorum comprises any one Director from time to time, to attend a Committee of the Board to perform administrative and other routine functions on behalf of the Board, subject to such limitations as the Board may expressly impose from time to time. As noted, to date, this Committee has not been required to meet as these obligations have been satisfied through meetings of the Board.

### Board Composition, Independence and Succession

The Board currently comprises five Directors, all of whom are non-executive and independent of the Investment Manager and the Investment Adviser. Details of the Directors' skills, experience and principal external appointments are included in their biographies on pages 112-113.

During the year, Helen Mahy retired from the Board on 15 May 2025. Neither the Chair, nor any of the Directors, have had any relationships or circumstances that may create a conflict of interest between their interests and those of the shareholders.

### Board Commitments

Directors are required to commit sufficient time to discharge their responsibilities effectively. Before accepting any new listed board, time-consuming, potentially conflicted or otherwise significant external appointments, a Director must seek the prior approval of the Chair (or, in the absence of the Chair, the Senior Independent Director). If the Chair (or Senior Independent Director) believes that the appointment may give rise to an actual or potential conflict of interest, the matter will be referred to the full Board for consideration and, if appropriate, approval of the Board. Directors must also promptly notify the Administrator of any new board appointments undertaken.

When considering the election or re-election of Directors at an AGM, the Board evaluates whether each Director continues to meet the time requirements of the role by considering, amongst other things, their attendance at Board, Committee and other ad hoc meetings held during the year as well as the nature and complexity of their other external roles.

The Directors' attendance at all scheduled Board and Committee meetings held during the year is shown in the table above. The Chair and all

other current Directors did not take on any new external commitments during the year under review that would impair their ability to meet their board responsibilities to the Company. Post the year end, Tony Quinlan announced on 18th May his appointment as a Non-Executive Director of Harworth Group plc which took effect from 1 June 2026. The Board is satisfied that all the Directors continue to have adequate time to discharge their duties effectively.

### Diversity and Inclusion

The Board of the Company is committed to nurturing an environment where diversity and inclusion is at the heart of all engagements. As set out in the Company's Diversity Policy, the Board seeks to ensure that decision-making benefits from a broad range of skills, experiences, backgrounds and perspectives, recognising that diversity supports effective governance and long-term sustainable success.

The Board partners with external parties, including the Investment Manager, the Investment Adviser and the Asset Manager, to ensure that business is conducted in an ethical, respectful and inclusive manner for

<sup>1</sup> Mr Quinlan joined the Board on, and was appointed as Chair of the Board with effect from, 3 December 2025.

<sup>2</sup> Ms Mahy stepped down from the Board on 15 May 2025 following her notice to the Board of her desire to step down as a director of the Company.

<sup>3</sup> Nomination Committee was combined into one Committee (the Remuneration & Nomination Committee) on 22 May 2025.

all stakeholders. This commitment continues to underpin the Company's approach to responsible investing, stewardship and alignment with evolving regulatory expectations, including the AIC Code and the FCA's diversity disclosure requirements.

**Board Diversity**

The Board acknowledges the importance of all aspects of diversity for an effective and high-performing Board and is committed to maintaining diversity within the Boardroom. In 2023, the Board approved a Company-specific Diversity Policy which is reviewed annually. The Diversity Policy ensures that appointments to the Board are made on merit, whilst recognising the benefits of diversity in its widest sense (including gender, age, social and ethnic backgrounds, cognitive and personal skills, experience and strengths). Additionally, it is within the Board's objectives to ensure that the Board and its Committees have the skills, experience and knowledge necessary to bring a wide range of perspectives to decision-making and to discharge their responsibilities effectively.

At the date of this Report the Board comprises five independent non-executive directors, consisting of three women (including the Senior Independent Director) and two men (including the Chair). All Directors are considered independent of the Investment Manager and the Investment Adviser, and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

Currently, the Audit Committee, the Remuneration & Nomination Committee, the Management Engagement Committee, and the

Environmental, Social & Governance Committee are all chaired by women.

In accordance with the FCA's Listing Rule UKLR 6.6.6R(6), during the year under review, the Company complied with the recommended diversity targets:

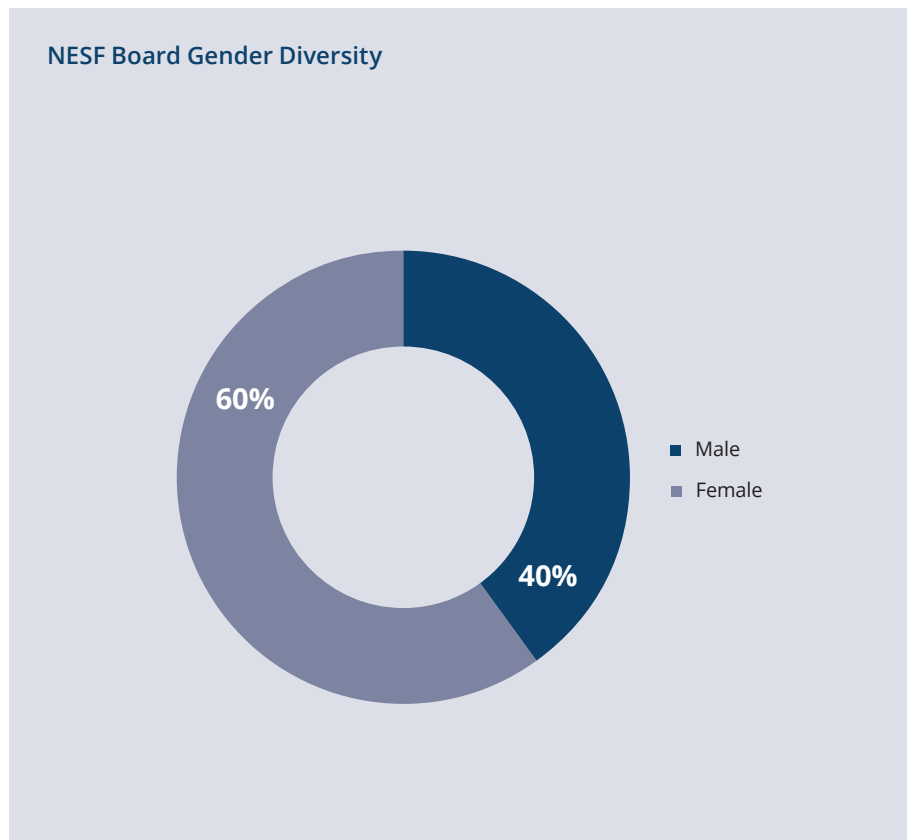
- At least 40% of the Board are women;
- At least one of the senior Board positions (Chair, Chief Executive Officer (CEO), Senior Independent Director (SID) or Chief Financial Officer (CFO)) is a woman; and

- At least one member of the Board is from a minority ethnic background.

Accordingly, during the financial year, the Company has met, or exceeded, the targets contained in UK Listing Rule UKLR 6.6.6R(9)(a)(i) to (iii) relating to gender and ethnic diversity.

As at 31 March 2026, and as explained above, the composition of the Board is set out in the table below (for the purposes of Listing Rule UKLR 6.6.6R(10)):

	Number of Board members in scope	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) <sup>1</sup>
Men	2	40%	1
Women	3	60%	1
Not specified/prefer not to say	-	-	-



<sup>1</sup> The positions of CEO and CFO are not applicable to the Company as an externally managed closed-ended investment fund. Senior Board positions will continue to be reviewed.

As at date of this Report	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair) <sup>1</sup>
White British or other White (including minority-white groups)	4	80%	Chair Senior Independent Director
Mixed/Multiple Ethnic Groups	1	20%	-
Asian/Asian British	-	-	-
Black/African/Caribbean/Black British	-	-	-
Other ethnic group, including Arab	-	-	-
Not specified/prefer not to say	-	-	-

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

The Board recognises that an inclusive and diverse Board is essential to supporting a collaborative culture and enabling the effective delivery of the Company's strategic objectives. The Board also acknowledges the importance of establishing a strong baseline of representation to help, support, and nurture future initiatives on diversity and inclusion.

The Board benefits from the broader diversity within the Investment Adviser's organisation. The Investment Adviser maintains a diverse employee base across all levels and continues to focus on recruiting and developing talent that strengthens diversity of background, thought and experience within the wider governance ecosystem. The Investment Adviser also actively supports the Board in promoting gender balance and wider inclusion, including in relation to senior leadership representation.

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

NextEnergy Group is a leading specialist solar PV and energy storage investment manager and asset manager. It has over \$4.8bn of funds under management and employs c.400 people worldwide.

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

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

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

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

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

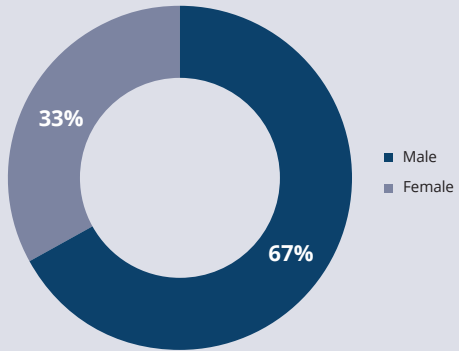
NextEnergy Group dedicates time and effort to evaluating potential partnerships and associations to promote equality in the workplace.

NESF continues to ensure that it has access to a skilled workforce when working with the Investment Adviser, which warrants the Investment Adviser ensuring that its selection, hiring, and retention practices are of the highest standards, targeting and nourishing extraordinary talent.

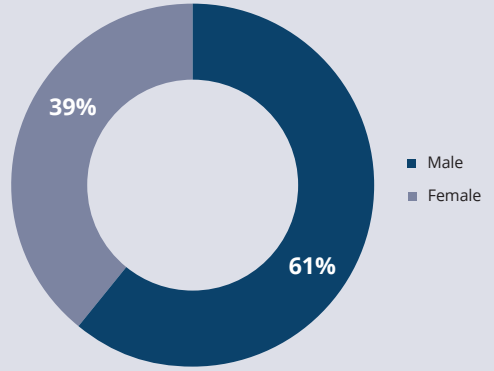
Further information on the Company's diversity and inclusion initiatives can be found in the Company's dedicated annual [Sustainability and ESG Report](#).

<sup>1</sup> The positions of CEO and CFO are not applicable to the Company as an externally managed closed-ended investment fund. Senior Board positions will continue to be reviewed.

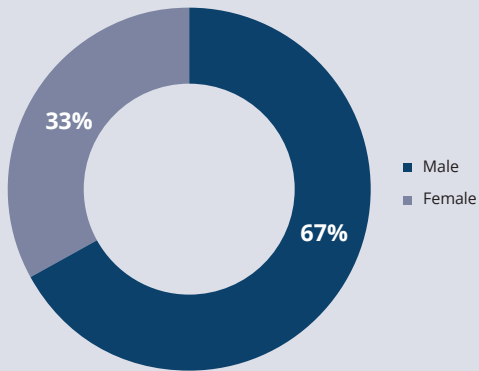
NEC IM Board Gender Diversity



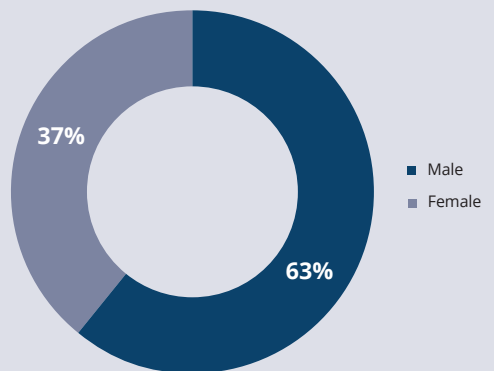
NextEnergy Group – 441 People



NextEnergy Capital – 87 People



WiseEnergy – 194 People



## Board Tenure

The Board approved the Company's Chair Tenure Policy in June 2023. Under this policy, the Chair should normally serve no longer than nine years in total as both a Director and Chair. However, where it is in the best interests of the Company and its shareholders, the Chair may remain for a limited time beyond this period, provided that the Board takes responsibility to ensure that its overall independence is maintained.

The date of appointment of each Director can be found in their biographies on pages 112-113.

## Succession Planning

The Board remains mindful of the AIC Code expectations regarding Board member tenure, and continues to implement a structured succession plan designed to balance continuity of corporate knowledge with Board independence, diversity and the introduction of new perspectives.

The Remuneration & Nomination Committee is responsible for overseeing Board succession planning, and it is led by Caroline Chan, who was appointed as Chair of the Remuneration & Nomination Committee on 22 May 2025.

During the year to 31 March 2026, no Directors reached the recommended nine-year tenure threshold set out in the AIC Code, and none are expected to reach this threshold in the coming year to 31 March 2027. The Remuneration & Nomination Committee continues to monitor Board tenure and succession to ensure the principles of the AIC Code are adhered to, and that the Board retains a strong balance of skills and experience to sufficiently discharge its responsibilities.

## Election and Re-election by Shareholders

The Board considers its composition and succession planning on an ongoing

basis. In accordance with the AIC Code, all Directors stand for re-election at each AGM of the Company, with the exception that a new Director stands for election at the first AGM following their appointment.

In recommending the election or re-election of Directors, the Board has considered the outcomes of the 2025 Board performance evaluation (see 'Annual Performance Evaluations' on page 126) and has assessed each Director's independence, time commitment to the Company, contribution both within and outside of the formal meeting cycle and the nature and complexity of their other external roles. Each of these factors is considered in deciding whether Director election or re-election would be in the best interests of the Company.

The Board is satisfied that its composition remains appropriately balanced and that the Directors collectively possess the necessary breadth of skills, experience, and knowledge and diversity required to support the long-term sustainable success of the Company.

The Board is also satisfied that each Director continues to perform effectively, remains independent, and demonstrates strong commitment to their role. Accordingly, resolutions will be proposed at this year's AGM to elect the Chair as a Director and re-elect the other four Directors.

## Removal of Directors

The Directors' letters of appointment do not specify any maximum term of service, although the continuation of their appointment is contingent on satisfactory performance evaluation and annual re-election by shareholders (or, in the case of a Director appointed since the previous AGM, election at their first AGM).

Under the terms of their appointment, a Director's appointment may be

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

## Annual Performance Evaluations

### Board, Committees and Directors

In compliance with Provision 26 of the AIC Code, the Board undertakes a formal and rigorous evaluation of its performance annually and commissions an externally facilitated evaluation at least every three years. The most recent evaluation was carried out in 2025 by CoSteer, with the next external review scheduled for 2028.

An externally facilitated Board performance evaluation conducted by CoSteer was reviewed by the Board in May 2025. More information on the evaluation's findings can be found on page 131.

The Board remains committed to continuous improvement and will monitor progress against the outcomes of the evaluation as part of its ongoing governance cycle.

Directors regularly meet with senior management employed by the Investment Adviser and the Administrator, both formally and informally, to ensure that the Board is aware of any operational developments, market updates, and regulatory changes. In addition, several Directors maintain professional memberships and external non-executive roles that support continuous development of relevant expertise.

### Chair

The Chair is Tony Quinlan. His primary role as Chair is to provide leadership to the Board. The principal responsibilities of the Chair are set out on page 117.

The Board keeps the performance and effectiveness of the Chair under ongoing review and maintains a structured and forward looking approach to Chair succession planning, in line with best practice and the principles of the AIC Code.

### **Investment Manager and Investment Adviser**

The services provided by the Investment Manager and the Investment Adviser are continually reviewed by the Board. In assessing their performance, the Board considers a range of qualitative and quantitative factors including of the Company's NAV and share price performance; delivery of performance objectives; the quality of the services provided; the resources and expertise committed to the Company's affairs; the continuity of the personnel assigned to handle the Company's affairs; and the relationship between the Board and each of the Investment Manager and the Investment Adviser.

The Board also reviews the terms of the Management Agreement, including the fees payable to the Investment Manager, noting that no fees are payable directly by the Company to the Investment Adviser.

Having regard to NextEnergy Capital's established track record and specialist focus on solar energy and energy storage infrastructure, the Board considers that the Company's investment strategy continues to be served by the Investment Manager alongside services provided by the Investment Adviser. The Board

therefore has concluded that the continued appointment of the Investment Manager on the terms set out in the Management Agreement, and the continued appointment of the Investment Adviser, remain in the best interests of shareholders and the Company's wider stakeholders.

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

### **Other Key Service Providers and Advisers**

The Board continually monitors the service levels of the Administrator and the Company's other key service providers and advisers throughout the year. This review is undertaken by the Management Engagement Committee, chaired by Caroline Chan. A formal review took place during the year, aligned to the Board's annual governance and reporting cycle for the year ended 31 March 2026.

The Board is satisfied that each of the Investment Manager, the Investment Adviser, and the Administrator and other key service providers and advisers continued to perform effectively and in accordance with agreed service levels, supporting the Board in the discharge of its governance and oversight responsibilities.

### **Directors' Remuneration**

The Directors' Remuneration Report, set out on pages 130-134, details the Directors' remuneration policy and the remuneration paid to Directors

during the year under review.

### **Risk, Internal Controls, and Internal Audit Introduction**

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for our shareholders, whilst having regard to the interests of wider stakeholders. A critical factor in achieving long-term sustainable success is the identification, assessment and effective management of the principal and emerging risks facing the Company, together with the maintenance of appropriate internal control systems to mitigate the risks (see 'Risks and Risk Management' on page 98). The Company's financial instrument risks are discussed in note 22 to the Financial Statements.

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

The Board is responsible for determining the nature and extent of the emerging and principal risks the Company is willing to take in pursuit of its long-term strategic objectives. The Board is also responsible for maintaining the Company's systems of risk management and internal controls, including financial, operational and compliance controls. In accordance with the AIC Code, the Board reviews the effectiveness of the Company's systems of risk management and internal controls at least annually.

The Board, through the Audit Committee, has established – in



conjunction with the Investment Manager, the Investment Adviser and the Administrator – an ongoing risk management and internal control framework designed to reflect the nature, scale and complexity of the Company's activities. This framework adopts a risk-based approach to internal controls and risk management through a risk matrix that identifies key risk areas associated with the Company's business and activities, and the controls employed to minimise and mitigate those risks. The risk matrix assigns a rating (high, medium or low) to each risk assessing the risk value, risk probability, and effectiveness of control.

The Audit Committee is responsible for monitoring and regularly reviewing the Company's risk management and internal control systems, and reports its findings and conclusions to the Board (see 'Risk and Risk Management' and 'Risk management and internal control processes' in the Audit Committee Report on page 137).

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

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

### **Risk Management and Internal Control Systems**

The Company's risk management and internal control systems are designed to identify, assess, manage and

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

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

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

The Board, together with the Investment Manager and the Investment Adviser, reviews all financial performance and results notifications prior to release.

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

The Board receives periodic updates on the business control environments

of the Investment Manager and the Investment Adviser, enabling effective oversight of key business processes. The Investment Adviser also provides updates on the control environment framework for the HoldCos, SPVs, and NEII to ensure the Board has oversight of business controls for the Company's assets.

