



Attractive and sustainable returns from US solar power

Quarterly Update | 30 September 2023

Third Quarter Update

USF Quarter Highlights

- **NAV update:** USF's NAV at 30 June 2023 was \$284.2 million or \$0.855 per Ordinary Share. Adjusting for cash flows during the period, the unaudited NAV at 30 September 2023 is \$286.3 million or \$0.862 per Ordinary Share, 0.7% higher than the 30 June 2023 NAV.
- **Dividend announced:** With this update, US Solar Fund plc (USF, or the Company) announces its Q3 2023 dividend of 1.54 cents per Ordinary Share. The dividend will be paid on 5 January 2024 to Shareholders on the register as at the close of business on 15 December 2023. The ex-dividend date is 14 December 2023. The target annual dividend for 2023 is 5.66 cents per Ordinary Share. In line with previous years, the Company expects to declare modestly lower quarterly dividends in the first and second quarters and slightly higher quarterly dividends in the third and fourth quarters due to the cash flow profiles of the assets.
- **Dividend paid:** The Company paid its Q2 2023 dividend of 1.29 cents per Ordinary Share on 27 October 2023. The dividend was consistent with the Company's target full year dividend of 5.66 cents per Ordinary Share.
- **Dividend cover:** Dividend cover for the twelve months to 30 September 2023 was 1.25x, inclusive of cash flow reserve carried forward and the gain on the sale of MS2. The forecast coverage for the full 2023 year is 1.09x.
- **Investment Manager Update:** The Company announced in August that Amber Infrastructure Group (Amber) had been selected to replace New Energy Solar Manager (NESM) as the Company's Investment Manager. Amber is a specialist international infrastructure investment manager with approximately £5 billion of funds under management, including a leading track record built over the past 15 years in UK investment company management. On 17 November, a General Meeting was held and a resolution was passed approving changes to the Investment Policy. The Board also confirmed that the approval satisfied conditions to appoint Amber as the new Investment Manager. Amber and NESM are working together to ensure a smooth transition of the investment manager role, with a target transition date of 1 December 2023.

- **New Renewable Energy Certificate (REC) Agreements Signed:** Prior to the publication of this update, six of USF's Oregon projects (Chiloquin, Turkey Hill, Merrill, Lakeview, Dairy and Tumbleweed) signed new long-term contracts to sell RECs. The cashflows resulting from the new REC contracts will be included in the calculation of USF's NAV as at 31 December 2023 and will be announced to the market following consultation with the Company's independent valuation consultant.

Table 1: Underlying Operating Cash Flows and Dividend Cover (unaudited)

| | 12 Months to 30 September 2023 \$'m (unless stated) |
|--|--|
| Project revenue | 48.4 |
| Project operating expenses | (13.5) |
| Payments to tax equity | (8.0) |
| Portfolio debt expenses | (11.0) |
| Project cash flows after debt service | 16.0 |
| Management fees | (3.2) |
| Corporate operating expenses | (2.4) |
| Revolver interest and fees | (0.3) |
| Underlying operating cash flows | 10.0 |
| Cash flow reserve carried forward | 5.4 |
| Gain on sale of MS2 | 7.9 |
| Total underlying cash flow | 23.2 |
| Dividends paid | 18.6 |
| Dividend cover (times) | 1.25x |

