ANNEX V

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: NESF ("NextEnergy Solar Fund") **Legal entity identifier:** 213800ZPHCBDDSQH5447

Sustainable investment 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?

☒ **Yes**	☐ **No**
☒ It made **sustainable investments with an environmental objective:**	☐ 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
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The fund's pre-contractual disclosure (Annex III) set a target of 100% sustainable investments with an environmental objective. The environmental objective is "Climate Change Mitigation" and aligns with the EU Taxonomy definitions.

As at 31st March 2025, NESF investments into its assets remained 100% sustainable in the reporting period. All investments were aligned with the requirements of the Annex III and the EU Taxonomy. This excludes cash holdings.

Cash holdings for the reporting period are maintained for liquidity and sustainable asset construction only. Including cash holdings as at 31 March 2025 would give 93.7% sustainable investment.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

How did the sustainability indicators perform?

The table below provides historical performance indicators (GHG emission avoided) up to the current reporting year.

Metric	Units	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
GHG Avoided	$ktCO_2e$	328.7	363.0	279.33*	286.94
Fossil Fuels avoided	Kilotonnes of oil equivalent (ktoe)	142.8	160.3	88.62*	91.04
	Millions of barrels	1.0	1.2	0.7*	0.67

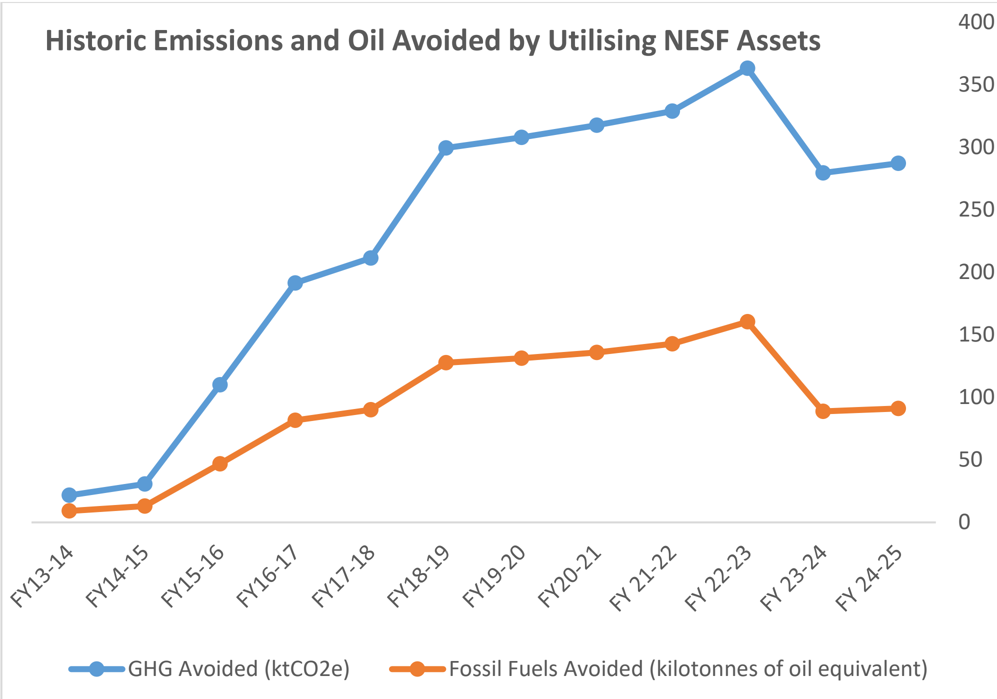
The latest numbers are based on actual renewable electricity generation (MWh) in the NESF financial year (i.e. 1st April 2024 to 31st March 2025) .

As indicated in the table, up to 287ktCO2e of emissions and up to 91kt of oil equivalent has been avoided in the reporting period. These figures are equity and debt adjusted.

** Please note- the drop in emissions avoided from FY22-23 to FY23-24 is attributable to a change in the emissions avoided methodology*

...and compared to previous periods?

Historical data includes data from the 2014 financial year onwards. This can be seen in the graph below:



As demonstrated in the graph, annual emissions avoided and fossil fuel use avoided remains high and summarizes the contribution of the NESF assets toward climate change mitigation.

Please note: the drop in emissions avoided from FY22-23 to FY23-24 is attributable to a change in the emissions avoided methodology.

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.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

NESF's investment decision-making process ensures that investments do not only contribute to climate objectives, but also cause no significant harm to other environmental objectives as defined by the EU taxonomy. They are conducted in accordance with minimum safeguards on matters such as social responsibility, human rights and labour conventions. A robust due-diligence process captures all the relevant key risks associated with the Solar PV industry. The risks are aligned with the Do No Significant Harm (DNSH) approach of the Taxonomy (with extension beyond).