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

The Company is ultimately dependent upon the quality and integrity of the management and staff of the Investment Manager, the Investment Adviser and the Administrator. In each case, qualified and experienced individuals are in place, with appropriate segregation and delegation of duties. The Investment Manager, the Investment Adviser and the Administrator are aware of the internal controls relevant to their activities and are collectively accountable for the operation of those controls.

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

The Board acknowledges that AIC Code Provision 34, effective for accounting periods beginning on or after 1 January 2026, introduces enhanced expectations regarding disclosures on the effectiveness

of risk management and internal control systems. The Board will work with its advisers to ensure that appropriate reporting in this regard is developed and addressed in future reporting cycles.

**Internal Audit Function**

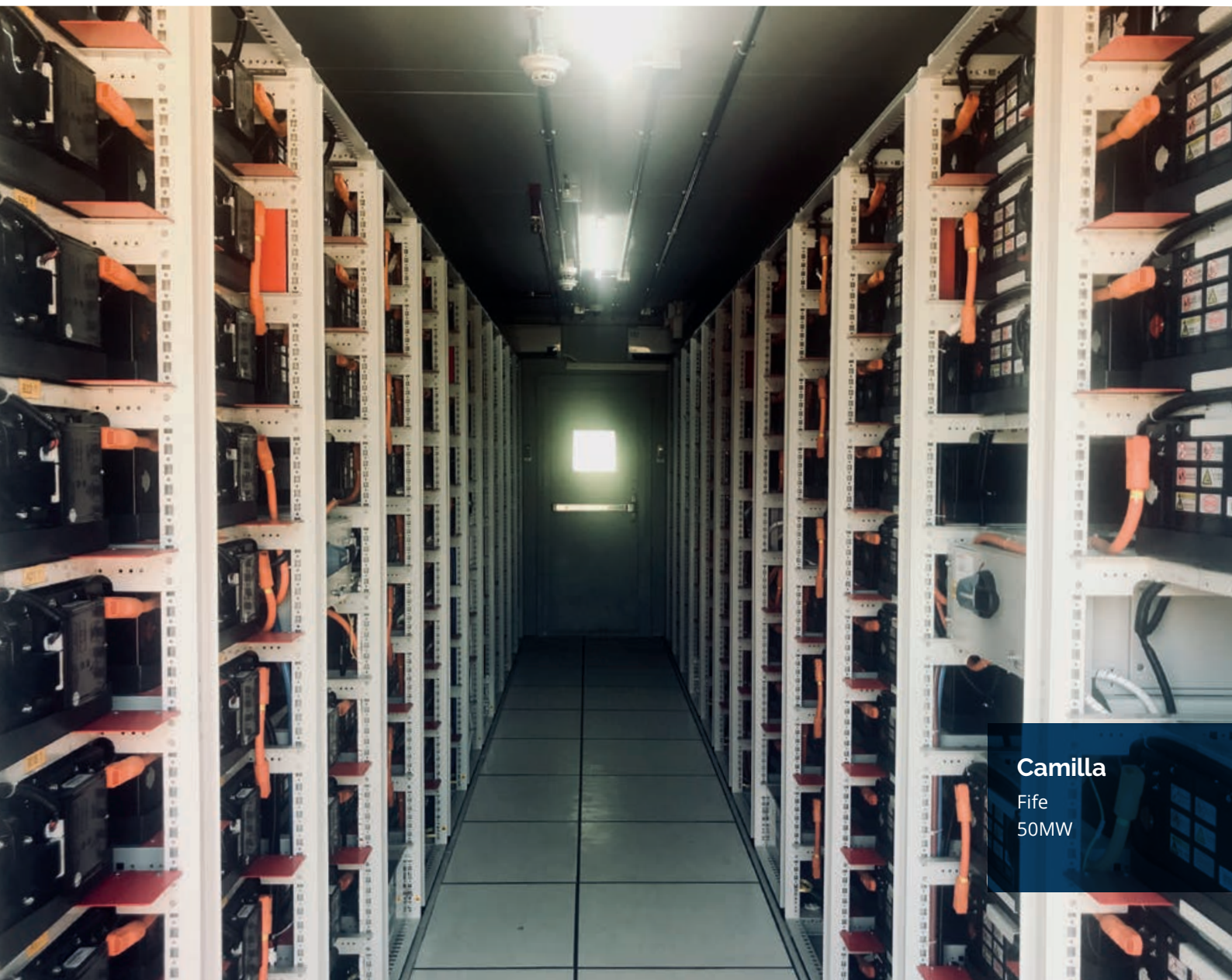
For the reasons stated under 'Internal Audit Requirements' in the Audit Committee Report, the Board does not currently consider that an internal audit function is required.

**Approval**

This Corporate Governance Statement was approved by the Board on 19 June 2026 and signed on its behalf by:



Tony Quinlan  
Chair  
19 June 2026



**Camilla**  
Fife  
50MW

# Remuneration & Nomination Committee Report



## Caroline Chan Remuneration & Nomination Committee Chair

I am pleased to present the Directors' Remuneration & Nomination Committee Report for the year ended 31 March 2026.

### Introduction

The Remuneration & Nomination Committee was established as a combined committee on 22 May 2025. From 22 May 2025 until the end of the financial year, the members of the Committee were myself, Paul Le Page, Jo Peacegood and Josephine Bush, with Tony Quinlan, the Chair of the Board, becoming a member of the Committee on 3 December 2025, when he joined the Board.

Prior to 22 May 2025 in the financial year under review, remuneration and nomination responsibilities were exercised by separate committees. The members of both the Remuneration Committee and the Nomination Committee were Helen Mahy (until she stepped down from the Board on 15 May 2025), Paul Le Page, Jo Peacegood, Josephine Bush and me, with Paul Le Page chairing the Remuneration Committee and Helen Mahy chairing the Nomination Committee.

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

### Appointments to the Board

The Remuneration & Nomination Committee oversees the recruitment

process for appointments to the Board, including the engagement of external non-executive director recruitment consultants, where appropriate.

When considering new appointments, the Remuneration & Nomination Committee takes into account the time commitments and other external roles of prospective candidates. Prior to appointment, candidates are asked to disclose any existing significant commitments, together with an indication of the time involved, and to confirm that they are able to allocate sufficient time to the Company's affairs. Candidates must also confirm that no actual or potential conflicts of interest exist, or could reasonably be expected to arise, that would conflict with the Company's interests.

Upon appointment to the Board, a new Director receives a formal letter of appointment and deed of indemnity that set out their duties, responsibilities and obligations. Copies of the letters of appointment of the current Directors are available for inspection at the Company's registered office and at each NESF annual general meeting.

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

Details of changes to the Board during the financial year under review can be found under 'Board Composition, Independence and Succession' on page 122.

### Appointments During the Year

During the year, Paul Le Page served as Interim Chair of the Board between 15 May and 3 December 2025, after Helen Mahy stepped down from the Board in May 2025. Tony Quinlan was appointed to the Board, and as Chair of the Board, with effect from 3 December 2025. Josephine Bush was appointed as Senior Independent Director with effect from 22 May 2025.

### Key Activities During the Year

During the year ended 31 March 2026, the Remuneration & Nomination Committee oversaw a structured process to progress the appointment of a new permanent Chair of the Board. A role profile for the Chair was developed to reflect the Company's evolving needs and ensure clarity of leadership expectations. The Committee was mindful of the importance of maintaining transparency with shareholders, while retaining sufficient flexibility to secure the most appropriate candidate.

A competitive review of external executive search firms was undertaken, with careful consideration given to independence, capital markets expertise, investment trust experience and sector understanding. Following this process, Russell Reynolds Associates was appointed to lead an independent and rigorous candidate search. The permanent Chair recruitment process progressed during the second half of the year. The process resulted in the appointment of Tony Quinlan as

the permanent Chair of the Board, with effect from 3 December 2025.

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

All Board members at that time, along with the Investment Adviser and the Administrator, participated in the evaluation. The then Nomination Committee considered CoSteer's report at its meeting in May 2025. CoSteer's report indicated that their analysis of the data is strongly suggestive of good overall governance. Whilst CoSteer did not indicate any areas of significant concern, they were able to highlight key strengths exhibited by the Board, areas where improvement is warranted and specific opportunities for development. The then Nomination Committee concluded that, based on the evaluation, the overall effectiveness of the Board was of a high standard. Having considered CoSteer's report and each Director's individual performance, contribution and commitment, the then Nomination Committee was satisfied that each Director contributed effectively.

Following the appointment of Tony Quinlan as permanent Chair of the Board in December 2025, the Board agreed that certain recommendations arising from CoSteer's 2025 external Board evaluation review would be revisited once the new Chair was embedded in his new role, ensuring that any appropriate

actions could be considered in the context of the Board's refreshed leadership and composition.

### Remuneration-related matters

This Committee Report covers the remuneration-related activities of the Committee and shows how the current Directors' remuneration policy, which was approved by shareholders at the AGM in August 2025, was implemented during the year ended 31 March 2026.

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

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

Full details of the Committee's roles and responsibilities are set out in formal terms of reference. The terms of reference are regularly reviewed by the Remuneration &

Nomination Committee and are available on the Company's [website](#).

### Remuneration Policy

The Directors' remuneration policy is designed to support the strategic objectives of the Company and to promote its long-term sustainable success. The remuneration policy seeks to attract and retain Directors of high calibre with suitable skills, experience and knowledge to oversee the Company effectively, whilst ensuring that remuneration is fair, proportionate and commensurate with responsibilities and time commitments.

As all Directors are non-executive Directors, there are:

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

The Directors have letters of appointment which provide that their appointment can be terminated by either party on no more than three months' notice. In normal circumstances, the Directors are expected to serve for up to a maximum of nine years, subject to satisfactory performance, which is reviewed annually by the Remuneration & Nomination Committee. The Company requires that all Directors are re-elected at each AGM (and elected at the first AGM after their appointment) and, if any Director is not re-elected (or elected), their appointment ceases immediately

and without the requirement for any notice. A Director's appointment may also be terminated with immediate effect in certain other circumstances as detailed in the Company's Articles of Incorporation.

The Directors' remuneration:

- will reflect their duties, responsibilities, experience and time spent on the Company's affairs, taking into account the nature and complexity of the Company's activities;
- will allow higher fees for the Chair, the Senior Independent Director, and the Chairs of key Committees, recognising their more demanding roles and increased accountability;
- will be paid quarterly in arrears;
- at the discretion of the Board, may include additional fees for any further material work undertaken on behalf of the Company which falls outside of their normal duties and requires significant additional time commitment (details of any additional fees paid and the associated work undertaken will be disclosed in the Directors' Remuneration Report); and
- will be reviewed by an independent professional consultant with relevant experience at least every three years.

The aggregate fees payable to the Directors will not exceed £400,000

per annum. The level of this limit provides flexibility when recruiting additional Board members. The Board currently consists of five Directors and, whilst the Board considers that this number is sufficient for the Company, the number of Directors may increase in future periods, either permanently or for a limited time, in order to aid succession and to ensure an orderly transition.

The Remuneration & Nomination Committee reviews Directors' remuneration at least every three years, with the last review having taken place in December 2025, following an independent, external remuneration review completed by Deloitte LLP in November 2025.

In general, when considering whether to recommend any changes to the Board's remuneration levels, the Remuneration & Nomination Committee has regard to the outcome of the latest directors' remuneration reviews made available by independent remuneration consultants; the level of fees paid by other UK-listed renewable energy infrastructure and other investment companies; any views expressed by shareholders; and wider contextual factors, including changes in Directors' responsibilities, regulatory expectations and inflation. A Director does not participate in the Committee or Board decision-

making process when their own fee is being determined.

Having regard to the benchmarking data and wider market conditions from the Deloitte report, the Remuneration & Nomination Committee agreed that Directors' fees would be held at their then current levels. The Remuneration & Nomination Committee reaffirmed its commitment to a proportionate, evidence based approach to the Directors' remuneration and agreed to revisit the remuneration policy at the appropriate time, ensuring that the Directors' remuneration continues to remain appropriate, competitive and aligned with shareholder interests.

The remuneration for each of the Board positions in the year ended 31 March 2026 is presented in the following table, demonstrating the Company's commitment to transparency. These fees have remained unchanged since 1 October 2024:

Non-Executive Director Remuneration	Fees adopted on 1 October 2024 and still in place (£)
Chair of the Board	83,000
Base fee	50,000
Audit Committee Chair	9,000
Remuneration & Nomination Committee Chair	3,000 <sup>1</sup>
Management Engagement Committee Chair	5,000
Environmental, Social and Governance Committee Chair	7,000
Senior Independent Director	4,000

<sup>1</sup> £3,000 was the fee for the then Chair of the Remuneration Committee. Helen Mahy, Chair of the Board until 15 May 2025, did not receive any additional remuneration as Chair of the Nomination Committee in the financial year ended 31 March 2026. The Remuneration & Nomination Committee was formed on 22 May 2025.

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

The Directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred in attending meetings or otherwise carrying out their duties as Directors.

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

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

### Directors' Remuneration

The table above shows the Directors' remuneration for the financial year ended 31 March 2026, together with the comparative figures for 2025.

No additional fees were paid to the Directors during the year ended 31 March 2026 (2025: none). As outlined above, fee levels have remained the same since 1 October 2024.

Director	Role	FY2026	FY2025
Tony Quinlan <sup>1</sup>	Chair	27,345	N/A
Josephine Bush <sup>2</sup>	Senior Independent Director / ESG Committee Chair	60,438	54,500
Jo Peacegood	Audit Committee Chair	59,000	56,642
Paul Le Page <sup>3</sup>	Interim Chair / Senior Independent Director / Remuneration Committee Chair	71,669	55,500
Caroline Chan <sup>4</sup>	Management Engagement Committee Chair / Remuneration & Nomination Committee Chair	57,579	51,747
Helen Mahy <sup>5</sup>	Chair / Nomination Committee Chair (Stepped down)	31,210	81,500
Patrick Firth <sup>6</sup>	Audit Committee Chair (Retired)	N/A	22,049

The total amount of Directors expenses reimbursed during the year ended 31 March 2026 was £5,902 (2025: £6,070).

### Directors' and Officers' Liability Insurance

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

### Directors' Interests

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

The interests of the Directors (and their connected persons) in the ordinary shares of the Company at 31 March 2026, together with the comparative figures for 2025, are shown in the table below.

Director	FY2026	FY2025
Tony Quinlan <sup>1</sup>	-	N/A
Josephine Bush	10,000	10,000
Jo Peacegood	50,000	50,000
Paul Le Page	30,000	30,000
Caroline Chan	39,000	39,000
Helen Mahy <sup>5</sup>	N/A	106,784

<sup>1</sup> Mr Quinlan was appointed as Chair of the Board with effect from 3 December 2025.

<sup>2</sup> Ms Bush was appointed as Senior Independent Director with effect from 22 May 2025.

<sup>3</sup> Mr Le Page was Senior Independent Director and Chair of the Remuneration Committee from 1 April to 15 May 2025, and Interim Chair from 15 May to 3 December 2025.

<sup>4</sup> Ms Chan was appointed Chair of the Remuneration & Nomination Committee on 22 May 2025.

<sup>5</sup> Ms Mahy stepped down from the Board on 15 May 2025 and received fees in lieu of notice until August 2025.

<sup>6</sup> Mr Firth retired from the NESF Board on 12 August 2024.

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

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

### Relative Importance of Spend on Directors' Remuneration

To enable shareholders to assess the relative importance of expenditure on Directors' remuneration, the table above shows the total remuneration paid to the Directors and the total dividends paid or payable to shareholders for the financial year ended 31 March 2026, together with the comparative figures for 2025.

### Shareholder Approval of Remuneration Policy

The Company seeks shareholder approval of the Directors' remuneration policy each year. The Directors' remuneration policy for the period to 31 March 2025 was approved at the AGM held in 2025. There are no material differences between the substance of the remuneration policy set out in this Directors' remuneration report and the policy approved by shareholders in 2025.

An advisory ordinary resolution to approve the Directors' Remuneration Report included in the relevant Annual Report (excluding the Directors' remuneration policy) is put to members at each AGM.

	FY2026 £'000	FY2025 £'000	Change £'000
Directors' total remuneration <sup>1</sup>	307	322	(15)
Total dividends paid or payable	48,488	49,211	(723)

At the AGM held on 20 August 2025, of the 313,964,009 votes cast by proxy and at the meeting (including votes cast at the Chair's discretion), 93.98% were in favour of the resolution to approve the Directors' remuneration report, as set out in the Annual Report for the year ended 31 March 2025, and 6.02% were against. 900,517 votes were withheld.

### Approval

This Directors' Remuneration Report was approved by the Board on 19 June 2026 and signed on its behalf by:



Caroline Chan  
Remuneration & Nomination  
Committee Chair

19 June 2026

<sup>1</sup> The decrease in total remuneration in 2026 was due to succession planning and managed handover in the 2025 financial year.



**Emberton**

Buckinghamshire  
9.0MW

# Audit Committee Report

## Jo Peacegood Audit Committee Chair

I am pleased to present the Audit Committee's Report for the year ended 31 March 2026.

### Introduction

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

### Composition

As at 31 March 2026, the Audit Committee that I chair was comprised of Paul Le Page, Josephine Bush and Caroline Chan. During the year, Paul Le Page temporarily stepped down from the Committee whilst serving as Interim Chair of the Board between 15 May and 3 December 2025. As permissible under the AIC Code, the Chair of the Board is invited to observe the Audit Committee meetings to support effective information flow and shared understanding of key financial, risk and audit matters, whilst preserving the Audit Committee's independence.

All members of the Audit Committee are, and have been since appointment, independent non-executive Directors. The Board has reviewed the composition of the Audit Committee and is satisfied that the Committee includes

members with appropriate financial expertise and sector knowledge.

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

- recent and relevant financial experience;
- competence relevant to the sector in which the Company operates; and
- the skills, experience and objectivity necessary to discharge its responsibilities effectively.

Details of the skills and experience of all of the Committee members are outlined in their biographies on pages 112-113.

### Meetings

The Audit Committee meets at least four times a year, and more frequently where required. Additional meetings may be convened at the request of the Committee or any member. The Investment Manager, the Investment Adviser and the Administrator are invited to attend meetings, as the Committee deems appropriate.

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

The Audit Committee met five times (four scheduled and one ad hoc) during the year ended 31 March 2026 (details of the Committee members' attendance at the meetings can be found under 'Meeting Attendance' on page 120).

### Responsibilities and Activities

The Audit Committee's responsibilities include:

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

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



The Audit Committee is required to report formally to the Board on its findings after each meeting on all matters within its remit, identifying any matters where action or improvement is needed and making recommendations on the steps and decisions to be taken.