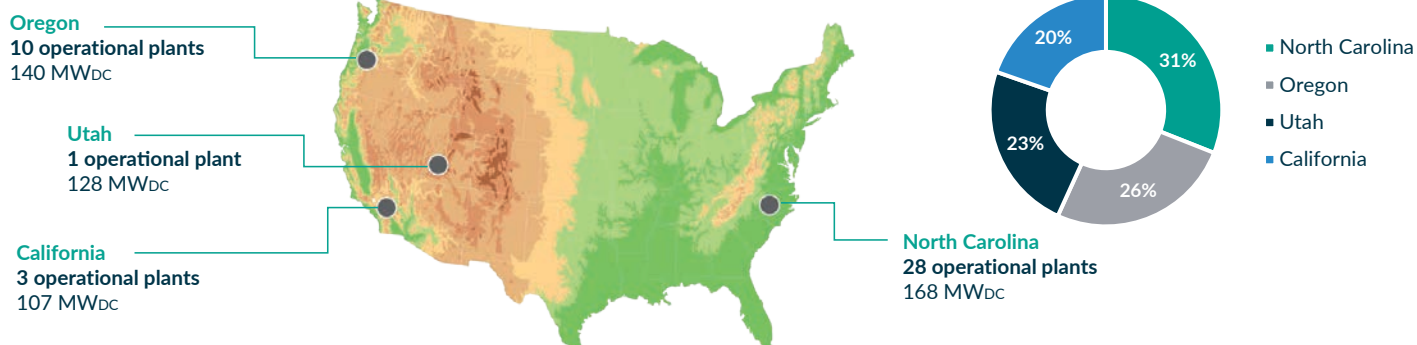
Third Quarter Update

KEY FINANCIAL FACTS AT 30 SEPTEMBER 2023

| | | |
|--|--------------|----------|
| Ordinary Shares Issued | 332,192,361 | |
| Ticker | USF (\$) | USFP (£) |
| Share Price | \$0.61 | £0.4845 |
| NAV (\$) ¹ | \$286.3m | |
| NAV/share (\$) ¹ | \$0.862 | |
| Premium (discount) to NAV ¹ | (29.2%) | |
| Market Cap (\$m) | \$202.6m | |
| Ongoing Charges | 1.39% | |
| Target Dividend Yield ^{2,3} | 5.66% | |
| Next Dividend ⁴ | January 2024 | |
| Target Net Total Return ⁵ | Min 7.5% | |

| | |
|---------------------|--|
| Listing: | London Stock Exchange Premium Segment |
| SEDOL | BJCWFX4 (\$) BHZ6410 (£) |
| ISIN | GB00BJCWFX49 |
| Registered Number: | 11761009 |
| Ticker: | LSE: USF (\$)/USFP (£) |
| Dividend Payments: | Quarterly |
| Financial Year End: | 31 December |
| Website: | www.ussolarfund.co.uk |

USF PORTFOLIO OVERVIEW⁶



¹ Based on the unaudited NAV as at 30 September 2023.

² Once fully operational and on a fully invested and geared basis.

³ The target annual dividend yield and target net total return are targets only and are not profit forecasts. There can be no guarantee that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results.

⁴ Q3 2023 dividend will be paid in January 2024.

⁵ Over the life of the solar power assets (expected to have a typical asset life of up to 40 years) net of all fees and expenses but before tax, on the basis of the IPO issue price, once the Company is fully invested.

⁶ Portfolio breakdown by state is by MW_{DC}.