In the event that any risks were identified, these were captured/recorded and either mitigated against or the transactions were halted and not progressed.

From a climate change mitigation perspective, NESF substantially contributes to the objective by avoiding CO2e emissions to atmosphere and fossil fuel use. NESF reports the amount of CO2e avoided consistently year on year.

For more information on the NEC/NESF due-diligence process, please refer to the ESG Disclosure document on the NESF and NEC websites.

How were the indicators for adverse impacts on sustainability factors taken into account?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.

NESF predominantly invests in utility-scale solar PV assets and complementary technologies, such as energy storage assets, and the investment decision is based on the outcome of due diligence which includes ESG adverse impacts as explained above. The due diligence process, as detailed in the Sustainable Investment Policy and NESF ESG Disclosure document, reviews all aspects of the asset(s) and counterparties (seller, contractors, and suppliers) and the associated adverse impacts (including environmental, social and employee, human rights, anti-corruption etc.) during the pre-investment stage. When gaps are identified, mitigation measures are proposed, and action plans are agreed during the approval process. Cost for implementation of ESG actions are also allocated into the financial model, to ensure capital can be deployed for these activities during the lifetime of the asset.

Post-acquisition of the assets, all relevant contractors who construct or operate the asset are required to provide their ESG Key Performance Indicators (KPI). These include resource consumption, GHG scope 1, 2, and 3 emissions, health & safety, biodiversity, diversity, and other relevant ESG indicators at the asset level. A full set of KPI's related to PAI has been developed consistently with the requirements of Table 1, Annex 1 of the Commission Delegated Regulation 2022/1288.

Further details on the reporting and the KPI approach can be found in the NESF ESG Disclosure document on the NESF and NEC websites.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. NESF has a strong Sustainable Investment Policy and Human Rights Position Statement aligning with the associated requirements of OECD Guidelines for Multinational Enterprises and the UN Guiding Principles. In addition, NESF complies with the UK Modern Slavery Act and publishes an MSA Statement accordingly. NESF policies require NESF to perform due diligence on both its own activities and its business relationships with the objective of acting upon any findings.

For more information, please refer to the Human Rights Position Statement on NextEnergy Capital's website, and related documents such as the NextEnergy Capital Responsible Supply Chain Approach. Additionally, please refer to NESF website for the latest version of the UK Modern Slavery Act Statement (NESF Modern Slavery Statement).

How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts (PAI) are considered throughout all stages of the investment process.

As per the Sustainable Investment policy and other governing documents, NESF's sustainability approach is based on a four-step approach: identify, manage, report and engage. If, during a due diligence process, a PAI is identified, it is managed and reported internally to the Investment Committee for further considerations. Where possible, mitigation actions are put forward through specific action plans which are implemented and monitored during the ownership phase. In addition, NESF also reports annually on specific KPIs which are aligned with Table 1 of Annex I of the Regulatory Technical Standard, as well as additional KPIs aligned with material considerations from external standards, such as TNFD.

Further details on the reporting and KPI approach can be found in the NESF ESG Disclosure document on the NESF and NEC websites.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: FY 2025 (1st April 2024 – 31 March 2025)

What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
Apollo Portfolio	Solar PV	21.37%	UK
Radius Portfolio	Solar PV	7.21%	UK
Investment in NextPower III ESG	Solar PV	6.19%	Global
13 Kings	Solar PV	5.96%	UK
Lapwing BESS (Eel JV)	BESS	5.50%	UK
The Grange	Solar PV	4.32%	UK

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

As at NESF financial year end (31 March 2025), the portfolio allocation of the Fund was:

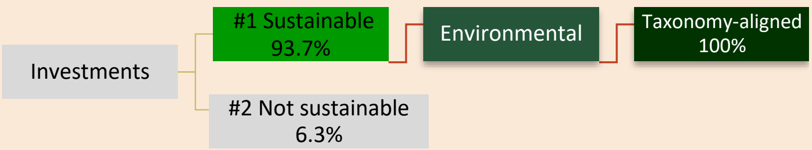
- Excluding cash holdings, all (100%) investments were sustainability related.

  When including its cash holdings, required for liquidity and injection into assets under construction, 93.7% of the Fund's Portfolio Valuation was sustainability related For the avoidance of doubt, the allocation in the graph below takes into account the cash holding.

- 6.3% of the Fund's Portfolio Valuation was held in cash, bank deposits and other cash equivalents for liquidity purposes, and held at an A+ credit-rated financial institution.