In discharging its duties over the course of the year under review, the Audit Committee's principal activities included the following:

- **Risk management and internal control processes:** The Audit Committee assessed the Company's principal and emerging risks (see 'Risks and Risk Management' on page 98) and reviewed, and where necessary updated, the Company's risk matrix and its record of internal control processes. The Audit Committee was satisfied with the adequacy and effectiveness of the risk management and internal control systems, as described under 'Risk, Internal Controls and Internal Audit' on page 127. The Audit Committee continued to review and monitor the ongoing workstreams in relation to the valuation process and worked with the Investment Adviser, as required, to strengthen controls, processes and reporting. The Audit Committee also reviewed the most recent SOC1 Type II report from the Administrator, including confirmation that there had been no material changes from the date of the report to the date on which the Annual Report was signed.
- **Annual audit:** The Audit Committee reviewed and approved the annual audit plan of the external auditor, including the scope of work and the auditor's engagement terms and fees. The Audit Committee monitored the implementation of those plans and discussed the auditor's reports and findings. The Audit Committee also evaluated the objectivity, independence, and overall quality and effectiveness

of the external audit process.

- **Annual and Interim Reports:** The Audit Committee reviewed the Company's accounting policies and considered the format and content of the Interim and Annual Reports before recommending them to the Board for approval.

As part of the review process, the Audit Committee:

- considered the ongoing appropriateness of the Company's accounting policies, including the potential impact of forthcoming changes in accounting standards;
- reviewed the financial statements prepared on a going concern basis, including consideration of the discontinuation vote due to be held at the 2026 AGM, and noted that shareholder discussions were being held in conjunction with the Company's brokers and other key service providers. Key reports were also tabled and considered for Committee comment;
- reviewed the significant financial reporting judgements used in preparing the Financial Statements; and
- discussed and challenged the forecasts, assumptions and other information provided by the Investment Manager to support the going concern and viability statements.

- **Internal audit requirements:** The Audit Committee considered the Company's internal audit requirements and concluded that, given the Company has no employees and has outsourced its investment management and administrative functions to third-party service providers with their own internal controls and procedures, an internal audit function was not required during the year.

- **Whistleblowing:** The Audit Committee reviewed the whistleblowing policy in place for each of the Investment Manager, the Investment Adviser and the Administrator and was satisfied that appropriate procedures exist for staff to raise concerns, in confidence, about possible improprieties relating to financial reporting or other matters that may affect the Company.
- **Performance evaluation:** The Audit Committee reviewed the outcome of the annual performance evaluation and concluded that it continued to provide effective challenge, oversight and governance support to the Board

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

### Significant Issues Considered Relating to Financial Statements

Following discussions with the Investment Manager, the Investment Adviser and the external auditor, the Audit Committee determined that the most significant area connected with the preparation of the Company's Financial Statements related to the valuation of the Company's investments.

The Company is required to calculate the fair value of its underlying investments. Whilst there is a relatively active market for financial assets of this nature, there are no directly comparable listed or other public market prices against which the value of the Company's investments can be benchmarked. Accordingly, the valuation of the Company's investments is undertaken using a discounted cash flow methodology in line with IFRS 9 Financial Instruments and IFRS 13 Fair Value Measurement, and takes into account



## Barnby Moor

Nottinghamshire

5.0MW

the International Private Equity and Venture Capital's valuation guidelines.

As further explained in note 4(a) to the Financial Statements, the valuation of the Company's investments using a discounted cash flow methodology requires a series of material judgements to be made regarding the assumptions and estimates underlying the discounted cash flow calculations. As these judgements are subjective, they carry an increased risk of estimation uncertainty.

The Investment Manager prepares the valuation of the Company's investments and provides the Board with a detailed valuation report, which includes information on the key assumptions applied, factors that have a material impact on the valuation, and the rationale for any proposed changes since the previous valuation.

The key assumptions and other factors include (but are not limited to):

- **Discount rates:** A discount rate is applied to the expected future cash flows to determine the present value of each investment. The Investment Manager recommends to the Board appropriate discount rates based on the Investment Adviser's extensive experience of the current market for transactions in solar PV and energy storage assets across relevant jurisdictions.
- **Power price assumptions:** A significant proportion of the income from the Company's investments is fixed for a period of time in accordance with the terms of the relevant ROC or FiT subsidy and power price volatility is managed through the Company's electricity sales hedging strategy. The Company's flexible hedging approach is designed to protect against adverse short-term price movements whilst also enabling the Company to opportunistically

capture favourable market conditions by securing high fixed prices for specified future time periods. The balance of the income has exposure to wholesale electricity prices, although the Investment Manager, with the Investment Adviser's extensive experience, seeks to reduce this exposure through entering into short- or long-term power purchase agreements with fixed price mechanisms. Over time the proportion of income that is fixed in accordance with the terms of subsidies will reduce, increasing the proportion of the income with exposure to changes in wholesale electricity prices. The Investment Adviser uses the average of four of the leading independent energy market consultants' long-term projections to derive, by jurisdiction, the future assumed wholesale electricity

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

- **Lease life extensions:** Assets where the lease life has been extended beyond the life of the subsidy have additional risk.
- **Operating performance and costs assumptions:** These include assumptions regarding the remaining operating life of each investment, the energy generated by each investment over its life and operating costs.
- **Macroeconomic assumptions:** These include inflation, foreign exchange rate, interest rate and tax rate assumptions. Further details on the key assumptions and other factors, together with a sensitivity analysis showing the impact of changing some of them, are included in the Investment Adviser's Report on page 37.

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

assumptions where required.

**Annual Report for Year Ended 31 March 2026**

The production of the Annual Report, including the audit of the Company's financial statements for the year ended 31 March 2026, was a comprehensive process requiring input from a number of different contributors.

One of the key corporate governance requirements is that the Annual Report, taken as a whole, must be fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy. In addition, the Audit Committee is required to satisfy itself that the narrative disclosures are consistent with the financial information presented throughout the Annual Report.

Having reviewed the Annual Report in detail and considered the processes and controls supporting its preparation, the Audit Committee concluded that these requirements had been met. Accordingly, in recommending approval of the Annual Report to the Board, the Audit Committee confirmed that it considered the Annual Report to be fair, balanced and understandable.

**Audit Related Services in line with FRC Ethical Standard**

The Company may only use its external auditor for non-audit work with the prior approval of the Audit

Committee. The Audit Committee's policy governing the provision of non-audit services by the auditor is aligned to the Financial Reporting Council Ethical Standard (2024) and the FRC Audit Committees and External Audit: Minimum Standard which prohibits the auditor from providing certain non-audit services. Furthermore, the Audit Committee will not approve the use of the auditor for non-audit services where there is a perceived conflict with the auditor's role, or where provision of such services could compromise the auditors' independence or objectivity.

During the year ended 31 March 2026, the only non-audit work carried out by the independent auditor to the Company was in relation to its review of the Interim Report for which it was paid fees of £59k (2025: £55k).

**Annual Assessment of Effectiveness of External Audit Process**

Following the conclusion of the audit process for the Company's Financial Statements for the year ended 31 March 2025, the Audit Committee evaluated the quality and effectiveness of the external audit process.

Completing its assessment, the Audit Committee considered its own observations and interactions with the external auditors, KPMG Audit Limited ("KPMG"), together with feedback from KPMG, the Investment Manager, the Investment

	FY2026 £'000	FY2025 £'000
NextEnergy Solar Fund	108	104
Subsidiaries	702	692
Out of Scope	-	8
<b>Total audit fees</b>	<b>810</b>	<b>804</b>
Interim review	59	55
<b>Total fees</b>	<b>869</b>	<b>859</b>

Adviser and the Administrator. The Audit Committee reviewed the robustness of the audit process and assessed the quality of delivery, reporting, people and service.

The Audit Committee also considered KPMG's technical competence, its understanding of the Company's business model and sector, and whether KPMG demonstrated an appropriate level of diligence, professional scepticism and challenge of assumptions where necessary.

In addition, the Audit Committee considered the cost-effectiveness of the audit process and reviewed the independence and objectivity of KPMG, having regard to matters including KPMG's internal safeguards, its processes for identifying and managing conflicts of interest, and the nature and extent of non-audit services provided, as set out above under 'Audit-Related Services in line with the FRC Ethical Standard'.

Having completed the evaluation, the Audit Committee was satisfied with the effectiveness, performance, objectivity, and independence of KPMG, and with the overall quality and effectiveness of the external audit process. Consequently, the Audit Committee recommended to the Board that a resolution to re-appoint KPMG as the Company's external auditor be put to shareholders at the 2026 AGM.

The Audit Committee has also considered the revised AIC code, in effect from 1 January 2025, including Provision 34, which applies to accounting periods beginning on or after 1 January 2026 and are considering the work to be undertaken by the relevant advisors to ensure the appropriate details in relation to the review of the risk management and internal control systems are reported by the Investment Adviser and included within the Annual Report for the period ended 31 March 2027.

The Committee remains committed to maintaining a robust and transparent approach to audit oversight and will ensure that its future assessment processes and reporting continue to evolve in line with regulatory and best practice expectations.

#### **Auditor's Fees for NextEnergy Solar Fund and Subsidiaries**

The fees payable to KPMG for audit services and audit related services to the Company and its subsidiaries for the year ended 31 March 2026 are shown in the table on page 139.

#### **External Auditor's Tenure**

There are no contractual obligations that restrict the Company's choice of external auditor, and the auditor's appointment is subject to shareholder approval at each AGM.

KPMG was first appointed as the Company's external auditor for the year ended 31 March 2020. In line with best practice and applicable regulatory requirements, the Audit Committee will carry out a competitive tender in, or before, 2028 in respect of the audit for the year ending 31 March 2029.

The lead audit partner for the Company, Steve Stormonth, is in his second year leading the audit. The rotation of audit partner is in compliance with the FRC Ethical Standard.

#### **Approval**

This Audit Committee Report was approved by the Audit Committee on 19 June 2026 and signed on its behalf by:



Jo Peacegood  
Audit Committee Chair

19 June 2026





**Bowden**  
Somerset  
5.0MW

# Directors' Report

## Introduction

The Directors present their Annual Report, including the Company's audited financial statements, for the year ended 31 March 2026. This Directors' Report and the Strategic Report comprise the 'management report', for the purposes of the FCA's Disclosure Guidance and Transparency Rule 4.1.5R.



## Information Contained Elsewhere in this Annual Report

Information	Location in Annual Report
Directors	112
Directors' interests in shares	133
Appointment and removal of directors	122 and 126
Financial instruments	160
Principal and emerging risks	98
Going concern and viability	104
Annual review of systems of risk management and internal control	127
Disclosure of information to auditor	145
Annual evaluation of the Investment Manager and the Investment Adviser	127
Section 172 Statement	115

## Financial Results and Dividends

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

Details of the four interim dividends declared in respect of the financial year ended 31 March 2026 are set out in note 15(b) to the Financial Statements on page 167. As the last dividend in respect of any financial period is payable prior to the relevant AGM, it is declared as an interim dividend and, accordingly, there is no final dividend payable. This means

that shareholders are not given the opportunity to vote on the payment of a final dividend. In accordance with good corporate governance, the Board asks shareholders to approve the Company's dividend policy at each AGM. The dividend policy is set out under 'Dividend Policy for the Financial Year Ending 31 March 2027' on page 30.

## Share Capital

During the year under review, the Company bought back 495,800 Ordinary Shares as treasury shares

and did not issue any scrip shares. As at 31 March 2026 and the date of this Directors' Report, there were 575,200,043 ordinary shares in issue.

No preference shares were issued by the Company in the year ended 31 March 2026. As at 31 March 2026 and the date of this Directors' Report, there were 200m preference shares in issue. Details of the private placement and further information regarding the rights of the preference shares can be found in note 23(a) to the Financial Statements.

## Substantial Shareholdings

As at 31 March 2026, the Company had been notified under the FCA's Disclosure Guidance and Transparency Rules of the following substantial holdings in its Ordinary Shares:

Investor	Ordinary Shares	Location in Annual Report
	Number	%
Hargreaves Lansdown Asset Mgt	84,172,342	14.6
Interactive Investor	66,872,403	11.6
Artemis Investment Management LLP on behalf of discretionary funds under management	52,169,884	9.1
M&G Investments	38,020,963	6.6
A J Bell Securities	37,700,977	6.6

### Powers to Issue and Buyback Ordinary Shares

At the Company's AGM held on 20 August 2025, the Directors were granted general authority to issue Ordinary Shares or sell treasury shares on a non-pre-emptive basis, in accordance with the Articles of Incorporation, up to an aggregate of 115,040,008 Ordinary Shares, equivalent to 20% of the Ordinary Shares in issue at the date the authority was granted, less one. No Ordinary Shares have been issued and no treasury shares have been sold pursuant to this authority, which will expire at the conclusion of this year's AGM.

At the last AGM held on 20 August 2025, the Directors were also granted authority to make one or more market purchases of the Company's Ordinary Shares, in accordance with section 315 of the Companies (Guernsey) Law, 2008, up to an aggregate of 86,222,486 Ordinary Shares, equivalent to 14.99% of the Ordinary Shares in issue at the date the authority was granted.

The Directors intend to seek the renewal of similar authorities to issue and purchase Ordinary Shares at this year's upcoming AGM. The Directors do not currently have any authority to issue any further preference shares nor extend its share buyback programme. The Company's capacity to buyback shares under its share buyback programme is currently restricted due to its covenant restrictions with USS. More information can be found on page 66.

### Treasury Shares

Under section 315 of the Companies (Guernsey) Law, 2008, the Company is allowed to hold shares acquired by market purchase as treasury shares, rather than having to cancel them. It is the Company's policy to hold up to a maximum of 10% of the Ordinary Shares in issue as treasury shares, which may be either sold in the market or cancelled.

This policy provides the Company with the ability to re-issue shares quickly and cost efficiently, thereby providing the Company with additional flexibility in the management of its capital base. The Board would only

authorise the sale of treasury shares at prices at or above the prevailing NAV per ordinary share (plus any costs of the relevant sale), ensuring that there would be no dilution of the NAV per Ordinary Shares.

On 18 June 2024, the Company announced a share buyback programme in which it had allocated £20 million to purchase its own Ordinary Shares. During the year under review, 495,800 Ordinary Shares were purchased (2025: 15,125,342) at an average price of 68 pence per share (2025: 74 pence per share). The total amount spent on the buyback was £339k (2025: £11.2m).

The Company held 15,621,142 Ordinary Shares in treasury at the year end (2025: 15,125,342).

### Restrictions on Transfer of Shares

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

- the Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- the Company's Articles of Incorporation, which allow the

Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company breaching any law or regulation.

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

### Shares Carrying Special Rights

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

### Amendment of Articles of Incorporation

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

### Powers of the Directors

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

### Greenhouse Gas Emissions

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

### Political Donations

The Company made no political donations during the year.

### Charitable Donations

The Company donated a cash payment of £73k (2025: £99k) to NextEnergy Foundation (the "Foundation"), information on which can be found in the Sustainability and ESG section on page 90. Community funding of £94k (2025: £155k) was also made through the SPVs during the year.

### Events after the Balance Sheet Date

Details of events occurring since 31 March 2026 can be found in note 28 to the Financial Statements.

### Independent Auditor

On 1 October 2025, KPMG Channel Islands Limited changed its name to KPMG Audit Limited. KPMG Audit Limited (KPMG) served as the Company's independent auditor throughout the year and have indicated their willingness to continue as auditor for the year ending 31 March 2027 and resolutions to re-appoint KPMG and to authorise the Directors to determine KPMG's remuneration, will be proposed at this year's AGM.

### 2026 AGM

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

### Approval

This Directors' Report was approved by the Board on 19 June 2026 and signed on its behalf by:



Tony Quinlan  
Chair

19 June 2026

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

## Directors' Responsibilities

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

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

Under the Companies (Guernsey) Law, 2008, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for maintaining proper accounting records that are sufficient to show and explain the Company's transactions and disclose, with reasonable accuracy at any time, the financial position of the Company, enabling them to ensure that the Company's Financial Statements comply with the Companies (Guernsey) Law, 2008.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## Website Publication

The Directors are responsible for ensuring the Annual Report is made available on a website. The Company's Annual Reports are published on the Company's [website](#).

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors, and this responsibility also extends to the ongoing integrity of the Financial Statements published on the website.

## Directors' Confirmations

In accordance with the FCA's Disclosure Guidance and Transparency Rule DTR 4.1.5R, we confirm that, to the best of our knowledge:

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

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

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



Tony Quinlan  
Chair

19 June 2026

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

### ***Our opinion is unmodified***

We have audited the financial statements of NextEnergy Solar Fund Limited (the "Company"), which comprise the statement of financial position as at 31 March 2026, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

### ***In our opinion, the accompanying financial statements:***

- give a true and fair view of the financial position of the Company as at 31 March 2026, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and
- comply with the Companies (Guernsey) Law, 2008.