Third Quarter Update

| Asset | Capacity (MW _{DC}) | Location | Acquisition Date | Energy Offtaker | Offtaker Credit Rating | Remaining PPA Length (Years) | COD |
|--------------------|------------------------------|----------------|------------------|---------------------------|------------------------|------------------------------|--------|
| Milford | 127.8 | Utah | Aug 19 | PacifiCorp | S&P: BBB+ | 22.2 | Nov 20 |
| Suntex | 15.3 | Oregon | Jun 20 | Portland General Electric | S&P: BBB+ | 7.8 | Jul 20 |
| West Hines | 15.3 | Oregon | Jun 20 | Portland General Electric | S&P: BBB+ | 7.8 | Jun 20 |
| Alkali | 15.1 | Oregon | Jun 20 | Portland General Electric | S&P: BBB+ | 7.9 | Jun 20 |
| Rock Garden | 14.9 | Oregon | Jun 20 | Portland General Electric | S&P: BBB+ | 7.9 | Jun 20 |
| Chiloquin | 14.0 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.2 | Jan 18 |
| Dairy | 14.0 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.1 | Mar 18 |
| Tumbleweed | 14.0 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.2 | Dec 17 |
| Lakeview | 13.7 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.1 | Dec 17 |
| Turkey Hill | 13.2 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.1 | Dec 17 |
| Merrill | 10.5 | Oregon | Mar 20 | PacifiCorp | S&P: BBB+ | 8.1 | Jan 18 |
| Lane II | 7.5 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 9.9 | Jul 20 |
| Pilot Mountain | 7.5 | North Carolina | Dec 19 | Duke Energy Carolinas | S&P: BBB+ | 9.9 | Sep 20 |
| Davis Lane | 7.0 | North Carolina | Mar 20 | Virginia Electric & Power | S&P: BBB+ | 9.3 | Dec 17 |
| Gauss | 7.0 | North Carolina | Mar 20 | Virginia Electric & Power | S&P: BBB+ | 9.9 | Oct 18 |
| Jersey | 7.0 | North Carolina | Mar 20 | North Carolina Electric | S&P: A- | 4.2 | Dec 17 |
| Sonne Two | 7.0 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 7.9 | Dec 16 |
| Red Oak | 6.9 | North Carolina | Mar 20 | Duke Energy Progress | S&P: BBB+ | 8.2 | Dec 16 |
| Schell | 6.9 | North Carolina | Mar 20 | Virginia Electric & Power | S&P: BBB+ | 8.2 | Dec 16 |
| Siler 421 | 6.9 | North Carolina | Mar 20 | Duke Energy Progress | S&P: BBB+ | 7.9 | Dec 16 |
| Cotten | 6.8 | North Carolina | Mar 20 | Duke Energy Progress | S&P: BBB+ | 8.1 | Nov 16 |
| Tiburón | 6.7 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 7.9 | Dec 16 |
| Monroe Moore | 6.6 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 7.9 | Dec 16 |
| Four Oaks | 6.5 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 7.1 | Oct 15 |
| Princeton | 6.5 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 7.0 | Oct 15 |
| Tate | 6.5 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 9.9 | Aug 20 |
| Freemont | 6.4 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 7.9 | Dec 16 |
| Mariposa | 6.4 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 8.0 | Sep 16 |
| S. Robeson | 6.3 | North Carolina | Jan 20 | Progress Energy | S&P: BBB+ | 3.8 | Jul 12 |
| Sarah | 6.3 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 6.7 | Jun 15 |
| Nitro | 6.2 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 6.2 | Jul 15 |
| Sedberry | 6.2 | North Carolina | Mar 20 | Duke Energy Progress | S&P: BBB+ | 7.9 | Dec 16 |
| Willard | 6.0 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 9.9 | Oct 20 |
| Benson | 5.7 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 9.9 | Aug 20 |
| Eagle Solar | 5.6 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 9.9 | Aug 20 |
| Granger | 3.9 | California | Mar 20 | San Diego Gas & Electric | S&P: BBB+ | 13.0 | Sep 16 |
| Valley Center | 3.0 | California | Mar 20 | San Diego Gas & Electric | S&P: BBB+ | 13.2 | Dec 16 |
| County Home | 2.6 | North Carolina | Mar 20 | Duke Energy Carolinas | S&P: BBB+ | 7.9 | Sep 16 |
| Progress 1 | 2.5 | North Carolina | Jan 20 | Progress Energy | S&P: BBB+ | 8.5 | Apr 12 |
| Progress 2 | 2.5 | North Carolina | Jan 20 | Progress Energy | S&P: BBB+ | 4.3 | Apr 13 |
| Faison | 2.3 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 6.5 | Jun 15 |
| Faison | 2.3 | North Carolina | Dec 19 | Duke Energy Progress | S&P: BBB+ | 7.0 | Jun 15 |
| Grand Total | 443.0 | | | | | 12.2 | |

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CORPORATE CALENDAR

| | |
|--|----------------------|
| Company Financial Year-End | December 2023 |
| Annual Financial Results, NAV and Dividend | March 2024 |
| Annual General Meeting | May 2024 |
| 1Q24 Dividend and NAV Update | May 2024 |
| Financial Half-Year | June 2024 |

DISCLAIMER

This Quarterly Update (**Update**) has been prepared by the Investment Manager of US Solar Fund. An investment in US Solar Fund is subject to various risks, many of which are beyond the control of its Investment Manager. The past performance of US Solar Fund is not a guarantee of its future performance. This Update contains statements, opinions, projections, forecasts and other material (forward-looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. Neither the Investment Manager nor US Solar Fund, their respective officers, employees, agents, analysts or advisers nor any other person named in this Update makes any representation as to the accuracy or likelihood of fulfillment of the forward-looking statements or any of the assumptions upon which they are based. Unless otherwise specified, all references to currency are to US dollars. Due to rounding, numbers presented in this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.