What was the asset allocation?

[Include only relevant boxes, remove irrelevant ones for the financial product]



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

The investments were made in the renewable energy sector.

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

100% of the sustainable investment with an environmental objective made by NESF is aligned with the EU Taxonomy. All sustainable investments:

i) Substantially contribute to climate mitigation objective through the generation of clean energy and avoidance of GHG emissions and fossil fuel

ii) Do not do significant harm to the other environmental objectives of the taxonomy and

iii) Meet minimum social safeguards.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

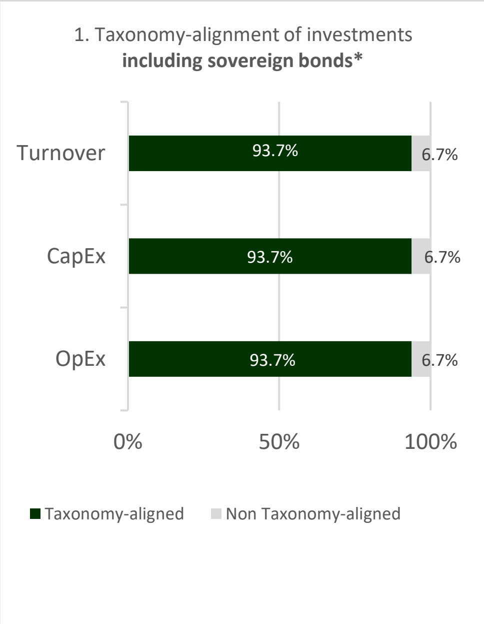
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

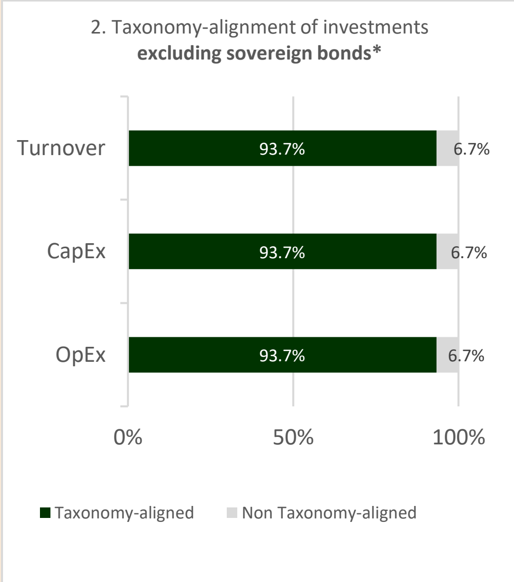
☐ Yes: *[specify below, and details in the graphs of the box]*

☐ In fossil gas ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





This graph represents x% of the total investments.

* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Excluding cash holdings, 100% of the investments are taxonomy aligned and sustainable.

For the avoidance of doubt, the allocation in the graph above takes into account the cash holding.

None of investments made are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

- *What was the share of investments made in transitional and enabling activities?*

Standalone battery storage investment- 9.4% of total investment

- *How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?*

During previous reporting periods, all (100%) investments were aligned with the EU Taxonomy. It has therefore remained consistent (unchanged).

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

0%. The Fund solely invests in renewable energy assets and commits to Taxonomy-aligned investments. The share of sustainable investments with an environmental objective that are not aligned with EU Taxonomy is 0%.

What was the share of socially sustainable investments?

0%

What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Excluding cash holdings, 100% of the the investments of the Fund were sustainable.

Including cash holdings, 6.3% of the investments are not sustainable. These “investments” are all composed of cash and cash-equivalents, which are for liquidity purposes and held at an A+ credit rated financial institution. A portion of the cash holdings are pre-allocated to the assets that are under construction, and will steadily be injected into the assets over time as construction progresses.

What actions have been taken to attain the sustainable investment objective during the reference period?

As a key part of its strategy, NESF only invests in solar and BESS assets, and this is laid out in the fund prospectus. It does not invest in other asset classes. Solar and BESS assets are classed as sustainable investments as they align with the EU Taxonomy i.e. the climate change mitigation objective, the DNSH criteria and the minimum safeguards. By following its mandate and internal governance, it ensures that its approaches are consistently aligned with the sustainable investment objective.

How did this financial product perform compared to the reference sustainable benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

NESF has not designated a specific index as a reference sustainable benchmark.

- *How did the reference benchmark differ from a broad market index?*

N/A

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

  N/A

- *How did this financial product perform compared with the reference benchmark?*

  N/A

- *How did this financial product perform compared with the broad market index?*

  N/A

Published 16th June 2025