### ***Basis for opinion***

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

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

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2025):

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

The risk	Our response
<p><i>Valuation of investments</i></p> <p>£609.3 million; (2025: £722.1 million)</p> <p>Refer to pages 136 to 140 (Audit Committee Report), pages 158-161 (Summary of Material Accounting Policies) and pages 171-174 (Fair Value of Investment in Unconsolidated Subsidiaries).</p> <p><b>Basis:</b></p> <p>The Company's investments in its immediate holding companies are carried at fair value through profit or loss and represent 139% of the Company's net assets.</p> <p>The fair value of those immediate holding companies, which reflects their net asset values, incorporates the fair value of underlying special purpose vehicles ("SPVs") which hold renewable assets for which there is no liquid market.</p> <p>The SPVs operational renewable assets (£422 million) are fair valued using an income approach which forecasts the cash flows of each individual renewable asset and discounts them at a rate that reflects their risk profile (the "Valuations"). The Valuations also include other specific SPVs assets and liabilities.</p> <p>The Valuations incorporate assumptions including discount rates, power price forecasts, inflation, energy yield and other macro-economic assumptions.</p> <p>The SPVs non operational renewable assets (£48.3 million) are valued at cost or based on the offer price received from a third party ("the Offer") as an approximation of fair value.</p> <p>£82.5 million of investments held at fair value through profit and loss relates to the residual net assets of the immediate holding companies.</p> <p>The Company holds one direct investment in a private equity solar asset and two co-investments assets held indirectly via an immediate holding company ("NAV based investments") with a carrying value of £56.5 million. The fair value of the NAV based investments is based on the Company's proportionate share of the net asset value ("NAV") of those investments adjusted as necessary for the fair value of underlying assets.</p> <p><b>Risk:</b></p> <p>The valuation of the Company's investments is considered a significant area of our audit, given that it represents the majority of the net assets of the Company and also taking into account the associated audit effort.</p> <p>The Valuations represent both a risk of fraud and error associated with estimating the timing and amounts of long term forecast cash flows alongside the significant judgement involved in the selection, and application, of appropriate assumptions. Changes to long term forecast cash flows and/or the selection and application of different assumptions may result in a materially different valuation of financial assets held at fair value through profit or loss.</p> <p>We determined that the Valuations have a high degree of estimation uncertainty giving rise to a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose in note 19(b) the sensitivities estimated by the Company.</p>	<p><i>Our audit procedures included the following:</i></p> <p><b>Control evaluation:</b></p> <p>We assessed the design and implementation of the Investment Manager's review control over the valuation of investments at fair value through profit and loss.</p> <p>We performed the procedures below rather than seeking to rely on the control as the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p><b>Valuation models' integrity and model inputs:</b></p> <ul style="list-style-type: none"> <li>- we tested the valuation models for mathematical accuracy including but not limited to material formula errors;</li> <li>- we verified key inputs into the valuation models, such as power price forecasts, energy yield, contracted revenue and operating costs to supporting documentation;</li> <li>- we agreed a value driven sample of balances within the residual net asset amounts at immediate holding companies and SPV level to supporting documentation such as independent bank confirmations, post year end receipts and other source documentation;</li> <li>- we obtained and vouched all significant additions to the SPVs non operational renewable assets during the year to supporting documentation, and for the asset valued based on the Offer, we inspected the terms of the Offer, and evaluated whether the Offer is an approximation of the fair value of the asset; and</li> <li>- in order to assess the reliability of management's forecasts we completed a retrospective assessment by recalculating current year's revenue and comparing the result to the historical forecasted amounts.</li> </ul> <p><b>Benchmarking valuation model assumptions:</b></p> <p>With support from our KPMG valuation specialists we challenged the appropriateness of the Company's valuation methodology and key assumptions including the discount rate, power price forecasts, inflation, energy yield and other macro-economic assumptions applied, by:</p> <ul style="list-style-type: none"> <li>- assessing the appropriateness of the valuation methodology applied by the Investment Manager;</li> <li>- benchmarking against independent market data and relevant peer group companies, and</li> <li>- using our KPMG valuation specialists' experience in valuing similar investments.</li> </ul> <p><b>Assessing fair value - NAV based investments:</b></p> <ul style="list-style-type: none"> <li>- we obtained confirmation of the fair value as at year end from the manager of the NAV based investments;</li> <li>- we agreed the fair value to the unaudited capital accounts received from the manager of the NAV based investments;</li> <li>- we obtained, where available, the audited financial statements of the NAV based investments as at 31 December 2025 to assess the basis of preparation together with accounting policies applied and whether the audit opinion is unmodified; and</li> <li>- in order to assess reliability we recalculated the Company's proportionate share of their investment into the NAV based investments based on the audited financial statements where available as at 31 December 2025 and compared to the unaudited capital accounts as at 31 December 2025.</li> </ul>

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

The risk	Our response
<p><i>Valuation of investments</i>            £609.3 million; (2025: £722.1 million)            Refer to pages 136 to 140 (Audit Committee Report), pages 158-161 (Summary of Material Accounting Policies) and pages 171-174 (Fair Value of Investment in Unconsolidated Subsidiaries).</p>	<p><i>Our audit procedures included the following (continued):</i>  <b>Assessing transparency:</b>            We considered the appropriateness of the Company's investment valuation policies and the adequacy of the Company's disclosures in relation to the use of estimates and judgements in arriving at fair value (see note 19).            We assessed whether the disclosures around the sensitivities to changes in key assumptions reflect the risks inherent in the valuation of the underlying investment portfolio and the NAV based investments.</p>
<p><b><i>Our application of materiality and an overview of the scope of our audit</i></b></p>	
<p>Materiality for the financial statements as a whole was set at £8.7m, determined with reference to a benchmark of net assets of £437.5m, of which it represents approximately 2% (2025: 2%).</p>	
<p>In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2025: 75%) of materiality for the financial statements as a whole, which equates to £6.5m. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.</p>	
<p>We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.44m, in addition to other identified misstatements that warranted reporting on qualitative grounds.</p>	
<p>Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.</p>	
<p><b><i>Going concern</i></b></p>	
<p>The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").</p>	
<p>In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:</p>	
<ul style="list-style-type: none"> <li>• Availability of capital to meet operating costs and other financial commitments;</li> <li>• The ability of the Company's subsidiaries to comply with debt covenants; and</li> <li>• The outcome of the upcoming discontinuation vote.</li> </ul>	
<p>We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.</p>	
<p>We also considered the risk that the outcome of the discontinuation vote could affect the Company over the Going Concern period, by considering outcomes of previous votes in favour of the directors' resolutions, inspecting the turnover of key shareholders and considering key financial metrics including discount of the Company's share price against its reported net asset value per share over the past 12 months.</p>	

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

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

Our conclusions based on this work:

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

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

### ***Fraud and breaches of laws and regulations – ability to detect identifying and responding to risks of material misstatement due to fraud***

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

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

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

We performed procedures including:

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

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

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

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

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

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

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

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

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

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

***Other information***

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

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

***Disclosures of emerging and principal risks and longer term viability***

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

- the directors' confirmation within the viability statement (pages 104-105) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the viability statement (pages 104-105) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 104-105 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

***Corporate governance disclosures***

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

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

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

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

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

### ***We have nothing to report on other matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

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

### ***Respective responsibilities***

#### ***Directors' responsibilities***

As explained more fully in their statement set out on page 145, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### ***Auditor's responsibilities***

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Steven Stormonth**

**For and on behalf of KPMG Audit Limited**

*Chartered Accountants and Recognised Auditors  
Guernsey*

19 June 2026





# Financial Statements

## Statement of Comprehensive Income

### For the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Income			
Income comprises:			
Interest income	26	12,332	12,340
Investment income	26	10,329	20,123
Administrative services income	26	10,602	11,160
Unrealised foreign exchange gain		7	12
<b>Total net income</b>		<b>33,270</b>	<b>43,635</b>
Expenditure			
Movement in unrealised losses on valuation	17	78,453	37,686
Preference share dividends		9,500	9,500
Management fees	5	3,731	4,888
Legal and professional fees		1,124	728
Directors' fees	7	307	322
Administration fees	6	357	353
Other expenses	9	418	610
Audit fees	8	178	165
Charitable donation	10	73	99
Regulatory fees		134	109
Insurance		31	30
<b>Total expenses</b>		<b>94,306</b>	<b>54,490</b>
<b>Loss and comprehensive loss for the year</b>		<b>(61,036)</b>	<b>(10,855)</b>
Loss per ordinary share – basic	14	(10.61p)	(1.86p)
Loss per ordinary share – diluted	14	(10.61p)	(1.86p)

All activities are derived from ongoing operations.

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

The accompanying notes on pages 158-181 are an integral part of these audited financial statements.

## Statement of Financial Position

As at 31 March 2026

	Notes	2026 £'000	2025 £'000
Non-current assets			
Investments	17	609,284	722,115
Total non-current assets		609,284	722,115
Current assets			
Cash and cash equivalents		25,101	3,223
Trade and other receivables	11	4,413	23,286
Total current assets		29,514	26,509
Total assets		638,798	748,624
Current liabilities			
Trade and other payables	12	(2,674)	(2,776)
Total current liabilities		(2,674)	(2,776)
Non-current liabilities			
Preference shares	23	(198,614)	(198,475)
Total non-current liabilities		(198,614)	(198,475)
Net assets		437,510	547,373
Equity			
Share capital and premium	13	598,560	598,899
Retained earnings		(161,050)	(51,526)
Equity attributable to ordinary Shareholders		437,510	547,373
Total equity		437,510	547,373
Net assets per ordinary share	16	76.1p	95.1p

The accompanying notes on pages 158-181 are an integral part of these audited financial statements.

The audited financial statements were approved and authorised for issue by the Board of Directors on 19 June 2026 and signed on its behalf by:



**Tony Quinlan**  
Chair



**Joanne Peacegood**  
Director

## Statement of Changes in Equity

### For the year ended 31 March 2026

	Notes	Share capital and premium £'000	Retained earnings £'000	Total equity £'000
Ordinary Shareholders' equity at 1 April 2024		610,079	8,540	618,619
Loss and comprehensive loss for the year		—	(10,855)	(10,855)
Purchase of Ordinary Shares into Treasury	13	(11,180)	—	(11,180)
Ordinary dividends declared	15	—	(49,211)	(49,211)
<b>Ordinary Shareholders' equity at 31 March 2025</b>		<b>598,899</b>	<b>(51,526)</b>	<b>547,373</b>
Ordinary Shareholders' equity at 1 April 2025		598,899	(51,526)	547,373
Loss and comprehensive loss for the year		—	(61,036)	(61,036)
Purchase of Ordinary Shares into Treasury	13	(339)	—	(339)
Ordinary dividends declared	15	—	(48,488)	(48,488)
<b>Ordinary Shareholders' equity at 31 March 2026</b>		<b>598,560</b>	<b>(161,050)</b>	<b>437,510</b>

The accompanying notes on pages 158-181 are an integral part of these audited financial statements.

## Statement of Cash Flows

For the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Cash flows from operating activities			
Loss and comprehensive loss for the year		(61,036)	(10,855)
Adjustments for:			
Interest income receivable		(12,332)	(12,340)
Investment income receivable		(10,329)	(20,123)
Movement in unrealised losses on valuation	17	78,453	37,686
Net changes in unrealised foreign exchange		(7)	(12)
Financial debt amortisation	9	139	139
Preference share dividends		9,500	9,500
Interest income received		12,332	12,340
Investment income received		27,336	9,264
Proceeds from HoldCos	17	44,329	127,013
Payments to HoldCos	17	(11,329)	(86,045)
Proceeds from NEII	17	1,378	1,467
Operating cash flows before movements in working capital		78,434	68,034
Changes in working capital			
Movement in trade and other receivables		1,866	(3,918)
Movement in trade and other payables		(102)	126
Net cash generated from operating activities		80,198	64,242
Cash flows from financing activities			
Dividends paid on preference shares		(9,500)	(9,500)
Dividends paid on Ordinary Shares		(48,488)	(49,211)
Purchase of Ordinary Shares into Treasury		(339)	(11,180)
Net cash used in financing activities		(58,327)	(69,891)
Net movement in cash and cash equivalents during year		21,871	(5,649)
Cash and cash equivalents at the beginning of the year		3,223	8,860
Effect of foreign exchange rates		7	12
Cash and cash equivalents at the end of the year		25,101	3,223

The accompanying notes on pages 158-181 are an integral part of these audited financial statements.

# Notes to the Financial Statements

**For the year ended  
31 March 2026**

## 1. General Information

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

The Company's Ordinary Shares are publicly traded on the London Stock Exchange's Main Market. The Company seeks to provide Ordinary Shareholders with attractive risk-adjusted returns, by investing in a diversified portfolio of solar energy and energy storage infrastructure assets. The Company currently makes its investments either directly or indirectly through HoldCos and SPVs which are directly or indirectly wholly owned by the Company.

The Company has appointed NextEnergy Capital IM Limited as its Investment Manager pursuant to the Management Agreement dated 18 March 2014 as amended and restated on 16 June 2021 and on 21 June 2021 and as further amended and restated on 7 October 2025. The Investment Manager is a Guernsey registered company, incorporated under the Companies (Guernsey) Law, 2008 with registered number 57740 and is licensed and regulated

by the Guernsey Financial Services Commission and is a member of the NEC Group. The Investment Manager acts as the Alternative Investment Fund Manager of the Company.

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

## 2. Summary of Material Accounting Policies

### a) Basis of Preparation

The financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and on a going concern basis in accordance with IFRS.

The financial statements have been prepared using the historical cost convention with the exception of financial assets held at fair value through profit and loss. The material accounting policies adopted are set out below. These policies have been consistently applied.

### b) Functional and presentation currency

The financial statements are presented in pounds sterling which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. The Company's shares were issued in pounds sterling and the listing of the shares on the

Main Market is in pounds sterling. The performance of the Company is measured and reported to investors in pounds sterling and dividends received from the primarily UK-based assets are in pounds sterling. The Board considers the pound sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

### c) Going Concern

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

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

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

The Company's cash balance as at 31 March 2026 was £25.1m, all of which was readily available. In addition, the NESF Group Holdcos and portfolio companies had a total of £50.3m in cash as at 31 March 2026. The NESF Group had capital commitments totalling £6.8m at the year end. The majority of the NESF Group's revenues are derived from government subsidies. A significant part of the NESF Group's borrowings are on a non-recourse basis. The Company's portfolio is diversified by geography, components, plant size, subsidy schemes and revenue streams.

In accordance with the Articles for the Company, the Board was required to propose a special resolution at the AGM on 20 August 2025 to consider discontinuation of the Company due to the Company's shares having traded at an average discount of over 10% to the Company's NAV over the financial year ended 31 March 2025. As a result of the vote, with over 87.8% voting against the resolution for discontinuation, the Company will continue to exist in its present form.

In accordance with the Company's Articles of Incorporation, the Board is required to propose a special resolution at the Company's AGM in 2026 to consider discontinuation of the Company due to its ordinary shares trading at an average discount of over 10% to the Company's NAV over the financial year ended 31 March 2026. The Directors of the Company have considered the potential outcome of the vote on the ability of the Company to continue as a going concern and believe that shareholders will vote against the discontinuation of the Company. Bearing in mind the illiquid nature of the Company's underlying assets and the macroeconomic factors that have contributed to the discontinuation vote being triggered, if the discontinuation vote occurs

and is passed, and a subsequent reconstruction or winding up process is initiated, the Board nonetheless expects that the Company would continue in existence for at least 12 months from the date of signing.

The Board is satisfied that the Company has sufficient financial resources available to be able to manage the Company's business effectively and pursue the Company's principal activities and investment objective. In particular, the Board is not currently aware of any material uncertainties in relation to the Company's ability to continue for a period of at least 12 months from the date of approval of this Annual Report. The Board is of the opinion, therefore, that the going concern basis adopted in the preparation of the financial statements is appropriate.

#### **d) Basis of Non-Consolidation**

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

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

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

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

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

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

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

#### **e) Taxation**

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

#### **f) Segmental Reporting**

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

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

#### **g) Dividends**

Dividends to the Company's Shareholders are recognised when they become legally payable.

#### **h) Income**

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

from Eurobonds and finance income.

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

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

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

#### **i) Expenses**

All expenses are accounted for on an accruals basis.

#### **j) Cash and Cash Equivalents**

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

#### **k) Trade and Other Payables**

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

#### **l) Financial Instruments**

##### **Classification**

The Company classifies its investments based on both the Company's business model for managing these financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Company is primarily focused on fair value information and uses that information to assess the assets'

performance and to make decisions. The Company has not taken the option to designate irrevocably any equity securities at fair value through other comprehensive income.

#### **Recognition, Derecognition and Measurement**

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

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

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

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

#### **Fair Value Estimation**

The fair value of financial assets that are not traded on an active market is determined using valuation techniques and takes into account the International Private Equity and Venture Capital's ("IPEV") valuation

guidelines. The Company's private equity solar fund investment (NEIII) and co-investments in Project Agenor and Project Santarém have been valued using the estimated attributable NAV and the remainder of investments have been valued on a look through basis based on the discounted cash flows of the solar PV and energy storage assets (except for those solar PV and energy storage assets not yet operational) and the residual value of net assets at the HoldCos level. These valuations are reviewed regularly by the Investment Manager who reports to the Board on a periodic basis. The Board considers the appropriateness of the valuation model and inputs, as well as the valuation result.

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

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

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can

access at the measurement date;

- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### **m) Ordinary Share Capital and Share Premium**

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

#### **n) Preference Shares**

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

#### **o) Treasury Shares**

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

#### **p) Trade and Other Receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Company shall measure the loss allowance on trade and other receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk had not increased significantly since initial recognition,

the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation and default in payments are all considered indicators that a loss allowance may be required.

#### **q) Offsetting Financial Instruments**

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

### **3. New and Revised Standards**

#### **a) New and Revised IFRSs Adopted by the Company**

The Directors have assessed all new standards and amendments to standards and interpretations which are effective for annual periods commencing on or after 1 April 2025 and noted no material impact on the Company.

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

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

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

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

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

#### 4. Critical Accounting Estimates and Judgements

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

believed to be reasonable under the circumstances.

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

The Company's investments are measured at fair value for financial reporting purposes. The Board has appointed the Investment Manager to produce investment valuations based on projected future cash flows for all investments except NEIII, Project Agenor co-investment, Project Santarém co-investment, and solar and energy storage projects not yet operational which are valued at estimated attributable NAV and cost as an approximation of fair value respectively. These valuations are reviewed and approved by the Board. The investments are held through SPVs and NPIII is held directly.

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

The Company classified its investments at fair value through profit or loss as level 3 within the fair value hierarchy. Level 3 investments amount to £609.3m (2025: £722.1m) and consist of three private equity solar fund investments (NEIII, Project Agenor co-investment, and Project Santarém co-investment) which have been valued using estimated attributable NAV and 97 (2025: 99) investments in solar PV and energy storage assets (held indirectly through the HoldCos), all of which have been valued on a look through basis based on the discounted cash flows of the solar PV and energy storage assets

(except for those solar and energy storage assets not yet operational which have been measured at cost) and the residual value of net assets at the HoldCos level.

The Company's investments are geographically spread as follows, by fair value: United Kingdom £545.7m (2025: £639.3m), Italy £7.1m (2025: £18.8m) net of amounts payable to NESH V in respect of shareholder loans, Spain £7.9m (2025: £9.5m) and Portugal £10.3m (2025: £12.9m). The Company also has further international investments through its holding in NEIII which, by fair value, is £38.3m (2025: £41.6m).

The discount rate is a significant Level 3 input and a change in the discount applied could have a material effect on the value of the investments. The power price forecasts are also a significant Level 3 input and variations in the forecasts could also have a material effect. Investments in solar and energy storage assets that are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value. Level 3 valuations are reviewed regularly by the Investment Manager who reports to the Board on a periodic basis. The Board considers the appropriateness of the valuation model and inputs, as well as the valuation result.

Information about the unobservable inputs used at 31 March 2026 in measuring financial instruments categorised as Level 3 in the fair value hierarchy and their sensitivities are disclosed in note 19. Unlisted investments reconcile to the 'Total investments at fair value' in the table in note 17.

##### b) Significant Judgement: Consolidation of Entities

The Company, under the investment entity exemption rule, holds its investments at fair value. The

Company meets the definition of an investment entity per IFRS 10 as detailed in note 2(d).

The Company does not have any other subsidiaries other than those determined to be controlled subsidiary investments. Controlled subsidiary investments are measured at fair value through profit or loss and are not consolidated in accordance with IFRS 10. The fair value of controlled subsidiary investments is determined as described in note 19.

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

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

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

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

## 5. Management Fees

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale. The below methodology was used until 31 March 2025:

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

From 1 April 2025, the methodology was updated to use a Calculated Average instead of NAV (with the calculation percentages retained), in accordance with a side letter to the Amended and Restated Management Agreement, that is based on the average of (a) the average closing daily market capitalisation as derived from the London Stock Exchange on each Business Day during the relevant calculation period (ignoring any shares held by the Company in treasury) preceding the date of payment and (b) the prevailing NAV reported in the most recent NAV calculation as at the date of payment. Should the prevailing NAV reported in the most recent NAV calculation as at the date of payment be lower than the Calculated Average then this will be used to calculate the management fee. The Calculated Average is further reduced by an amount equivalent to US\$50m for NESF's investment in NEIII.

For the year ended 31 March 2026 the Company incurred £3.7m in management fees, of which £15k was outstanding at 31 March 2026 (2025: £4.9m in management fees of which £15k was outstanding at 31 March 2025).

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

## 6. Administration Fees

Under the Administration Agreement with Ocorian Administration (Guernsey) Limited, the administration fee was a fixed fee of £275k per annum with effect from 30 March 2022. On 1 January 2025 and 1 January 2026, the fixed fee increased in line with the annual increase in Guernsey RPI.

For the year ended 31 March 2026 the administrator was entitled to administration fees of £357k (2025: £353k), of which £nil was outstanding at 31 March 2026 (2025: £nil).

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

## 7. Directors' Fees

The Directors are all non-executive, and their remuneration is solely in the form of fees. The Directors' fees for the year were £307k (2025: £322k), of which £78k was outstanding at 31 March 2026 (2025: £78k).

## 8. Audit Fees

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

	31 March 2026 £'000	31 March 2025 £'000
Fees payable to the auditor for the audit of the Company	108	104
Fees payable to the auditor for the interim review of the Company	59	55
Additional audit fee and disbursements for prior year	11	6
<b>Total</b>	<b>178</b>	<b>165</b>

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

## 9. Other Expenses

	31 March 2026 £'000	31 March 2025 £'000
Amortisation expense	139	139
Sundry expenses	273	465
Directors' expenses	6	6
<b>Total</b>	<b>418</b>	<b>610</b>

## 10. Charitable Donation

During the year ended 31 March 2026, the Company made a charitable donation of £73k (31 March 2025: £99k) to NextEnergy Foundation. Information on the NextEnergy Foundation and how it used the donation can be found on our website ([nextenergysolarfund.com](http://nextenergysolarfund.com)).

## 11. Trade and Other Receivables

	31 March 2026 £'000	31 March 2025 £'000
Administrative service fee income receivable	3,539	5,423
Prepayments	135	117
Due from HoldCos	739	17,746
<b>Total trade and other receivables</b>	<b>4,413</b>	<b>23,286</b>

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

## 12. Trade and Other Payables

	31 March 2026 £'000	31 March 2025 £'000
Other payables	332	434
Preference dividends payable	2,342	2,342
Total trade and other payables	2,674	2,776

## 13. Share Capital and Reserves

### a) Ordinary Shares

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

	31 March 2026 Shares	31 March 2025 Shares
Ordinary shares issuance		
Opening balance	575,695,843	590,821,185
Ordinary shares purchased into Treasury during the year	(495,800)	(15,125,342)
Total issued	575,200,043	575,695,843

### Treasury Shares

On 18 June 2024, the Company announced a share buyback programme of up to £20 million to purchase its own shares. During the year ended 31 March 2026, 495,800 shares (2025: 15,125,342) were purchased at an average price of 68 pence per share (2025: 74 pence per share). The total amount spent on the buyback was £339k (2025: £11.2m).

The Company held 15,621,142 Treasury shares at the year end (31 March 2025: 15,125,342).

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

	31 March 2026 £'000	31 March 2025 £'000
Issued ordinary shares – share capital and premium		
Opening balance	598,899	610,079
Value of Ordinary Shares purchased into Treasury during the year	(339)	(11,180)
Total issued	598,560	598,899

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

### b) Preference Shares

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

### c) Retained Earnings

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

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

## 14. Loss per Ordinary Share

### a) Basic

	31 March 2026	31 March 2025
Loss and comprehensive loss for the year (£'000)	(61,036)	(10,855)
Basic weighted average number of issued ordinary shares	575,208,115	585,041,132
Loss per share basic	(10.61p)	(1.86p)

### b) Diluted

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

	31 March 2026	31 March 2025
Loss and comprehensive loss for the year (£'000)	(61,036)	(10,855)
Plus: preference share dividends paid during the year (£'000)	9,500	9,500
Loss for the year attributable to Ordinary Shareholders (£'000)	(51,536)	(1,355)
Weighted average number of issued Ordinary Shares	575,208,115	585,041,132
Plus: weighted number of Ordinary Shares issuable on any conversion of preference shares, based on the NAV per Ordinary Share as at the prior year end	210,304,942	191,021,968
Adjusted weighted average number of Ordinary Shares	785,513,057	776,063,100
Loss per share diluted	(10.61p) <sup>1</sup>	(1.86p) <sup>1</sup>

<sup>1</sup> The conversion to Ordinary Shares is only treated as dilutive when their conversion would decrease earnings per share or increase loss per share from continuing operations.

## 15. Ordinary Share Dividends

### a) Paid During the Year

	31 March 2026 £'000	31 March 2026 Pence per share	31 March 2025 £'000	31 March 2025 Pence per share
Quarter 1	12,137	2.11	12,348	2.09
Quarter 2	12,078	2.10	12,360	2.10
Quarter 3	12,137	2.11	12,294	2.11
Quarter 4	12,136	2.11	12,209	2.11
<b>Total</b>	<b>48,488</b>	<b>8.43</b>	<b>49,211</b>	<b>8.41</b>

### b) Declared in Respect of the Year

	31 March 2026 £'000	31 March 2026 Pence per share	31 March 2025 £'000	31 March 2025 Pence per share
Quarter 1	12,078	2.10	12,360	2.10
Quarter 2	12,137	2.11	12,294	2.11
Quarter 3	12,136	2.11	12,209	2.11
Quarter 4	12,137	2.11	12,137	2.11
<b>Total</b>	<b>48,488</b>	<b>8.43</b>	<b>49,000</b>	<b>8.43</b>

## 16. Net Assets per Ordinary Share

	31 March 2026	31 March 2025
Ordinary Shareholders' equity (£'000)	437,510	547,373
Number of issued Ordinary Shares	575,200,043	575,695,843
<b>Net assets per Ordinary Share</b>	<b>76.1p</b>	<b>95.1p</b>

## 17. Investments at Fair Value Through Profit or Loss

The Company owns its portfolio of solar and energy storage assets through its investments in the HoldCos and a direct investment in NEIII. The Company's investments comprise of its portfolio of solar and energy storage assets and the residual net assets of the HoldCos. As explained in note 4(a), all of the Company's investments are held at fair value through profit or loss and classified as Level 3 in the fair value hierarchy. There were no movements between the hierarchy levels during the year ended 31 March 2026 (2025: none).

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

	31 March 2026 £'000	31 March 2025 £'000
Brought forward cost of investments	812,187	854,622
Investment proceeds from HoldCos	(29,918)	(98,974)
Intercompany loan repayments from HoldCos	(14,411)	(28,039)
Investment payments to HoldCos	11,329	86,045
Investment proceeds from NEIII	(1,378)	(1,467)
Carried forward cost of investments	777,809	812,187
Brought forward unrealised losses on valuation	(90,072)	(52,386)
Movement in unrealised gains on valuation	36,382	26,216
Movement in unrealised losses on valuation	(114,835)	(63,902)
Total movement in net unrealised losses on valuation	(78,453)	(37,686)
Carried forward unrealised losses on valuation	(168,525)	(90,072)
Total investments at fair value	609,284	722,115

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

## 18. Subsidiaries and Other Investments

The Company holds investments through subsidiary companies (the HoldCos) which have not been consolidated as a result of the adoption of IFRS 10: Investment entities exemption to consolidation. The Company holds its investment of NEIII directly so is excluded from below list. The HoldCos are incorporated in the UK and 100% directly owned. There are no cross guarantees amongst Group entities. Listed below are the legal entity names for the SPVs, all owned directly or indirectly through the HoldCos as at 31 March 2026. Agenor (24.5%) and NextEnergy III Co-Invest LP (formerly NextPower III Co-Invest LP, Santarém) (18%) are owned by Next Energy Solar Holdings V Limited. Camilla Battery Storage Limited and Lapwing Fen II Limited are owned by NextPower EelPower Limited and NextPower EelPower (2) Limited, both of which are owned by NextEnergy Solar Holdings III Limited (70% and 75% respectively). All other SPVs are owned 100%. During the year, NextPower Grange Limited, NextPower South Lowfield, and NextPower Hops Energy Limited were sold. During the year, the Company acquired the share capital of Future Energy Llanwern Limited and Caldicott Farmers' Solar Scheme Ltd.

Name	Country of incorporation	Name	Country of incorporation
NextEnergy Solar Holdings Limited	UK		
BL Solar 2 Limited	UK	North Farm Solar Park Limited	UK
Bowerhouse Solar Limited	UK	Push Energy (Birch) Limited	UK
Ellough Solar 2 Limited	UK	Push Energy (Boxted Airfield) Limited	UK
Glebe Farm Limited	UK	Push Energy (Croydon) Limited	UK
Glorious Energy Limited	UK	Push Energy (Decoy) Limited	UK
Greenfields (A) Limited	UK	Push Energy (Hall Farm) Limited	UK
NESF-Ellough Limited	UK	Push Energy (Langenhoe) Limited	UK
Nextpower Ellough LLP	UK	SSB Condover Limited	UK
Nextpower Gover Farm Limited	UK	ST Solarinvest Devon 1 Limited	UK
Nextpower Higher Hatherleigh Limited	UK	Sunglow Power Limited	UK
Nextpower Shacks Barn Limited	UK	Wellingborough Solar Limited	UK
NextEnergy Solar Holdings III Limited	UK		
Balhearty Solar Limited	UK	Burcroft Solar Parks Limited UK	UK
Ballygarvey Solar Limited	UK	Burrowton Farm Solar Park Limited	UK
Birch Solar Farm CIC	UK	Camilla Battery Storage Limited	UK
Blenches Mill Farm Solar Park Limited	UK	Chilton Cantello Solar Park Limited	UK
Brafield Solar Limited	UK	Crossways Solar Park Limited	UK
Greenfields (T) Limited	UK	Empyreal Energy Limited	UK
Helios Solar 1 Limited	UK	Fiskerton Limited	UK
Helios Solar 2 Limited	UK	NextZest Limited	UK
Hook Valley Farm Solar Park Limited	UK	Pierces Solar Limited	UK
Knockworthy Solar Park Limited	UK	RRAM Energy Limited	UK
Lark Energy Bilsthorpe Limited	UK	Saundercroft Farm Solar Park Limited	UK
Le Solar 51 Limited	UK	SL Solar Services Limited	UK
Little Irchester Solar Limited	UK	Sywell Solar Limited	UK
Micro Renewables Domestic Limited	UK	Tau Solar Limited	UK
Micro Renewables Limited	UK	Temple Normanton Solar Limited	UK
NESH 3 Portfolio A Limited	UK	Thornborough Solar Limited	UK
Nextpower Bosworth Limited	UK	Thurlestone-Leicester Solar Limited	UK
Nextpower Eelpower Limited	UK	UK Solar (Fiskerton) LLP	UK
NextPower High Garrett Limited	UK	Wheb European Solar (UK) 2 Limited	UK
Nextpower SPV 4 Limited	UK	Wheb European Solar (UK) 3 Limited	UK
Nextpower Water Projects Limited	UK	Whitley Solar Park (Ashcott Farm) Limited	UK
Nextpower Eelpower (2) Limited	UK	Wickfield Solar Limited	UK
Wyld Meadow Farm	UK	NextEnergy Solar Holdings II Limited	UK

Name	Country of incorporation	Name	Country of incorporation
Future Energy Llanwern Limited	UK	Caldicott Farmers' Solar Scheme Ltd	UK
ESF Llwyndu Limited	UK	Trowbridge PV Limited	UK
Bowden Lane Solar Park Limited	UK	Tower Hill Farm Renewables Limited	UK
Lapwing Fen II Limited	UK		
NextEnergy Solar Holdings IV Limited	UK		
Green End Renewables Limited	UK	Emberton Solar Park Limited	UK
Fenland Renewables Limited	UK	Great Wilbraham Solar Park Limited	UK
NextEnergy Solar Holdings IV Limited	UK	Nextpower Radius Limited	UK
Berwick Solar Park Limited	UK	Branston Solar Park Limited	UK
		Bottom Plain Solar Park Limited	UK
NextEnergy Solar Holdings V Limited	UK		
Agrosei S.r.l	Italy	Starquattro S.r.l	Italy
Fotostar 6 S.r.l	Italy	SunEdison Med. 6 S.r.l	Italy
Macchia Rotonda Solar S.r.l	Italy	Agenor Hive S.L.U. *	Spain
NextEnergy III Co-Invest LP**	Portugal	NextPower III Co-Invest UK HoldCo Ltd***	UK
NXP Co-Invest Portugal HoldCo***	Portugal	Escalabis Solar, S.A.***	Portugal
Raglington Farm Solar Park Limited	UK		

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

\*\* NextEnergy III Co-Invest (formerly NextPower III Co-Invest LP) is an investment of the HoldCo, not a subsidiary or associate.

\*\*\* Subsidiaries of NextEnergy III Co-Invest LP.

## 19. Fair Value of Investment in Unconsolidated Subsidiaries

### a) Valuation process

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

The Directors and the Investment Manager consider that the discounted cash flow methodology used in deriving the fair value of investments in operating solar and energy storage assets is in accordance with the fair value requirements of IFRS 13 and that the valuation methodology used, including the key estimates and assumptions applied, is appropriate. As at 31 March 2026, investments held at fair value using the discounted cash flow methodology totalled £422.0m (2025: £563.4m).

The Company has invested directly in a private equity fund NEIII and, through NESH V, in co-investments projects Agenor and Santarém (through NextEnergy III Co-invest LP). The fair value of the Company's investment in private equity funds and co-investments is generally considered to be the Company's attributable portion of the NAV of the private equity fund, as determined by the General Partner/Manager of such funds, adjusted if considered necessary by the Board of Directors, including any adjustment necessary for carried interest. No discount to NAV was applied for the NAV-based investments. The Board of Directors and the Investment Manager consider the IPEV guidelines when valuing private equity fund and co-investments. These investments are not included in the sensitivity analyses in note 19(b). As at 31 March 2026, investments held at fair value using NAV totalled £56.5m (31 March 2025: £64.0m).

Investments in assets that are not yet operational are also held at fair value, where the cost of the investment, or an acceptable offer for the investment, is used as an appropriate approximation of fair value. These investments are not included in the sensitivity analyses in note 19(b). As at 31 March 2026, investments held at cost which approximates fair value totalled £48.3m (2025: £45.7m).

Another £82.5m (2025: £49.0m) of investments held at fair value relates to the residual net assets of the HoldCos. Therefore, the total operational fair value to which the sensitivity analysis has been applied in the below tables is £422.0m (2025: £563.4m).

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

#### (i) Sensitivity analysis of changes in significant unobservable inputs of underlying operating assets

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

#### Discount Rates

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

	31 March 2026	31 March 2025
Weighted average discount rate	8.5%	8.0%
Range of solar discount rates (unlevered to levered)	8.0% to 10.0%	7.5% to 10.0%
Premium applied to solar cash flows earned 30 years after grid connection date	1.0%	1.0%
Range of energy storage discount rates (uncontracted to contracted)	7.0% to 10.0%	7.0% to 10.0%

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

Discount rate sensitivity	+0.5% change	Investments	-0.5% change
<b>31 March 2026</b>			
Directors' valuation	(£10.0m)	£422.0m	£10.7m
Directors' valuation – percentage movement	(2.4%)		2.5%
Change in NAV per ordinary share	(1.7p)		1.9p
<b>31 March 2025</b>			
Directors' valuation	(£14.2m)	£563.4m	£15.1m
Directors' valuation – percentage movement	(2.5%)		2.7%
Change in NAV per ordinary share	(2.5p)		2.6p

### Power Price

As at 31 March 2026, estimates implied an average rate of growth of UK electricity prices (2026-2045) of approximately -2.3% (2025: -1.2%) in 2026 real terms and an average rate of growth of Italian electricity prices (2026-2045) of approximately -2.9% (2025: -2.9%) in 2026 real terms. As at 31 March 2026, estimates implied a long-term inflation rate of 2.25% (2025: 2.25%).

For the UK solar portfolio, the Company uses multiple sources for UK power price forecasts. Where PPAs are in place, contracted PPA prices are used. For periods where there are no PPAs in place, short-term market forward prices are used. After two years, the Company integrates a blend of the latest available long-term central case projections produced by leading independent energy market consultants ("Consultants"). This approach presents a fair and balanced outlook reflecting the latest available information, is consistent with pricing methodologies used for successfully divested assets and the broader peer group, and smooths volatility between forecasts without reliance on a four-quarter average.

Power price sensitivity	-10% change	Investments	+10% change
<b>31 March 2026</b>			
Directors' valuation	(£32.4m)	£422.0m	£31.0m
Directors' valuation – percentage movement	(7.7%)		7.3%
Change in NAV per Ordinary Share	(5.6p)		5.4p
<b>31 March 2025</b>			
Directors' valuation	(£42.6m)	£563.4m	£37.8m
Directors' valuation – percentage movement	(7.6%)		6.7%
Change in NAV per Ordinary Share	(7.4p)		6.6p

For Camilla, the Company's standalone energy storage asset, a leading independent energy market consultant's long-term projections are used to derive the revenue adopted in the valuation. Where capacity market contracts are in place the value of the contract is added to the valuation.

Energy storage revenue sensitivity	-10% change	Investments	+10% change
<b>31 March 2026</b>			
Directors' valuation	(£3.4m)	£422.0m	£3.1m
Directors' valuation – percentage movement	(0.8%)		0.7%
Change in NAV per Ordinary Share	(0.6p)		0.5p
<b>31 March 2025</b>			
Directors' valuation	(£4.0m)	£563.4m	£3.6m
Directors' valuation – percentage movement	(0.7%)		0.6%
Change in NAV per Ordinary Share	(0.7p)		0.6p

### Energy Generation

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

Energy generation sensitivity	-5% underperformance	Investments	+5% outperformance
<b>31 March 2026</b>			
Directors' valuation	(£35.4m)	£422.0m	£33.8m
Directors' valuation – percentage movement	(8.4%)		8.0%
Change in NAV per Ordinary Share	(6.2p)		5.9p
<b>31 March 2025</b>			
Directors' valuation	(£35.2m)	£563.4m	£33.8m
Directors' valuation – percentage movement	(6.3%)		6.0%
Change in NAV per Ordinary Share	(6.1p)		5.9p

### Inflation Rates

The portfolio valuation assumes long-term inflation of 2.25% (2025: 2.25%) p.a. for investments (based on UK RPI and CPI).

The table below shows the sensitivity of the portfolio valuation to a change to the inflation rate of both UK RPI and CPI by plus or minus 1.0% (2025: 1.0%). The valuation as at 31 March 2026 takes into account the UK Government's retrospective changes to the inflation indexation of the ROC and FiT subsidy schemes. All other variables are held constant.

Inflation rate sensitivity	-1.0% change	Investments	+1.0% change
<b>31 March 2026</b>			
Directors' valuation	(£28.5m)	£422.0m	£31.4m
Directors' valuation – percentage movement	(6.7%)		7.4%
Change in NAV per Ordinary Share	(4.9p)		5.5p
<b>31 March 2025</b>			
Directors' valuation	(£36.2m)	£563.4m	£40.1m
Directors' valuation – percentage movement	(6.4%)		7.1%
Change in NAV per Ordinary Share	(6.3p)		7.0p

## Operating Costs

The table below shows the sensitivity of the portfolio to changes in operating costs by plus or minus 5% (2025: 5%) at the SPVs level, with all other variables held constant.

Operating costs sensitivity	+5% change	Investments	-5% change
<b>31 March 2026</b>			
Directors' valuation	(£6.4m)	£422.0m	£6.4m
Directors' valuation – percentage movement	(1.5%)		1.5%
Change in NAV per Ordinary Share	(1.1p)		1.1p
<b>31 March 2025</b>			
Directors' valuation	(£2.2m)	£563.4m	£2.2m
Directors' valuation – percentage movement	(0.4%)		0.4%
Change in NAV per Ordinary Share	(0.4p)		0.4p

## Tax Rates

The UK corporation tax rate used in the portfolio valuation is 25% (31 March 2025: 25%), in accordance with the latest UK Budget announcements.

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

The combined NAVs of NEIII, the direct private equity investment, and Project Agenor and Santarém, the co-investments made through NESH V, as at 31 March 2026 was £56.5m (2025: £64.0m). The valuation of private equity investments is subject to changes in the valuations of the underlying portfolio companies. These can be exposed to a number of risks, including liquidity risk, price risk, credit risk, currency risk and interest rate risk.

A movement of 10% in the value of the private equity investment would move the Company's investments held at fair value at the year end by 0.9% (2025: 0.9%).

## 20. Non-investment Financial Assets and Liabilities

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

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

The preference shares are initially measured at gross proceeds net of transaction costs incurred and are subsequently measured at amortised cost using the effective interest rate. As at 31 March 2026 they are held at £198.6m (2025: £198.5m). The transaction costs are amortised over the expected life of the preference shares to 2036. The fair value of the preference shares was calculated based on projected future cash flows for the preference shares using a market related discount rate adjusted for risk factors. Fair value of the preference shares approximates its amortised cost as at 31 March 2026.

## 21. Capital Management

### a) Capital Structure

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

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

### b) Debt

The Company's Investment Adviser reviews the debt structure of the Company and its subsidiaries on an ongoing basis. The Company and its subsidiaries use leverage for financing the acquisition of solar investments and working capital purposes. In accordance with the Company's Investment Policy, the NESF Group may employ leverage, provided that it does not exceed (at the time the relevant arrangement is entered into) 50% of GAV. For this purpose, leverage includes all short- and long-term debt raised by the Company or any of its subsidiaries, as well as the aggregate subscription monies paid in respect of all preference shares in issue and any unpaid dividends due in respect of the preference shares. As at 31 March 2026, the current debt-to-GAV ratio stands at 51%, in excess of the investment policy target of 50%, which prevents the Company incurring further borrowing. The Company is actively reducing this ratio via its Strategic Reset and roadmap announced in March 2026.

As at 31 March 2026, the Company had £200m of preference shares in issue (2025: £200m) and no financial debt outstanding. The subsidiaries had £285.5m in long-term debt, and revolving credit facilities outstanding (2025: £314.8m) (see note 23(b)).

## 22. Financial Risk Management Objectives

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

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

### a) Capital Risk (Company Only)

The Company has put in place a financing structure that enables it to manage its capital effectively. The Company's capital structure comprises equity (issued Ordinary Share capital and retained earnings) and preference share capital. As at 31 March 2026 the Company had no recourse financial debt, although the Company is a guarantor for two financing and hedging facilities of its subsidiaries (see note 25).

### **b) Market Price Risk (Company and Subsidiaries)**

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

### **Power Price Risk (Company and Subsidiaries)**

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

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

### **Currency Risk (Company and NESH V)**

Foreign currency risk, as defined in IFRS 7, arises as the values of recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Company has no material exposure to currency risk as all its assets and liabilities are in pounds sterling, the Company's functional and presentational currency. A substantial majority of the cash flows from the Company's solar assets in Italy to NESH V are hedged and so the cash flows to the Company from that HoldCo are exposed to limited currency risk and therefore the currency risk on the unhedged portion of Company cash flows is not considered to be significant. The Company holds private equity investments in NEIII, and Projects Santarém and Agenor which are not reported in pounds sterling, and the vast majority of cashflows from the solar assets of these projects are in either US Dollars or Euros but these are not hedged as the currency risk they represent is not considered significant.

### **Interest Rate Risk (Company and Subsidiaries)**

The Company is indirectly exposed to interest rate risk from the credit facilities of the HoldCos, as at 31 March 2026. Of the £285.5m (2025: £314.8m) credit facilities outstanding, £124.1m (2025: £126.7m) had fixed interest rates and the remaining £161.4m (2025: £188.1m) had floating interest rates. For the floating amount, interest rate swaps were implemented over the term of the loans to mitigate interest rate risks for £34.5m (2025: £43.2m). The counterparties to these swaps are all investment grade financial institutions. The remaining £126.9m (2025: £144.9m), on the revolving credit facility, had floating rates which are not hedged and a change in interest rates would not be expected to have a material impact to the Company due to the majority of the debt being at a fixed interest rate or hedged on the long term debt facilities.

### **c) Credit Risk (Company and Subsidiaries)**

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

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

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

	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents	25,101	3,223
Trade and other receivables	4,413	23,286
Debt investments	306,554	306,554
<b>Total</b>	<b>336,068</b>	<b>333,063</b>

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

The Company does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. In respect of the Company's subsidiaries, ongoing credit evaluation is performed on the financial condition of accounts receivable. As at 31 March 2026, the probability of default of the Company's subsidiaries was considered low and so no allowance has been recognised based on 12-month expected credit loss as any impairment would be insignificant to the subsidiary (2025: none). The Investment Adviser has sufficient oversight of the subsidiary's receivables to assess the probability of default.

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

	Credit rating Standard & Poor's	Cash £'000
31 March 2026		
Barclays Bank PLC	Long – A+ Short – A-1	25,101
31 March 2025		
Barclays Bank PLC	Long – A+ Short – A-1	3,223

#### d) Liquidity Risk (Company and subsidiaries)

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

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

	Carrying amount £'000	Up to 3 months £'000	3 to 12 months £'000	Greater than 12 months £'000
<b>31 March 2026</b>				
Assets				
Cash and cash equivalents	25,101	25,101	—	—
Trade and other receivables	4,413	4,413	—	—
Liabilities				
Contractual preference shares repayment and dividends payable <sup>1</sup>	198,614	(2,342)	(7,158)	(295,000)
Trade and other payables	(2,675)	(2,675)	—	—
<b>31 March 2025</b>				
Assets				
Cash and cash equivalents	3,223	3,223	—	—
Trade and other receivables	23,286	23,286	—	—
Liabilities				
Contractual preference shares repayment and dividends payable <sup>1</sup>	(198,475)	(2,342)	(7,158)	(304,500)
Trade and other payables	(2,776)	(2,776)	—	—

<sup>1</sup> Assumes no conversion of preference shares in 2036

## 23. Preference Shares and Revolving Credit and Debt Facilities

### a) Preference shares

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

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

	Opening £'000	Amortisation £'000	Carrying Amount £'000
31 March 2026			
Preference shares	198,475	139	198,614
31 March 2025			
Preference shares	198,336	139	198,475

### b) Revolving credit and debt facilities

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

In March 2016, NESH IV agreed the purchase of Project Radius. The acquisition was part funded by a debt facility entered between NESH IV and Macquarie Bank Limited for £55.0m, which was fully drawn down in April 2016. As part of the debt facility agreement Macquarie Bank Limited holds a charge over the assets of NESH IV which amounted to £73.8m as at 31 March 2026 (31 March 2025: £83.2m). As at 31 March 2026, the nominal outstanding amount was £37.6m (2025: £41.0m).

In January 2017, NESH closed a syndicated loan with MIDIS, NAB and CBA for £157.5m ('Project Apollo') to refinance its revolving credit facility. As part of the facility agreement, the lenders provide an additional Debt Service Reserve Facility of £7.5m and hold a charge over the assets of NESH which amounted to £215.0m as at 31 March 2026 (31 March 2025: £242.9m). As at 31 March 2026, the nominal outstanding amount was £121.0m (2025: £128.9m).

In June 2021, NESH III closed a RCF with National Westminster Bank plc and AIB Group (UK) p.l.c. for £75.0m which £75.0m was subsequently drawn down. In September 2022, the facility was increased to total commitment of £135.0m. In April 2024, NESH III refinanced the £135.0m RCF with National Westminster Bank plc, AIB Group (UK) plc and Lloyds Bank plc. The new facility is available for four years in total, with the initial loan available until June 2026 and two additional 12-month extension options at NESH's sole discretion, to bring the maturity date up to June 2028. In March 2025, NESH III consolidated this facility with the Santander RCF to an aggregated commitment of £205m which has subsequently been reduced to £170m as of 27 March 2026. The lenders hold a charge over assets within NESH III which amounted to £221.1m as at 31 March 2026 (31 March 2025: £299.2m). As at 31 March 2026, the outstanding amount was £126.9m (2025: £144.9m).

## 24. Reconciliation of Financing Activities

	Opening £'000	Cash Flows £'000	Net Income Allocation £'000	Dividend Payable Movement £'000	Non-cash Flows £'000	Carrying Amount £'000
31 March 2026						
Preference shares	198,475	(9,500)	9,500	—	139	198,614
31 March 2025						
Preference shares	198,336	(9,500)	9,500	—	139	198,475

## 25. Commitments and Guarantees

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

On 19 November 2018, the Company entered into a counter-indemnity deed with Banco Santander (“Santander”) regarding borrowings by NextPower Radius Limited. Under the terms of the deed the Company may request Santander to issue a letter of credit for no more than £2,500,000. As at 31 March 2026, a letter of credit of £2,500,000 was in issue (2025: £2,500,000).

On 1 December 2017, the Company provided a guarantee to Intesa Sanpaolo S.p.A. (“ISP”) relating to derivative transactions made available to NESH V. The guarantee covers all present and future obligations of NESH V to ISP relating to the derivative transactions. As at 31 March 2026 the Company has no outstanding commitments related to this guarantee (2025: none).

The Company, through its HoldCos, had other project spending commitments totalling £6.8m as at 31 March 2026 (2025: £11.4m).

## 26. Related Parties

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

Fees of £163,350 (2025: £176,310) were charged by the Investment Adviser for ESG related services and this is included in legal and professional fees in the Statement of Comprehensive Income, of which £34k was outstanding at year end (2025: £40k).

Under existing arrangements with the Asset Manager, each of the operating subsidiaries of the Company entered into an asset management agreement with the Asset Manager and each of the HoldCos entered into an accounting services agreement with the Asset Manager. The total value of recurring and one-off services paid to the Asset Manager by the subsidiaries during the year amounted to £8.5m (2025: £9.4m).

At 31 March 2026 £739k (2025: £17.7m) was owed from the subsidiaries at year end. £10.6m of administrative service fees were received from the subsidiaries during the year (2025: £11.2m), £3.5m of which was outstanding at 31 March 2026 (2025: £5.4m). £12.3m of Eurobond interest was received from the subsidiaries during the year (2025: £12.3m), £nil of which was outstanding at 31 March 2026 (2025: £nil). During the year, dividends of £10.3m (2025: £20.1m) were recognised in the Statement of Comprehensive Income from the subsidiaries. Refer to note 11 for terms and conditions on amounts due from subsidiaries. During the year, the Company continued receiving cash returns in the form of repayment of intercompany loans amounting to £14.4m (2025: £28.0m) received from the subsidiaries (included in Investment Proceeds from HoldCos in note 17). During the year, the Company received £29.9m as investment proceeds from HoldCos

(2025: £99.0m) and paid £11.3m to the HoldCos as drawdowns (2025: £86.0m)

The Company has committed US\$50m to NEIII, as a Limited Partner governed by a Limited Partnership Agreement, which is fully drawn as at 31 March 2026 (2025: fully drawn). The Investment Manager, the Investment Adviser and the Asset Manager are all professionally engaged to provide services to NEIII. The principal activity of NEIII is to invest in solar photovoltaic plants globally (primarily in OECD countries). The Company has committed a fixed amount of capital which may be drawn (and returned) over the life of NEIII. The Company pays capital calls when due and receives distributions from NEIII over the life of the fund. During the year, the Company received distributions of £1.4m (2025: £1.5m)

The Directors' fees for the year ended 31 March 2026 amounted to £307k (2025: £322k), of which £78k is outstanding as at year end (2025: £78k). As at 31 March 2026, Tony Quinlan held no shares, Paul Le Page held 30,000 shares, Jo Peacegood held 50,000 Ordinary Shares, Josephine Bush held 10,000 Ordinary Shares, and Caroline Chan held 39,000 shares. The total amount of Directors expenses reimbursed during the year ended 31 March 2026 was £5,902 (2025: £6,070).

As at 19 June 2026, NextEnergy Group employees held 2,106,138 shares in NESF<sup>1</sup>.

## 27. Controlling Parties

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

## 28. Events After the Balance Sheet Date

On 7 May 2026, the NESF Board approved a dividend of 2.11 pence per Ordinary Share for the quarter ended 31 March 2026 to be paid on 30 June 2026 to Ordinary Shareholders on the register as at the close of business on 15 May 2026.

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



# Additional Information

## Alternative Performance Measures (“APMs”)

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

During the year, the Company has defined Operational Free Cash Flow as a replacement APM for Cash Income as presented in the prior year. This is to align with the announcement in the Strategic Reset of March 2026 and the change to the dividend policy to a payout of 75% of Operational Free Cash Flow.

The revised definition of Operational Free Cash Flow reflects cash generation of the portfolio available for distribution to shareholders after supporting the ongoing requirements of the Company, debt service and working capital consistent with the principles underpinning the Company’s Strategic Reset. This measure is now used by the Board as the primary metric for assessing dividend capacity and capital discipline.

There is no impact on the IFRS reported cash flows or net assets as a result of this change as the Operational Free Cash Flow is a non-IFRS measure.

The Board consider that the Operational Free Cash Flow measure provides more relevant and decision useful information to shareholders, particularly in the context of the Company’s updated dividend policy and long term strategy.

## Invested Capital

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

	31 March 2026 £'000	31 March 2025 £'000
Invested capital	1,066.7	1,117.2

## Total Gearing

Total gearing measures the aggregate of the NESF Group’s financial debt and fair value of the preference shares relative to GAV. The calculation excludes look-through debt since the Company does not have control over this debt for NAV-based investments.

	31 March 2026 £'000	31 March 2025 £'000
NESF Group’s outstanding financial debt (Real) (A)	261,230	292,074
Preference shares as per Statement of Financial Position (B)	198,614	198,475
Net assets as per Statement of Financial Position (C)	437,510	547,373
Total gearing ((A + B) / (A + B + C)), expressed as a percentage	51.2%	47.3%

### Financial Debt Gearing

Financial debt gearing measures the aggregate of the NESF Group's financial debt relative to GAV. The calculation excludes look-through debt since the Company does not have control over this debt for NAV-based investments.

	31 March 2026 £'000	31 March 2025 £'000
NESF Group's outstanding financial debt (Real) (A)	261,230	292,074
Preference shares as per Statement of Financial Position (B)	198,614	198,475
Net assets as per Statement of Financial Position (C)	437,510	547,373
Financial debt gearing ((A) / (A + B + C)), expressed as a percentage)	29.1%	28.1%

### Operational Free Cash Flow

Operational free cash flow measures the cash available for distribution from the operational performance of the portfolio and deducting debt service, tax and Company expenses.

	31 March 2026 £'000	31 March 2025 £'000
NESF Group Portfolio and Holdco EBITDA (A)	104,488	96,900
Debt service, tax and working capital (B)	32,577	29,824
Total expenses as per Statement of Comprehensive Income (C)	15,714	16,805
Operational Free Cash Flow (A-B-C)	56,197	50,271

### Cash Dividend Cover (Pre-scrip Dividends)

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

	31 March 2026 £'000	31 March 2025 £'000
Operational Free Cash Flow (A)	56,198	50,300
Profit on Sale of Assets <sup>1</sup> (B)	—	6,000
Pre-scrip Ordinary Dividends paid as per Statement of Changes in Equity (C)	48,488	49,211
Cash dividend cover (pre-scrip dividends) ((A + B) / C)	1.2x	1.1x

### Dividend Yield

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

	31 March 2026 £'000	31 March 2025 £'000
Dividend per Ordinary Share (A)	8.43	8.43
Ordinary Share price at end of year (B)	44.45	67.7
Dividend yield (A / B, expressed as a percentage)	18.97%	12.45%

<sup>1</sup> Profit on Sale of Assets calculated as sales proceeds less cost of investment.

### NAV per Ordinary Share

NAV per Ordinary Share is a measure of the value of one Ordinary Share.

	31 March 2026	31 March 2025
Net assets as per Statement of Financial Position (£'000) (A)	437,510	547,373
Number of Ordinary Shares in issue at year end (B)	575,200,043	575,695,843
NAV per Ordinary Share ((A / B) x 100)	76.1p	95.1p

### NAV Total Return per Ordinary Share

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

	Year ended 31 March 2026 pence	Year ended 31 March 2025 pence
Basic NAV per Ordinary Share at year end as per Statement of Financial Position (A)	76.1	95.1
Annual dividend per Ordinary Share declared in respect of year (B)	8.43	8.43
Basic NAV per Ordinary Share at beginning of year as per Statement of Financial Position (C)	95.1	104.7
NAV total return per Ordinary Share ((A + B - C) / C, expressed as a percentage)	(11.11%)	(1.12%)

### Ordinary Shareholder Total Return

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

	31 March 2026 pence	31 March 2025 pence
Ordinary Share price at year end (A)	44.5	67.7
Annual dividend per Ordinary Share declared/paid in respect of year (B)	8.43	8.43
Ordinary Share price at beginning of year (C)	67.7	71.5
Ordinary Shareholder total return per share ((A + B - C) / C, expressed as a percentage)	(21.8%)	6.48%

### Discount to NAV per Ordinary Share

Discount to NAV per Ordinary Share is a measure of the performance of the Ordinary Share price relative to the NAV per Ordinary Share.

	31 March 2026 pence	31 March 2025 pence
Ordinary Share price at year end (A)	44.5	67.7
NAV per Ordinary Share at year end as per Statement of Financial Position (B)	76.1	95.1
Discount to NAV per Ordinary Share $((A - B) / B, \text{ expressed as a percentage})$	(41.5%)	(28.8%)

### Ongoing Charges Ratio

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

	31 March 2026 £'000	31 March 2025 £'000
Total expenses as per Statement of Comprehensive Income (A)	15,853	16,804
Preference share dividends as per Statement of Comprehensive Income (B)	9,500	9,500
Non- recurring expenses (C)	605	568
Average of quarterly net assets (D)	491,030	570,979
Ongoing charges ratio $((A - B - C) / D, \text{ expressed as a percentage})$	1.17%	1.18%

## General Shareholder Information

### Alternative Investment Fund Management Directive (“AIFMD”)

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

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

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

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

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

The Company is a PRIIP. The PRIIPs Regulation requires the Investment Manager to publish a KID in respect of the Company that includes standardised illustrations of theoretical risk and

returns. The KID is available on the Company’s website under Investor Relations ([nextenergysolarfund.com](http://nextenergysolarfund.com)).

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

### Foreign Account Tax Compliance Act (“FATCA”) / OECD Common Reporting Standard (“CRS”)

FATCA is a United States federal law enacted in 2010, the intent of which is to enforce the requirement for United States persons (including those living outside the US) to file yearly reports on their non-US financial accounts.

Developed and approved by the OECD in 2014, the CRS is a global standard for the automatic exchange of financial account information between governments around the world to help fight against tax evasion and protect the integrity of systems.

The Board, in conjunction with the Company’s service providers and advisers, monitors the requirements of FATCA and CRS as relevant to the Company.

### Markets in Financial Instruments Directive II (“MiFID II”) Status

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

The Company’s Ordinary Shares are considered as “non-complex” in accordance with MiFID II.

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

The FCA’s rules restrict the promotion of investment products classified as

“non-mainstream pooled investment products” to retail investors. The restrictions do not apply to Ordinary Shares in a UK investment trust or non-UK investment company which would qualify for approval as an investment trust under section 1158 of the Corporation Tax Act 2010 if resident and listed in the UK.

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

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

### ISA Status

NESF’s Ordinary Shares are eligible for stocks and shares ISAs.

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

### Net Asset Value per Ordinary Share

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

### Additional Information

Copies of the Company’s Annual and Interim Reports, quarterly fact sheets and stock exchange announcements, together with information on the Company’s Ordinary Share price, NAV per Ordinary Share, historic Ordinary Share and NAV performance, along with further information, is available on the Company’s website ([nextenergysolarfund.com](http://nextenergysolarfund.com)).

## Financial Calendar for Year Ending 31 March 2027

Interim results announced

December 2026

Annual results announced

June 2027

Annual General Meeting

August 2027

### Cautionary Statement

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

Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and

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

interpretation of accounting standards under IFRS; and changes in power prices and interest and exchange rates.

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

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

## Glossary and Definitions

<b>Administrator</b>	Ocorian Administration (Guernsey) Limited
<b>AGM</b>	Annual General Meeting
<b>AIC</b>	The Association of Investment Companies
<b>AIC Code</b>	The AIC Code of Corporate Governance (August 2024)
<b>AIFM</b>	Alternative Investment Fund Manager for the purpose of the EU's Alternative Investment Fund Management Directive (see above for further information)
<b>AR7</b>	Allocation Round 7 is the UK's most recent competitive auction for awarding long-term contracts to low-carbon electricity generation projects
<b>Apollo portfolio</b>	21 UK solar plants held within NESH
<b>Asset Manager or</b>	WiseEnergy (Great Britain) Limited and WiseEnergy Italia Srl
<b>WiseEnergy</b>	WiseEnergy (Great Britain) Limited and WiseEnergy Italia Srl
<b>Capacity Market Auction</b>	The Capacity Market is a UK Government initiative that ensures security of electricity supply by providing a payment for reliable sources of capacity
<b>Cash dividend cover</b>	The ratio of the Company's cash income to dividends paid or payable in respect of the financial period/year
<b>CBA</b>	Commonwealth Bank of Australia
<b>Company or NESF</b>	NextEnergy Solar Fund Limited
<b>Consultants</b>	The four independent market forecasters used by the Company
<b>CO<sub>2</sub>e or</b>	A term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO <sub>2</sub> e signifies the amount of CO <sub>2</sub> which would have the equivalent global warming impact
<b>carbon dioxide equivalent</b>	A term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO <sub>2</sub> e signifies the amount of CO <sub>2</sub> which would have the equivalent global warming impact
<b>CP30</b>	A downside price scenario representing the 30th percentile of forecast power prices, used in sensitivity analysis to reflect lower than expected pricing out-comes.
<b>CPI</b>	Consumer Price Index
<b>DNO</b>	Distribution Network Operators ("DNOs") are regionally based licensed companies responsible for completing rolling programmes of preventative maintenance and upgrade works to ensure stability of the energy supplied to consumers
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>Embedded benefits</b>	Supplier costs that are reduced or avoided via contracting with small-scale generation connected at the distribution network level instead of the national transmission system
<b>Energy Arbitrage</b>	Energy storage revenue stream involving buying and selling power to meet demand every half-hour. Contracted from years ahead to T-1 hour trading
<b>EPC</b>	Engineering, Procurement and Construction
<b>ESG</b>	Environmental, Social and Governance
<b>FCA</b>	Financial Conduct Authority
<b>Financial Statements</b>	The Financial Statements of NextEnergy Solar Fund Limited for the year ended 31 March 2026
<b>FIT</b>	Feed-in-Tariff schemes are financial mechanisms by which the UK Government incentivised the deployment of small-scale renewable energy generation and the Italian Government incentivised the deployment of large-scale renewable energy generation by requiring participating licensed electricity suppliers to make payments on both generation and export from eligible installations
<b>GAV</b>	Gross asset value, being the aggregate of the net asset value of the Ordinary Shares, the fair value of the preference shares and the amount of NESF Group debt outstanding
<b>GW</b>	Gigawatt, a unit of power equal to 1,000 MW
<b>GWh</b>	GW hour, a measure of electricity generated per hour
<b>HoldCos</b>	Intermediate holding companies used by the Company as pass-through vehicles to invest in underlying solar energy infrastructure assets, currently being NESH, NESH III, NESH IV, NESH V and NESH VI

<b>IFRS</b>	International Financial Reporting Standards as issued by IASB
<b>Investment Adviser or NEC</b>	NextEnergy Capital Limited
<b>Investment Manager</b>	NextEnergy Capital IM Limited
<b>IPO</b>	Initial Public Offering
<b>IRR</b>	Internal Rate of Return
<b>KPMG</b>	KPMG Audit Limited (formerly KPMG Channel Islands Limited), independent auditor to the Company
<b>KWh</b>	Kilowatt hour, being a measure of electricity generated per hour
<b>Main Market</b>	The Main Market is the London Stock Exchange's primary market for the admission and trading of securities and is classified as a regulated market under UK financial services legislation. It is intended for established companies that meet prescribed eligibility criteria relating to size, financial track record, free float, and corporate governance. Entities admitted to the Main Market are required to comply with the UK Listing Rules, Prospectus Regulation Rules, and Disclosure Guidance and Transparency Rules, and are subject to oversight by the Financial Conduct Authority (FCA).
<b>MIDIS</b>	Macquarie Infrastructure Debt Investment Solutions
<b>MOIC</b>	Multiple on Invested Capital
<b>MW</b>	A Megawatt is unit of power equal to one million watts and is used as a measure of the output of a power plant
<b>MWh</b>	MW hour, being a measure of electricity generated per hour
<b>NAB</b>	National Australia Bank
<b>Net assets or NAV</b>	Net asset value
<b>NAV total return</b>	The actual rate of return from dividends paid and any increase or reduction in the NAV per Ordinary Share over a given period of time
<b>NEC or NEC Group</b>	The NextEnergy Capital group of companies, including the Investment Manager, Investment Adviser and Asset Manager
<b>NESF Group</b>	The Company, HoldCos and SPVs
<b>NESH</b>	NextEnergy Solar Holding Limited
<b>NESH III</b>	NextEnergy Solar Holding III Limited
<b>NESH IV</b>	NextEnergy Solar Holding IV Limited
<b>NESH V</b>	NextEnergy Solar Holding V Limited
<b>NESH VI</b>	NextEnergy Solar Holding VI Limited
<b>NESO</b>	National Energy System Operator is a UK public body responsible for over-seeing the integrated planning and operation of the UK's energy system
<b>NIROC</b>	Like the ROCs in Great Britain, the Northern Ireland Renewable Obligation Certificate scheme obliges electricity suppliers to produce a certain number of NIROCs for each MWh of electricity which they supply to their customers in Northern Ireland or to pay a buy-out fee that is proportionate to any shortfall in the number of NIROCs being so presented
<b>NEIII (previously "NPIII")</b>	NextEnergy III LP (previously "NextPower III LP")
<b>NZ</b>	NextZest
<b>O&amp;M</b>	Operations and Maintenance
<b>OBR</b>	Office for Budget Responsibility
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>OFGEM</b>	Office of Gas and Electricity Markets
<b>Ongoing charges ratio</b>	The regular, recurring annual costs of running the Company (excluding the costs of acquisition or disposal of investments, financing charges and gains or losses arising on investments), expressed as a percentage of average net assets, calculated in accordance with the AIC's methodology
<b>Ordinary Shareholder total return</b>	The actual rate of return from dividends paid and any increase or reduction in the Ordinary Share price over a given period of time

<b>Ordinary Shares</b>	The issued Ordinary Share capital of the Company
<b>Performance ratio</b>	Describes the relationship between the actual and theoretical energy outputs of a solar plant (expressed as a percentage)
<b>PM 2.5 and PM10</b>	Potentially harmful particulate matter, such as chemicals, in air
<b>PPA</b>	Power purchase agreement
<b>Premium/discount to NAV</b>	The amount, expressed as a percentage, by which the Company's Ordinary Shares trade above or below the NAV per Ordinary Share
<b>Preference shares</b>	The issued preference share capital of the Company
<b>PV</b>	Photovoltaic
<b>Radius portfolio</b>	Five UK solar plants held within NESH IV
<b>RCF</b>	Revolving Credit Facility
<b>REGOs</b>	Renewable Energy Guarantees of Origin
<b>REMA</b>	Review of Electricity Market Arrangements is a UK government-led initiative to reform how electricity is bought and sold in Great Britain
<b>ROC</b>	Renewable Obligation Certificates (the Renewable Obligation scheme is the financial mechanism by which the UK Government incentivised the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of the electricity they supply to customers from eligible renewable sources or pay a penalty)
<b>ROC recycle</b>	The payment received by generators from the redistribution of the buy-out fund (payments are made into the buy-out fund when suppliers do not have sufficient ROCs or NIROCs to cover their obligation)
<b>RPI</b>	Retail Price Index
<b>RRAM portfolio</b>	33 UK solar plants held in NESH III
<b>Scrip shares</b>	Ordinary Shares issued pursuant to the Company's scrip dividend alternative
<b>SDG</b>	The Sustainable Development Goals are a set of ambitious global developmental targets adopted by the United Nations Member States in 2015 to be achieved by 2030 and seek to address the global challenges we face through the promotion of development as a balance of social, economic, and environmental sustainability
<b>Solis portfolio</b>	Eight Italian solar plants held within NESH V
<b>SONIA</b>	Sterling Overnight Index Average
<b>SPVs</b>	Special purpose vehicles that hold the Company's investment portfolio of underlying solar energy infrastructure assets
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>Treasury shares</b>	Ordinary Shares which are bought back by the Company, reducing the number of outstanding shares on the open market, and held by the Company for resale at a future date
<b>Wholesale revenue</b>	Revenue from energy sold in the wholesale power market which is not connected with subsidy schemes or PPAs



# Annex (unaudited): NESF Principal Adverse Impacts

## Statement on principle adverse impacts (“PAIs”) of investment decisions on sustainability factors

Financial market participant:  
NextEnergy Solar Fund Limited,  
213800ZPHCBDDSQH5447 on behalf  
of NextEnergy Capital Limited

### Summary

NextEnergy Solar Fund Limited, 213800ZPHCBDDSQH5447, considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of NextEnergy Solar Fund Limited.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1st April 2025 to 31 March 2026

The tables below contain the principal adverse impacts required by regulation and considered material to the Company. The results show limited adverse impacts in line with the sustainable investment objective.

The portfolio’s structure heavily relies on third-party providers, particularly operations and maintenance contractors, for its activities. Consequently, the company depends on data supplied by these entities.

During the current reporting period, estimations were still employed where operational data from operations and maintenance contractors was not available.

Efforts have been made to improve the accuracy and transparency of data, which resulted in

overall improved quality of data provided by the operations and maintenance contractors.

Overall the principal adverse indicators reflect the positive nature of the sustainable investment objective and provide targeted areas for improvement in the future which the Company is actively engaged in addressing. The nature of the PAI are designed to be negative in isolation.

However, to review the fund’s positive attributions please refer to the ESG reports <https://www.nextenergysolarfund.com/esg/esg-reports-and-publications/>

## Description of the principal adverse impacts on sustainability factors

See descriptions below table:

Table 1<sup>1</sup>

Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2026	Impact 2025	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period	
Climate and other environment-related indicators							
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	0	0	tCO <sub>2</sub> e		NA
		Scope 2 GHG emissions	Location Based: 2,058 Market Based: 1,443	Location Based: 2,259 Market Based: 1,358	tCO <sub>2</sub> e	<p>Scope 2 emissions reflect electricity purchased across the portfolio. The reporting methodology includes both location-based and market-based emissions calculations, in line with GHG Protocol best practices. The market-based emissions reflect the portfolio's renewable energy usage, as a significant portion of the portfolio uses renewable energy that does not incur emissions.</p> <p>The location-based figure provides an alternative perspective as it reflects the comprehensive energy consumption data captured across assets this year, regardless of renewable attributes. The market-based calculation accounts for renewable energy procurement, aligning with the organization's ongoing commitment to increasing renewable electricity usage across the portfolio as part of a broader decarbonization strategy.</p> <p>The drop in Scope 2 location-based emissions is attributed to the decrease in electricity consumption. While the increase in Scope 2 market-based emissions is driven by the change of energy suppliers which resulted in a change in the emission factors allocation.</p>	Import data will continue to be collected, options for sourcing more renewable energy are being explored.
		Scope 3 GHG emissions	4,722	17,875.00	tCO <sub>2</sub> e	<p>The significant decrease in Scope 3 emissions between reporting periods is primarily attributed to the drop in construction and supply chain emissions associated with Santarém asset (210 MWp) were fully recognized in the year ended March 2025. The construction emissions in the current reporting period reflects only on NESF's investment in NEIII (NextEnergy III). The supply chain and installation emissions associated with the repowering of one asset under NESF (4.7 MWp) were also recognised in the current reporting period.</p> <p>The followed methodology recognises construction and supply chain emissions at a single point in time when the project reaches its first generation date. This approach uses the installed capacity (MWp) of each asset to calculate the associated emissions.</p>	The investment advisor and asset manager are actively engaged in improving data quality from suppliers.
		Total GHG emissions	Location Based: 6,779 Market Based: 6,165	Location Based: 20,134 Market Based: 19,233	tCO <sub>2</sub> e	The overall decrease in total emissions between reporting periods is predominantly driven by the significant reduction in Scope 3 emissions. This decrease is directly associated with construction and supply chain emissions as explained above.	NA

1 Individual figures are rounded and may not sum to totals

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact 2026	Impact 2025	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period
2. Carbon footprint	Carbon Footprint	Location Based: 11.24 Market Based: 10.22	Location Based: 25.05 Market Based: 23.93	tCO <sub>2</sub> e per €M	The carbon footprint metrics are presented using both location-based and market-based methodologies, enhancing transparency in emissions reporting. This approach aligns with evolving best practices in sustainability disclosure. The carbon footprint figures reflect the portfolio's current operational profile, with the decrease resulting from the reduction in total emissions.	NA
3. GHG intensity of investee companies	GHG intensity of investee companies	Location Based: 52.21 Market Based: 47.77	Location Based: 250.25 Market Based: 241.96	tCO <sub>2</sub> e per €M	The GHG intensity has been calculated to reflect on total emissions while taking into account both location-based and market-based emissions. The decrease in this metric is resulting from the reduction in total emissions.	NA
4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0	0		The investment strategy is focused on assets that produce renewable energy.	NA
5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.98%	0.53%	%	While the portfolio continues to produce renewable energy with electricity generation significantly exceeding consumption, the increase in this metric is driven by higher fuel energy consumption associated with land-based business travel activities.	The strategy will continue, options for sourcing renewable import electricity are being explored.
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	0.06	0.04	GWh per €M	The increase in this metric is driven by higher fuel energy consumption associated with land-based business travel activities. This indicator provides valuable insights into the fund's development.	NA



Indicators applicable to investments in investee companies							
Adverse sustainability indicator	Metric	Impact 2026	Impact 2025	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period	
Indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0	0	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0	0	%	The Company applies these policies, with a particular focus on supply chain. The investee companies themselves are SPVs holding assets and have no employees.	NA
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0	0		The Company has no employees. It invests in SPVs which hold solar assets. The operations are outsourced to third-party contractors.	NA
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	47%	45%	%	Investee companies are SPVs holding assets, these are not operational trading companies.	NA
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0	0	%	Investments are all in clean energy projects.	NA

Other indicators for principal adverse impacts on sustainability factors

**Table 2**

Additional climate and other environment-related indicators							
Adverse sustainability indicator	Metric	Impact 2026	Impact 2025	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies							
Climate and other environment-related indicators							
Water, waste and material emissions	6. Water usage and recycling	1. Average amount of water consumed by the investee companies (in cubic meters) per million EUR of revenue of investee companies	67.67	14.13	m3 per €M	The increase in this metric is driven by higher water use reported across assets and improved data coverage.	Opportunities for recycling water are being explored, as are alternatives to using water.
		2. Weighted average percentage of water recycled and reused by investee companies	0	0	%	Water recycling and reuse systems are not implemented across the portfolio's assets due to their operational nature and minimal water requirements.	
	7. Investments in companies without water management policies	Share of investments in investee companies without water management policies	0	0	%	Coverage for this indicator is limited.	
	8. Exposure to areas of high water stress	Share of investments in investee companies with sites located in areas of high water stress without a water management policy	0	0	%	Coverage for this indicator is limited for sites located in high water stress areas in the current year.	

### Table 3

Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters							
Adverse sustainability indicator	Metric	Impact 2026	Impact 2025	Unit	Explanation	Actions taken and actions planned and targets set for the next reference period	
Indicators applicable to investments in investee companies							
Social and employee matters	1. Investments in companies without workplace accident prevention policies	Share of investments in investee companies without a workplace accident prevention policy	0	0	%	The investee companies are SPVs with no employees.	NA
	2. Rate of accidents	Rate of accidents in investee companies expressed as a weighted average	0	0		No accidents reported in the year.	NA
	3. Number of days lost to injuries, accidents, fatalities or illness	Number of workdays lost to injuries, accidents, fatalities or illness of investee companies expressed as a weighted average	0	0		No accidents reported in the year.	NA
	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	0	0	%	The investee companies are SPVs to hold assets but suppliers are subject to procurement policies from the ultimate parent. When opportunities arise to re-tender O&M contracts, as part of the process, the company aims to ensure new O&Ms adhere to the supplier Code of conduct.	NA

## Description of policies to identify and prioritise principal adverse impacts on sustainability factors

The Board has established an ESG Committee, which is Chaired by Josephine Bush who has an extensive experience in sustainable finance.

- a. The Board approved the Sustainable Investing Policy in 2019.
- b. Since it was established the ESG Committee has oversight of this policy with operational implementation delegated to NextEnergy Capital.
- c. The indicators in Table 2 and 3 have been assessed based on their materiality. That is the likelihood and severity of occurrence. This process included an assessment of the asset lifecycle, from supply chain through operational life and end of life.
- d. The assessment is inherently judgmental in nature which incorporates a margin of error. Feedback from stakeholders will be taken into account when reviewing this selection and amendments made in future reporting cycles if required.
- e. Data is challenging on a number of metrics because it is primarily provided by third party operations and maintenance contractors. Additional data was available from the asset manager.

Data received from third-party contractors was assessed for quality. Anomalies were queried with providers. Estimates were used on data gaps using the data that was

available as a proxy (converting this into an intensity metric and applying to relevant activity).

## Engagement Policies

The investments are infrastructure assets. Engagement is primarily focused on operations and maintenance contractors to adopt more efficient and sustainable operations (using less fuel and less water are focus areas).

Supply chain is the other major area of focus for new sites under construction or parts for repairs. The engagement focus is on human rights and climate risk.

## Reference to international standards

As an Article 9 fund with a sustainable investment objective the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises are adhered to.

- a. Indicators 10 and 11 in Table 1 are key to ensuring compliance with these frameworks.
- b. As there is direct control over the infrastructure assets full coverage can be obtained. Extensive work is undertaken to collect data from contractors and suppliers but this has inherent limitations in completeness and accuracy.
- c. Climate scenarios are not used in the indicators but they are considered as part of the TCFD/ISSB reporting, publically available.

## Historical comparison

For this reporting cycle, the methodology remains consistent with the prior year. Greenhouse gas emissions continue to include supply chain emissions, estimated using an emission factor that encompasses cradle-to-gate plus transport and installation processes of solar panels for sites reaching first generation during this period. Scope 2 emissions are again presented in both location-based and market-based formats in accordance with GHG Protocol standards, with the market-based calculation reflecting renewable energy procurement decisions and the location-based figure providing visibility into underlying grid electricity consumption. Compared to the previous reporting year, total GHG emissions dropped significantly, driven by a reduction in the total capacity of solar assets being constructed during this period. Data collection processes remain comprehensive, with continued reliance on estimation approaches for operations and maintenance activities where third-party data provision poses challenges.

\* Note that NESF reports on the relevant PAIs impacts for Table 2, which begin with impact 6.



ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: NextEnergy Solar Fund (“NESF”) 213800ZPHCBDDSQH5447

Legal entity identifier:

Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Did this financial product have a sustainable investment objective?**

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>No</b>
<input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: 82% <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

To what extent was the sustainable investment objective of this financial product met?

NESF (“the fund”) is a listed solar investment fund, which is currently active both in the acquisition of solar PV assets on the secondary market, as well as investing in solar PV assets that are under development (e.g., at the stage of origination, project planning or construction) when acquired.

The fund's sustainable investment objective is:

- To substantially contribute to the environmental objective of climate change mitigation within the meaning of the EU Taxonomy regulation.





This fund's objective contributes to the Article 9 qualification, under “economic activities that qualify as environmentally sustainable under the EU Taxonomy” and more specifically, qualifies as contributing substantially to climate change mitigation.

NESF substantially contributes to climate change mitigation by avoiding fossil fuel use and associated CO<sub>2</sub>e emissions to the atmosphere.

NESF’s integration of environmental, social and governance (ESG) factors is driven by the fund’s alignment with the Investment Adviser’s Sustainable Investment Policy (SIP) and its underlying standards. The SIP refers to alignment with the UN Principle of Responsible Investors (PRI), the Equator Principles (EP), IFC Performance Standards (IFC PS), UN Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and general industry best practice. ESG factors are integrated through a due diligence process that seeks to apply these standards to each acquisition, in particular regarding biodiversity, climate, water, community engagement, working conditions, health and safety, and supply chain risks, among others.

Furthermore, NESF integrates the NextEnergy Group’s Sustainable Investment Policy’s methodologies into its investment decision-making processes, to further enhance and strengthen the consideration of ESG factors.

Monitoring of progress against the sustainable investment objectives is primarily based on the calculation of GHG emissions and fossil fuel volume avoided by utilization of the solar assets and their output in MW. Data can be used to create forecasts or can be based on actual historic power output data to provide GHG emission and fossil fuel avoided figures.

The positive impacts of the NESF biodiversity commitments are also being monitored with the intent to include the contribution toward climate change mitigation within future NESF reports.

● *How did the sustainability indicators perform?*

The table below presents the sustainability indicators for the reporting period from April 1<sup>st</sup> 2025 to March 31<sup>st</sup> 2026.

Metric	Units	FY 2025 - 2026
Scope 1	tCO <sub>2</sub> e	0
Scope 2 (Location Based)	tCO <sub>2</sub> e	2,058
Scope 2 (Market Based)	tCO <sub>2</sub> e	1,443
Scope 3	tCO <sub>2</sub> e	4,722
Carbon Footprint (Location Based)	tCO <sub>2</sub> e/€m of value invested	11.24
Carbon Footprint (Market Based)	tCO <sub>2</sub> e/€m of value invested	10.22

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.



GHG Intensity (Location Based)	tCO <sub>2</sub> e/€m of revenue	52.21
GHG Intensity (Market Based)	tCO <sub>2</sub> e/€m of revenue	47.77
GHG Avoided	ktCO <sub>2</sub> e	275.58
NO <sub>x</sub> Avoided	tonnes	523.64
SO <sub>x</sub> Avoided	tonnes	154.09
PM <sub>2.5</sub>	tonnes	72.69
PM <sub>10</sub>	tonnes	103.64
Fossil Fuels avoided	ktoe <sup>1</sup>	87.43

The Fund has evaluated its Principal Adverse Impact (PAI) Indicators for the reporting period in accordance with EU Regulation 2022/1288. The Fund's Scope 1, 2, and 3 emissions are derived by aggregating the emissions of all investee companies, adjusted to reflect the Fund's equity share and debt in each project. GHG emissions were calculated in line with the Greenhouse Gas Protocol.

As indicated in the table, up to 276 ktCO<sub>2</sub>e of emissions and up to 87kt of oil equivalent have been avoided in the reporting period.

● *...and compared to previous periods?*

The table below presents the performance of the sustainability indicators across the previous reporting periods.

Metric	Units	FY 2023-2024	FY 2024-2025
Scope 1	tCO <sub>2</sub> e	0	0
Scope 2 (Location Based)	tCO <sub>2</sub> e	1,395	2,259
Scope 2 (Market Based)	tCO <sub>2</sub> e	N/A	1,358
Scope 3	tCO <sub>2</sub> e	31,439	17,875
Carbon Footprint (Location Based)	tCO <sub>2</sub> e/€m of value invested	37.01	25.05
Carbon Footprint (Market Based)	tCO <sub>2</sub> e/€m of value invested	N/A	23.93
GHG Intensity (Location Based)	tCO <sub>2</sub> e/€m of revenue	13,943	250.25
GHG Intensity (Market Based)	tCO <sub>2</sub> e/€m of revenue	N/A	241.96
GHG Avoided	ktCO <sub>2</sub> e	279.33	286.94
NO <sub>x</sub> Avoided	tonnes	254.78	546.3

<sup>1</sup> Unit of ktOE represents kilotonnes oil equivalent



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

SO <sub>x</sub> Avoided	tonnes	471.24	164.56
PM <sub>2.5</sub>	tonnes	21.78	76.67
PM <sub>10</sub>	tonnes	5.31	109.22
Fossil Fuels avoided	ktoe	88.62	91.04

The investee companies are special purpose vehicles (SPVs) that hold solar PV projects and complementary technologies (energy storage projects). The construction and operation of these are outsourced to third parties, so no Scope 1 emissions are incurred.

Overall GHG emissions avoided slightly decreased by 11.36 ktCO<sub>2</sub>e (approximately 4%), from 286.94 ktCO<sub>2</sub>e in FY 2024-2025 to 275.58 ktCO<sub>2</sub>e in FY 2025-2026. This is primarily attributable to lower energy generation during this reporting period.

● *How did the sustainable investments not cause significant harm to any sustainable investment objective?*

NESF’s investment decision-making process ensures that investments not only contribute to climate objectives, but also cause no significant harm to other environmental objectives as defined by the EU Taxonomy. They are conducted in accordance with minimum safeguards on matters such as social responsibility, human rights and labour conventions. A robust due diligence process captures all the relevant key risks associated with the Solar PV industry. The risks are aligned with the Do No Significant Harm (DNSH) approach of the Taxonomy (with extension beyond).

In the event that any risks were identified, these were captured/recorded and either mitigated or the transactions were halted and not progressed.

From a climate change mitigation perspective, NESF substantially contributes to the objective by avoiding CO<sub>2</sub>e emissions to the atmosphere and fossil fuel use. NESF consistently reports the amount of CO<sub>2</sub>e avoided year on year through its publicly available [Sustainability Report](#).

For more information on the NextEnergy Capital/NESF due diligence process, please refer to the ESG Disclosure document on the [NESF](#) and [NextEnergy Capital website](#).

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

NESF predominantly invests in utility-scale solar PV assets and complementary technologies, such as energy storage assets, and the investment decision is based on the outcome of due diligence which includes ESG adverse impacts as explained above. The due diligence process, as detailed in the Sustainable



Investment Policy and NESF ESG Disclosure document, reviews all aspects of the asset(s) and counterparties (seller, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption, etc.) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. Cost for implementation of ESG actions are also allocated into the financial model to ensure capital can be deployed for these activities during the lifetime of the asset.

Post-acquisition of the assets, all relevant contractors who construct or operate the asset are required to provide their ESG Key Performance Indicators (KPIs). These include resource consumption, GHG Scope 1, 2, and 3 emissions, health and safety, biodiversity, diversity, and other relevant ESG indicators at the asset level. A full set of KPIs related to PAI has been developed consistently with the requirements of Table 1, Annex 1 of the Commission Delegated Regulation 2022/1288.

Further details on the reporting and KPI approach can be found in the NESF ESG Disclosure document on the [NESF](#) and [NEC](#) websites.

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. NESF has a strong Sustainable Investment Policy and Human Rights Position Statement aligning with the associated requirements of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. In addition, NESF complies with the UK Modern Slavery Act and publishes an [MSA Statement](#) accordingly. NESF policies require NESF to perform due diligence on both its own activities and its business relationships with the objective of acting upon any findings.

For more information, please refer to the Human Rights Position Statement on [NextEnergy Capital's website](#), and related documents such as the [NextEnergy Capital Responsible Supply Chain Approach](#). Additionally, please refer to the NESF website for the latest version of the UK Modern Slavery Act Statement ([NESF Modern Slavery Statement](#)).



## How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.



As per the Sustainable Investment Policy and other governing documents, NESF's sustainability approach is based on a four-step approach: identify, manage, report and engage. If, during the due diligence process, a PAI is identified, it is managed and reported internally to the Investment Committee for further consideration. Where possible, mitigation actions are put forward through specific action plans, which are implemented and monitored during the ownership phase. In addition, NESF reports on specific KPIs which are aligned with Table 1 of Annex I of the Regulatory Technical Standard, as well as additional KPIs aligned with material considerations from external standards, such as TNFD.

Further details on the reporting and KPI approach can be found in the ESG Disclosure document on the [NESF](#) and [NEC website](#).



### What were the top investments of this financial product?

The list below includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period:

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period FY 2025 (1st April 2025 – 31st March 2026).

Largest Investments	Sector	% Assets	Country
Apollo Portfolio	Solar PV	22.82%	UK
Radius Portfolio	Solar PV	7.85%	UK
Investment in NextEnergy III	Solar PV	7.27%	Global
Lapwing BESS (Eel JV)	Solar PV	7.19%	UK
13 Kings	BESS	4.85%	UK
The Grange	Solar PV	4.49%	UK



### What was the proportion of sustainability-related investments?

As at NESF financial year end (31 March 2026), the portfolio allocation of the Fund was:

- Excluding cash holdings, all (100%) investments were sustainability-related.

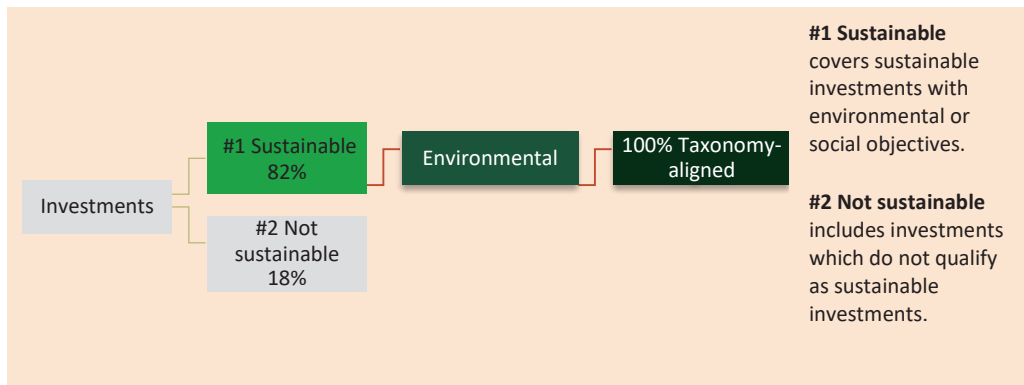
**Asset allocation** describes the share of investments in specific assets.



When including its cash holdings, required for liquidity and injection into new assets, 82% of the Fund’s Portfolio Valuation was sustainability-related. For the avoidance of doubt, the allocation in the graph below takes into account the cash holding.

- 18% of the Fund’s Portfolio Valuation was held in cash, bank deposits and other cash equivalents for liquidity purposes, and held at an A+ credit-rated financial institution.

● *What was the asset allocation?*



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

● *In which economic sectors were the investments made?*

The investments were made in the renewable energy sector.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

100% of the sustainable investment with an environmental objective made by NESF is aligned with the EU Taxonomy. All sustainable investments:

- Substantially contribute to climate mitigation through the generation of clean energy and avoidance of GHG emissions and fossil fuel;
- Do not do significant harm to the other environmental objectives of the taxonomy and
- Meet minimum social safeguards.



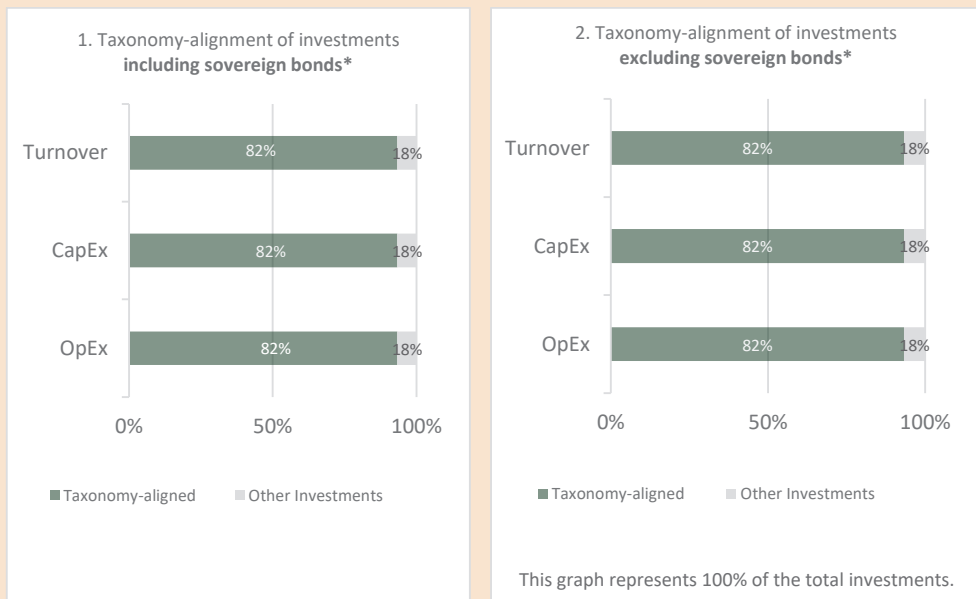
● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>2</sup>?

- Yes:
  - In fossil gas
  - In nuclear energy
- No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

● What was the share of investments made in transitional and enabling activities?

<sup>2</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



The share of investments made in enabling activities was 11.69% of total investment as at 31 March 2026, which is related to NESF's battery investment value.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

All sustainable investments of the Fund have been, and continue to be, aligned with the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund solely invests in renewable energy assets and commits to Taxonomy-aligned investments. The share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is therefore 0%.



**What was the share of socially sustainable investments?**

0%. The Fund does not hold investments that would be considered to be socially sustainable investments.



**What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

Excluding cash holdings, 100% of the investments of the Fund were sustainable.

Including cash holdings, 18% of the investments are not sustainable. These “investments” are all composed of cash and cash equivalents, which are for liquidity purposes and held at an A+ credit rated financial institution. A portion of the cash holdings are pre-allocated to the assets that are under construction, and will steadily be injected into the assets over time as construction progresses.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

As a key part of its strategy, NESF only invests in solar and BESS assets, and this is laid out in the Fund prospectus. It does not invest in other asset classes. Solar and BESS assets are classes as sustainable investments as they align with the EU Taxonomy i.e. the climate change mitigation objective, the DNSH criteria and the minimum safeguards. By following its mandate and internal governance, it ensures that its approaches are consistently aligned with the sustainable investment objective.



How did this financial product perform compared to the reference sustainable benchmark?

NESF has not designated a specific index as a reference sustainable benchmark.

- *How did the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

N/A

- *How did this financial product perform compared with the reference benchmark?*

N/A

- *How did this financial product perform compared with the broad market index?*

N/A

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

# Corporate Information

## The Company

### NextEnergy Solar Fund Limited

Registered Office:  
Floor 2  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 4LY

Registered no.: 57739  
LEI: 213800ZPHCBDDSQH5447  
Ordinary Share ISIN: GG00BJ0JVY01  
Ordinary Share SEDOL: BJ0JVY0  
London Stock Exchange Ticker: NESF  
Website: [www.nextenergysolarfund.com](http://www.nextenergysolarfund.com)

## Directors

Tony Quinlan, Chair (appointed 3 December 2025)  
Josephine Bush  
Jo Peacegood  
Paul Le Page  
Caroline Chan  
(All Non-Executive and Independent)

## Investment Manager

### NextEnergy Capital IM Limited

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Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3PP

## Investment Adviser

### NextEnergy Capital Limited

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Mayfair  
London W1K 3JS

## Asset Manager

### WiseEnergy

75 Grosvenor Street  
Mayfair  
London W1K 3JS

## Company Secretary and Administrator

### Ocorian Administration (Guernsey) Limited

Floor 2  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 4LY

## Independent Auditor

### KPMG Audit Limited (formerly KPMG Channel Islands Limited)

Gategny Court  
Gategny Esplanade  
St Peter Port  
Guernsey GY1 1WR

## Registrar

### MUFG Corporate Markets (Guernsey) Limited

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St Sampson  
Guernsey GY2 4LH

## Legal Advisers

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London  
EC2M 7SH

As to Guernsey Law

### Carey Olsen (Guernsey) LLP

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## Joint Broker

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## Joint Broker and Sponsor

### Cavendish Corporate Finance

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London  
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## Media and Public Relations Adviser

### H/Advisors Maitland

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London  
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**SOLAR FUND**

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